

Disrupt-it-Yourself

Eight ways to Hack a Better Business – Before the Competition Does

A book excerpt by Mobius Senior Expert Simone Ahuja



Mobius Senior Expert and author Simone Ahuja is a leading authority on innovation and was recently shortlisted by Thinkers50 as one of the most influential thinkers of our time. We are delighted to share this excerpt from her latest book and to welcome her as faculty to this year's Next Practice Institute where she will give a keynote address on what it takes to innovate inside large organizations. To learn more about Simone's work please visit the Next Practice Institute Resources section of the website.

FROM THE FOREWORD

Achieving longevity and sustainable success in this era requires new collaborative leadership models, new skills, and new cultural attributes. I envision a near future where the difference between business leaders who understand and actualize this and those who don't will be the defining factor in the sustainability of legacy companies. This doesn't, however, mean turning everyone in your company into an innovation expert and dismantling what has made your organization successful. As Simone Ahuja argues in *Disrupt-It-Yourself*, it means taking the unique aspects of your company and culture and putting them to work.

Intrapreneurship, as Ahuja calls it, is no small task. When the topic is raised, many experts are right to consider the dangers of a company's "immune system" kicking in and essentially kicking out new ways of thinking and acting. It's probably the greatest danger to innovation within a large organization.

To overcome this challenge, purpose is a great starting point. The most recent class of organizations that have been formed, often focus on an MTP or "massive transformative purpose." That purpose unites employees around a common mission and helps align their efforts. It serves as a guidepost for decision-making when, in order to disrupt within an organization, some of the company's rules have to be, frankly, overruled. It helps employees connect with customers and the value-creating solutions that set the company apart from its competitors.

For Stanley Black & Decker, our purpose is "for those who make the world." As a \$20-plus billion global manufacturer, we are for the makers, innovators, creators, and protectors who are out doing the hard work to make our world a better place. We support the craftsmen and the caregivers, the people on the front lines building our lives every day. We have to make the hardest-working, most innovative tools and solutions because customers depend on them for their livelihoods and for the safety and security of their workers, customers, and communities.

With that as the backdrop, I believe that you'll enjoy the flexible model for innovation in *Disrupt-It-Yourself* and find it immensely relevant.

—Jim Loree, CEO Stanley Black & Decker

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PRINCIPAL 1	KEEP IT FRUGAL Many successful DIY initiatives have been pet projects pursued on shoestring budgets. This limitation turns out to be beneficial in many ways.
PRINCIPAL 2	MAKE IT PERMISSIONLESS “Ask for forgiveness, not for permission.” [But remember] not every employee capable of intrapreneurship is in a position to take on that level of personal risk.
PRINCIPAL 3	LET CUSTOMERS LEAD One of the greatest advantages that intrapreneurs have over entrepreneurs is access to a large base of customers who represent the market for a new product, service, or business model and who could provide feedback critical to its development.
PRINCIPAL 4	KEEP IT FLUID The entrepreneurial community is able to respond more nimbly than large enterprises to new market opportunities [but] DIY organizations can create platforms and policies to respond in agile ways to ad hoc needs.
PRINCIPAL 5	MAXIMIZE RETURN ON INTELLIGENCE The metrics designed for a DIY approach cannot be the same ones used to guide the management of mature businesses. These must be on maximizing learning from experimentation.
PRINCIPAL 6	CREATE THE COMMONS If the idea is to create more avenues for innovation in an organization, it cannot be treated as an activity for the elite.
PRINCIPAL 7	ENGAGE PASSIONS AND PURPOSE The passion that comes with a sense of purpose is undeniably at the heart of the greatest Disrupt-It-Yourself success stories.
PRINCIPAL 8	ADD DISCIPLINE TO DISRUPTION No one should see the incremental innovation of the core, which yields steady performance gains, as an alternative to the bold moves and big bets required for disruptive transformation. Both are needed.

The Disrupt-It-Yourself (DIY) imperative presupposes that the only way an organization can win in an innovation-driven economy is to invent the future itself by unleashing more of its own talent and energy.

Many executives are aware that they need more intrapreneurs—people who, despite being employees, behave in many ways like entrepreneurs. But they're not sure how to create the conditions needed to attract and empower these people, much less manage the whole spectrum of innovations from incremental improvements of existing offerings to highly ambitious and groundbreaking “moonshots.”

Not only is every DIY effort distinct but each is forever evolving. Every organization needs something slightly different. Rather than dream up an arbitrary ideal for the mythic intrapreneurial organization, I became determined to upload and translate the hidden principles that underpin the most successful approaches in practice today. These are strategies that can be applied with great flexibility and can guide refinements over time. That's the winning formula.

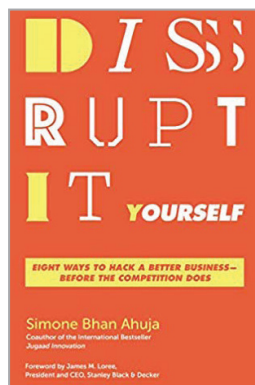
[Companies] are waking up to the same basic understanding that Cisco's longtime CEO, John Chambers, alluded to when he told an audience that “forty percent of businesses . . . will not exist in a meaningful way in 10 years.” The consultancy Innosight found that the big US companies that made up the S&P 500 back in 1964 tended to stay on the list for a long time—an average of thirty-three years. In 2016, the average time on the list was down to twenty-four years. By 2027, forecasters predict it will be just twelve. However, while over 40 percent of executives say that their company is at risk or very at risk of disruption, 78 percent of innovation portfolios are allocated to continuous (or incremental) innovation instead of disruptive risks.

Today entrepreneurs are more capable than ever of quickly scaling and capturing market share on their own, and post-merger integration is increasingly challenging, so it makes more and more sense for established organizations to enable and empower a broad spectrum of innovation on the inside—including disruptive innovation.

Each of the eight principles set out on the previous page, is important on its own and has produced its share of valuable innovations. But it's the whole set that collectively constitutes the playbook I am sharing with you. After two context-setting

chapters—the first describing who intrapreneurs are and what moves them, and the second exploring the organizational barriers that make it so hard for intrapreneurs to innovate and for companies to develop rich DIY portfolios—the bulk of this book offers chapters devoted to each of the eight principles, with stories of how each has been customized and operationalized to fit organizations of all sizes and types.

Together, the principles constitute a powerful and practical framework for designing a Disrupt-It-Yourself organization.



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“The democratizing trend has continued to the point where intrapreneurs can be found deeper in the ranks of organizations, pursuing high-impact ideas and making serious headway.”