

# The strategist's bookshelf

## Driving strategic innovation

Michael K. Allio

*A.L.I.E.N. Thinking*, by Cyril Bouquet, Jean-Louis Barsoux and Michael Wade (PublicAffairs, 2021), 304 pages.

Innovation has become an obsession, one regularly deemed by business gurus as “the most important force in our economy,”<sup>[1]</sup> and leading business executives often proclaim it as a core business strategy.

According to a recent McKinsey study, 84 percent of executives think that innovation is important to their growth strategy.<sup>[2]</sup> And though 56 percent of firms surveyed by KPMG reported that their overall innovation investment would increase from 2019 to 2020, only 43 percent of firms have well-defined processes for innovation in place.<sup>[3]</sup> And just 6 percent of executives are satisfied with their innovation performance.<sup>[4]</sup>

For better or worse, an insatiable appetite has emerged for innovation frameworks, tools, and the processes to help demystify innovation and harvest its potential. In my experience, managing innovative startups and advising corporate innovators, most guides fall into two categories: lightweight punch-lists for thinking “outside the box,” and overbuilt methodologies that delineate process-heavy steps to drive internal innovation. *A.L.I.E.N. Thinking*, by Cyril Bouquet, Jean-Louis Barsoux and Michael Wade, professors of innovation and strategy at IMD Business School,<sup>[5]</sup> falls between these two extremes.

Building on their original *Harvard Business Review* article,<sup>[6]</sup> *A.L.I.E.N. Thinking* tackles an important set of questions about innovation:

- Where does inspiration or innovation come from?
- How can you spark it, cultivate it in an organization, bring it to life and to scale?
- What is the best process for incubating a series of innovations?

And while it's not quite what it promises to be – a “path to breakthrough ideas” – *A.L.I.E.N.* offers sound advice, and a useful compendium of tactics and techniques for managing the innovation process.

### The A.L.I.E.N. model

The authors believe that innovation breakthroughs come from viewing the world “like aliens, unburdened by assumptions, biases, conventional thinking.” To achieve this perspective, they offer a framework that they assert is “both a mindset change and an operating model, based on five *A.L.I.E.N.* strategies:

- **Attention:** focusing your attention closely and with fresh eyes to observe problems, opportunities, and solutions
- **Levitation:** stepping back to gain perspective and enrich understanding
- **Imagination:** recognizing hard-to-see patterns, connecting seemingly disparate dots

Michael K. Allio, a strategy and innovation practitioner, leads Allio Associates, a strategy consulting firm, and The Food Innovation Nexus, a venture and product development enterprise ([michael@allioassociates.com](mailto:michael@allioassociates.com)).

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- Experimentation: testing ideas quickly, smartly, with the goal of improving not proving your idea.
- Navigation: dealing with potentially hostile environments.”

The “model” is not airtight, or entirely useful to both corporate leaders/managers and external innovators/entrepreneurs. But at its best, *A.L.I.E.N. Thinking* offers a set of common-sense insights about managing the innovation process and a wealth of entertaining mini examples from a variety of industries and sectors.

### Identifying opportunities

To illustrate how innovators assess the opportunity landscape differently, by focusing “attention,” “levitating,” and “imagining,” the authors introduce us to a series of fascinating and daring characters, including Malcolm McLean, a former truck driver whose ground-up re-think of cargo bottlenecks eventually leads to the creation of stackable cargo containers. His innovation catalyzed the creation of global standards and systems, and a vastly more efficient globalized distribution system.

Another innovator, Van Phillips, is an amputee-athlete-inventor who doggedly and triumphantly challenged conventional wisdom to design and develop a new form of prosthetic. Drawing inspiration and design cues from diving boards, curved swords, and the wild cheetah, after many iterations, he finally launched a breakthrough C-shaped prosthetic limb that powered double amputee Oscar Pistorius to success as a professional sprinter.

The book also provides useful examples of how corporations are learning to source innovation differently,

and make sense of unconventional market signals, including:

- Lego’s realization of the latent potential of fan forums and user groups to capture authentic consumer interests, passions, trends.
- IKEA’s about-face and embrace of fringe users that became a terrific wellspring of innovation.
- NIVEA’s success in mining social media to uncover submerged consumer pain-points and the consequential opportunities for successful line extensions.

### Experimenting and navigating

While sparking an original innovative idea is challenging, the process of refining it and navigating a complex array of stakeholders to actually launch it is perhaps even more daunting. Here again, the authors provide a wealth of examples of innovators who doggedly mature their concepts through iterations, learning how to nimbly adjust to surmount unexpected barriers. For example, at the startup Owlet, the inventors of a wireless wristband to accurately monitor patients’ vital signs had to reframe their business model several times, navigating unforeseen FDA and hospital constraints, in order to arrive at an optimal product/market fit. The authors point out that “even a breakthrough solution exists within a system of interdependencies” that requires rigorous scrutiny, nimbleness, and deft navigation.

### Guidelines for innovating

Where *A.L.I.E.N.* is most helpful is in encapsulating a number of real and practical truths about managing the

innovation process. Some of what rings most true:

- The best innovations are customer-grounded, and market-based. They reflect careful analysis of the customer experience and provide actual value to many.
- Outsiders – team members outside of the core discipline or industry – can often offer original insights, typically because they bring fewer biases and preconceptions to the analysis.
- “Innovation can start anywhere, following any pathway.” As Swatch creator Elmar Mock comments: “it’s like a labyrinth, with lots of dead-ends and lots of possibilities...” The authors counsel flexibility, and the repetition of key steps like consumer testing and product refinement, over the innovation life cycle.
- Experimenting to “investigate” (to learn) not to “validate” (to prove your hypothesis) is also a helpful frame of reference. And the authors recommend experimenting with concepts earlier, and often, in hostile environments to allow for pressure-testing and sharp changes in direction.
- Innovators tend to “overestimate the value of their ideas and underestimate the need for buy-in.” And so, stakeholder alignment – through the entire value chain – is critical, and often achieved through careful framing of the opportunity “in a way that does not trigger allergic reactions” by corporate managers threatened by disruption. A potent example of such triggering occurred years ago at Kodak, where an early version of digital film was tragically framed as “filmless photography” and thus condemned by the film management team.

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- An innovation program can deliver unexpected assets and propel innovators to unexpected markets. As Elmar Mock notes, “to reach the target is not to reach the point you defined at the beginning...it is to reach the right exit that can bring you success.”

### A few reservations about A.L.I.E.N.

A.L.I.E.N. does suffer from a few shortcomings. The model itself is a bit strained – is it Attention or Levitating or Imagination that delivers insights or enables a novel connecting of the dots? It’s tough to see this as “a model that enables you to systematically generate success after success,” or helps your organization with the “development and delivery of breakthrough solutions on demand...to any problem.”

In my experience, breakthrough ideas are hard to source, and harder to refine and validate. It’s harder still to secure internal buy-in and align key stakeholders, across the value-chain. But the hardest, and most daunting step of all is to shepherd innovations through the gate out into the world, where they must be continuously adapted, and extended, over time. These last stages are the critical, existential threshold: where great ideas

go to flourish or, more often, to die, in the shifting winds of the competitive marketplace, and shifting budget allocations. If we define innovation as more than mere invention – if it’s the delivery of something new of value to the market – post-launch efforts are where the rubber meets the road, and corporate attention-spans and budgets tend to falter.

Despite these shortcomings, A.L.I.E.N. does provide helpful guidelines for navigating through a fluid, non-linear process – and perhaps, for persuading corporate leaders to

- Provide innovation programs with longer runways.
- Provide innovators with greater latitude to find their path to value.
- Invest in innovation programs and processes with a “portfolio” mindset.[7]

Innovation is indeed a core strategy today, one that cuts across functions, divisions, and regions. Navigating from idea to impact isn’t easy or straightforward: it takes remarkable drive and alignment. Enlightened corporate innovators will recognize much of the A.L.I.E.N. landscape and benefit from the specific guidance and implementation examples offered by the authors.

## Notes

1. Sax, David, “The Innovation Obsession,” *The New York Times*, 12/9/2018.
2. McKinsey Global Innovation Survey, 2018: [www.mckinsey.com/business-functions/strategy-and-corporate-finance/how-we-help-clients/growth-and-innovation#](http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/how-we-help-clients/growth-and-innovation#)
3. KPMG 2020 Innovation Benchmarking Report: <https://info.kpmg.us/content/dam/info/en/innovation-enterprise-solutions/pdf/2019/benchmarking-innovation-impact-2020.pdf>; CB Insights 2018 State of Innovation Survey, [www.cbinsights.com/research-state-of-innovation-report](http://www.cbinsights.com/research-state-of-innovation-report)
4. *Op.cit.*, see McKinsey.
5. Bouquet, Cyril; Barsoux, Jean-Louis and Wade, Michael; *A.L.I.E.N. THINKING: The Unconventional Path to Breakthrough Ideas*, (Public Affairs, 2021).
6. Bouquet, Cyril; Barsoux, Jean-Louis; Wade, Michael; “Bring your ideas to life,” *Harvard Business Review*, December 2018.
7. Allio, Michael K., “Guidelines for open innovation success,” *Strategy & Leadership*, Vol. 48, No. 5, pp. 25-32. <https://doi.org/10.1108/SL-07-2020-0092>, August 2020.

## Corresponding author

Michael K. Allio can be contacted at: [michael@allioassociates.com](mailto:michael@allioassociates.com)