



CHANGE AND INNOVATION
Individual Leadership Guidelines for
Martin Krause

PURPOSE OF THIS ASSESSMENT

The assessment you just took is based on the Competing Values Framework (CVF) which has been validated in more than a dozen studies of managerial effectiveness and been used in hundreds of major organizations worldwide. The benefits of this approach lies in its academic foundations and its ability to offer practical ways to help individuals and organizations plan, implement, and sustain change and innovation. You will find this assessment useful whether you are focused on personal, team, or organizational change. This assessment guide helps you create a personal action plan for leading your team toward change and innovation.

WHAT IS THE PURPOSE OF THIS ASSESSMENT?

The primary purpose of the Change and Innovation Assessment is two-fold: First, it provides you with an accurate measure of the values and beliefs that drive you when you make leadership decisions and influence your team. Second, it shows you where to direct your action planning for the change and innovation you need to insure your team's future success and growth. It provides you with a template that you can use to plan and make decisions that will create value.

This approach focuses on outcomes! It is effective because it focuses on the one thing that you must do to maintain your team's competitiveness - **create outcomes that meet future demands!**

HOW IS THE COMPETING VALUES METHOD DIFFERENT FROM OTHERS?

This method measures the competing positive tensions that exist in every organization. Each pulls the organization one direction at the expense of another. These tensions produce the everyday conflicts that are characteristic of all organizational activities. Innovation may mean one thing to people in finance, but another to people in marketing, and yet still another to people in engineering. There is no one definition of innovation, and all are important.

The Competing Values method is comprehensive and a little complex. But your organization is complex also and you must consider its many facets. The Competing Values method assesses your perception of the organization from three perspectives:

1. **Purposes:** Future or desired outcomes.
2. **Practices:** Your organizational or team practices.
3. **People:** Your personal leadership approach.

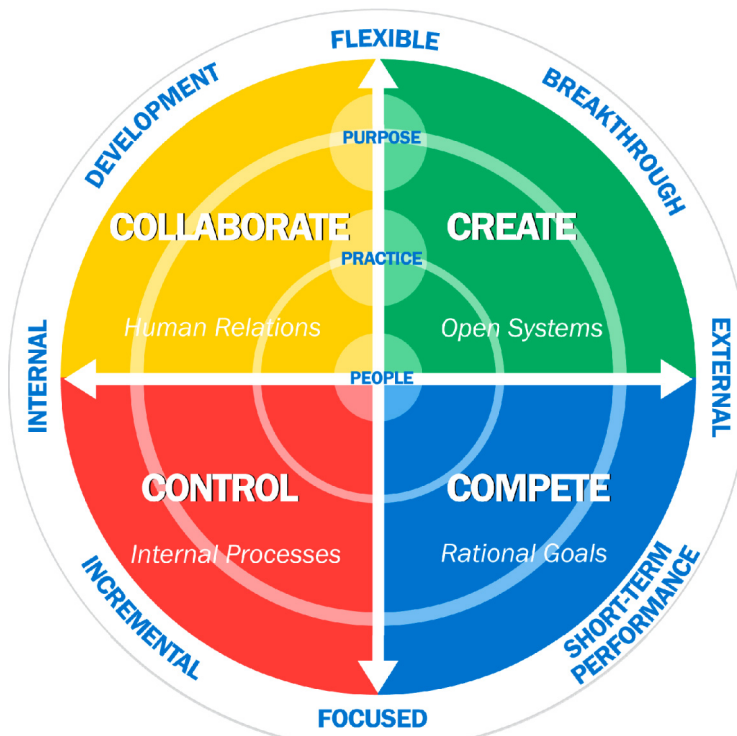
The assessment utilizes questions from these three perspectives to direct your thinking and planning.

THE COMPETING VALUES FRAMEWORK

Understanding the Competing Values Framework (CVF) is essential to understanding your assessment results and transitioning to a more innovative organization. The CVF describes, in easy to understand terms, the conflicting values inherent in any organization. Below is an illustration and a brief description of the CVF. For details go to the article: Using the Competing Values Framework to Make Change and Innovation Happen! (DeGraff & Lawrence, 2004), found on the bottom of the www.CompetingValues.com home page.

WHERE DO I FIND THE RESEARCH?

The CVF is based on more than twenty-five years of organizational research. This assessment is based on that research. For a summary of books published regarding CVF, see Appendix C.



Innovation comes in four different types. Each person and each organization can use his or her unique strengths to innovate and achieve their desired goals. The profiles resulting from the assessment show the web of opposition between the four quadrants of the Competing Values Framework:

- Create (Green)
- Compete (Blue)
- Control (Red)
- Collaborate (Yellow)

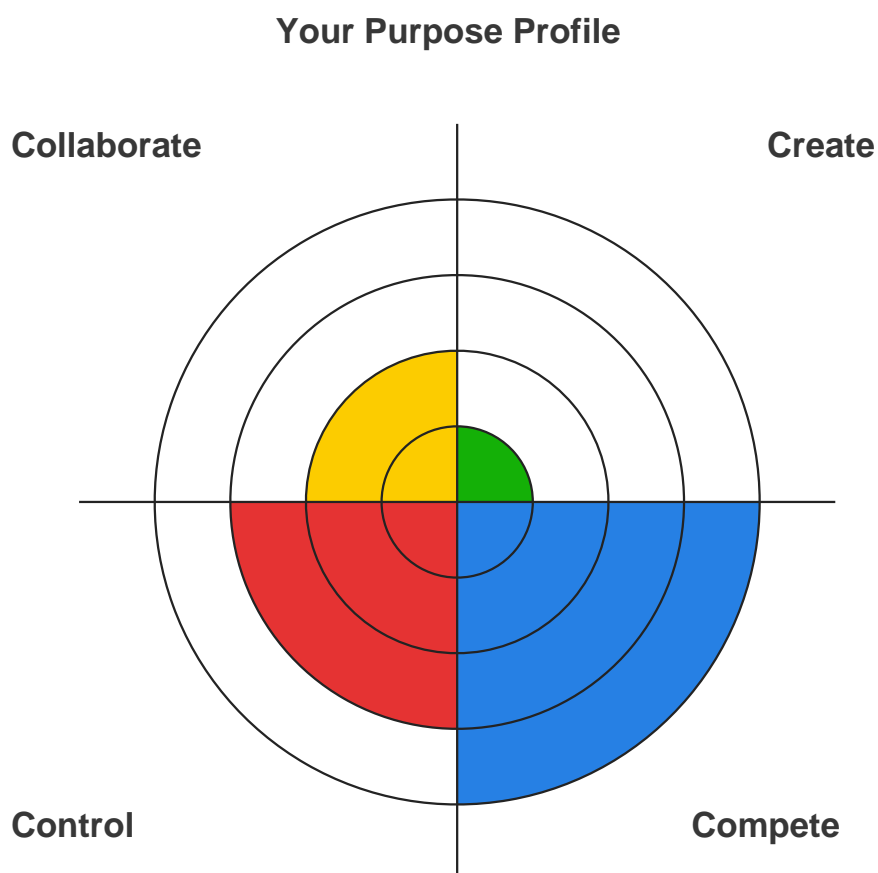
Within each quadrant is a set of skills, activities, actions and desired outcomes that you need to align.

YOUR ASSESSMENT RESULTS

Your Competing Values profile is a diagnostic picture of your team or organizational unit. The data tells you very clearly how you and your unit are currently operating. It is also an overview of how you believe things should be or how you would like things to be. In other words, based on the situation you are facing, these are the kinds of outcomes you would like to see in the near future.

PURPOSE PROFILE: YOUR DESIRED OUTCOMES

This section of the assessment is the basis for all that is to come. The desired outcomes describe the results you want to create if you are to be successful in the future. The rest of this assessment is designed to bring your activities and skills into alignment with your desired outcomes.



UNDERSTANDING YOUR PURPOSE PROFILE

The CVF quadrant shown in the next page as Priority number 1 is the quadrant most inline with what you believe is important for your team's success in the future. Each successive color and priority represents the outcomes that come next in importance.

PRIORITIZED OUTCOMES

Priority 1: Compete

- **Speed:** Moving quickly to capture an opportunity. Common ways of achieving this are mergers and acquisitions/joint ventures/collaborations, branding, and customer service.
- **Outcome:** Maximizing the impact of services/products and achieving objectives. Ways of achieving this are goals and metrics, strategic resource allocation, and portfolio management.

Priority 2: Control

- **Efficiency:** Using resources in the best way possible. Common ways of achieving this are procedures, budgeting, and organizational design.
- **Quality:** Eliminating errors. Common ways of achieving this are process control, systems, and technology.

Priority 3: Collaborate

- **Community:** Establishing and maintaining shared values and culture. Ways of achieving this are networking, empowerment and team building.
- **Knowledge:** Developing understanding and skills. Ways of achieving this are training, organizational learning, and human resource management.

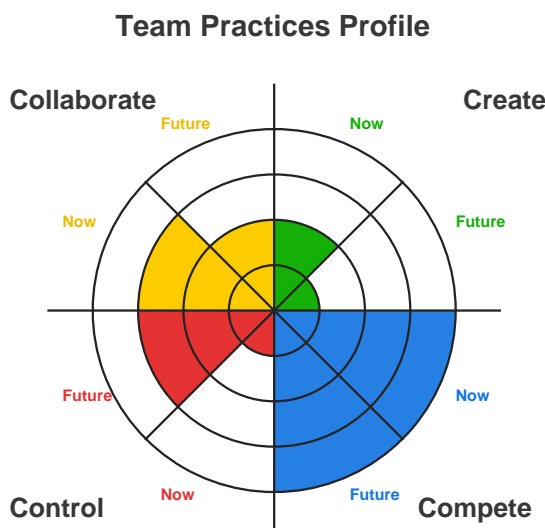
Priority 4: Create

- **Innovation:** Making new and better products and services. Common ways of achieving this are creative problem solving, new product development, and change management.
- **Growth:** Prospecting for new and future market opportunities. Common ways of achieving this are strategic forecasting, trend analysis, and shared vision management.

CREATING YOUR DESIRED OUTCOMES

Research shows that organizations that align their three CVF profiles (Purpose: Desired Outcomes, Practices: Team Practices, and People: Personal Approach) have been found to be much more effective than those who do not create such alignment (Cameron, Quinn, DeGraff, & Thakor, 2005). The goal is to use the CVF to help make it possible to integrate all the people in an organization at the individual and group levels and to move them towards a commonly desired future.

With this research in mind you were only asked to determine the current state at the levels of Team Practices and your Personal Approach. Your desired Purpose/Outcomes profile will be your future profile at the Practices and Personal level of the assessment. In other words, to get Green outcomes you must do Green activities at the group level and behave in Green ways at the individual level.



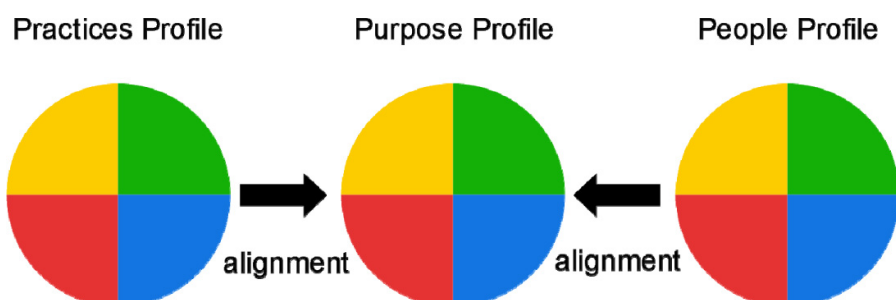
Team practices describe the kinds of activities your team engages in on a day-to-day basis in order to create outcomes or results. The Team Innovation Practices Matrix on the next page of this guide is created to help you make your first step toward developing real plans to put the right practices into action.

UNDERSTANDING YOUR TEAM PRACTICES PROFILE

This profile shows how the team currently goes about getting activities done in order to create outcomes and what they would need to do differently in the future if they are going to create their desired outcomes, as shown by the Purpose/Outcomes profile in the previous section.

TEAM INNOVATION PRACTICES

The table on the next page displays the kinds of activities that take place in each quadrant of the CVF. The NOW column ranks the quadrants of the CVF based on how often your team uses those activities to create outcomes as shown in your Innovation Practices Profile. The FUTURE column lists the activities that your team needs to start or do more of, hold or improve upon, or activities that your team needs to stop or do less. In reading through these activities, decide which ones you agree with as well as which you disagree with. Use the far right hand columns to mark your thoughts accordingly. This information will be a part of the foundation to create an action plan that will help move your team toward its desired outcomes (See example in Appendix A).

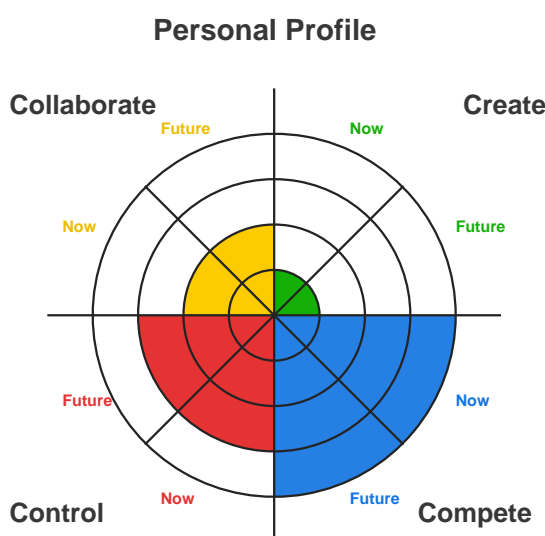


TEAM INNOVATION PRACTICES			
Now	Future	Agree	Disagree
Priority Number 1: Compete	Hold / Improve		
Driving for superior returns on investments	Driving for superior returns on investments		
Focusing on few quantifiable performance objects	Focusing on few quantifiable performance objects		
Deploying small elite troubleshooting project teams	Deploying small elite troubleshooting project teams		
Rewarding high performance	Rewarding high performance		
Quickly eliminating underperforming initiatives	Quickly eliminating underperforming initiatives		
Maximizing value through project portfolio management	Maximizing value through project portfolio management		
Confronting problems as soon as they occur	Confronting problems as soon as they occur		
Making real time decisions in a fast moving workplace	Making real time decisions in a fast moving workplace		
Driving through barriers	Driving through barriers		
Initiating mergers and acquisitions/joint ventures	Initiating mergers and acquisitions/joint ventures		
Priority Number 2: Collaborate	Start / Do More		
Training, mentoring and coaching	Conserving fiscal resources		
Building a learning organization	Implementing systems to control complex tasks		
Building cross functional teams	Applying quality control systems to prevent mistakes		
Growing communities of practice	Complying with regulations		
Creating a sense of cohesion in the organization	Adhering to professional standards		
Establishing shared values between people	Making internal work processes routine		
Facilitating conflict resolution	Using continuous improvement processes		
Integrating personal and professional goals	Employing technology on a large scale		
Encouraging commitment	Compelling suppliers to reduce costs		
Developing organizational competency & culture	Establishing clear roles and responsibilities		
Priority Number 3: Create	Stop / Do Less		
Jumpstarting breakthrough experiments	Training, mentoring and coaching		
Forecasting the future	Building a learning organization		
Starting entrepreneurial ventures and spin-offs	Building cross functional teams		
Developing new products and services	Growing communities of practice		
Launching radical change programs	Creating a sense of cohesion in the organization		
Speculating emerging opportunities	Establishing shared values between people		
Stimulating people to think creatively	Facilitating conflict resolution		
Destroying the old way of doing things	Integrating personal and professional goals		
Hiring and staffing for diversity	Encouraging commitment		
Creating a flexible and open workspace	Developing organizational competency & culture		
Priority Number 4: Control	Stop / Do Less		
Conserving fiscal resources	Jumpstarting breakthrough experiments		
Implementing systems to control complex tasks	Forecasting the future		
Applying quality control systems to prevent mistakes	Starting entrepreneurial ventures and spin-offs		
Complying with regulations	Developing new products and services		
Adhering to professional standards	Launching radical change programs		
Making internal work processes routine	Speculating emerging opportunities		
Using continuous improvement processes	Stimulating people to think creatively		
Employing technology on a large scale	Destroying the old way of doing things		
Compelling suppliers to reduce costs	Hiring and staffing for diversity		
Establishing clear roles and responsibilities	Creating a flexible and open workspace		

PEOPLE PROFILE: YOUR PERSONAL LEADERSHIP APPROACH

Leaders don't create value; they create the culture and capabilities in larger groups of people who in turn create value for the organization. Because a specific leader's approach has so much impact on the group, the leader must behave in ways that reinforce the desired culture and capabilities to ensure the group begins behaving in ways more likely to create the desired outcomes.

The People/Personal Approach Profile shows your current approach to leading and what that approach should be in the future based on the Purpose/Desired Outcomes Profile you reviewed earlier. Certain aligned behaviors, beliefs, and actions lead to specific types of outcomes. Aligning your Practices Profile and People Profile with the Purpose Profile gets you to the desired value you seek.



UNDERSTANDING YOUR PERSONAL APPROACH PROFILE

This profile shows how you currently go about interacting with and leading others toward getting work done. It shows a comparison of what you do now and what you should do to achieve your desired outcomes.

INDIVIDUAL INNOVATION BEHAVIOR

The following table displays the innovation behaviors that take place in each CVF quadrant. The NOW column prioritizes each quadrant of innovation behaviors in order of how often you use them to create outcomes. The FUTURE column contains innovation behaviors you need to start or do more of, maintain or improve, and behaviors that you need to stop or do less of. Decide which ones you agree with as well as which you disagree with. Use the far right hand columns to record your thoughts accordingly. This is a part of the foundation to create an action plan to help move you and your team toward your desired outcomes.

PERSONAL INNOVATION PRACTICES			
Now	Future	Agree	Disagree
Priority Number 1: Compete	Hold / Improve		
Set clear and specific goals	Set clear and specific goals		
Model decisive action	Model decisive action		
Confront problems as soon as they occur	Confront problems as soon as they occur		
Emphasize goal attainment	Emphasize goal attainment		
Reward high performers	Reward high performers		
Focus on intended results	Focus on intended results		
Get things done fast	Get things done fast		
Be action oriented	Be action oriented		
Meet objectives	Meet objectives		
Demonstrate competitive behavior	Demonstrate competitive behavior		
Priority Number 2: Control	Hold / Improve		
Make disciplined financial allocations	Make disciplined financial allocations		
Collect & diagnose data before acting	Collect & diagnose data before acting		
Focus on details	Focus on details		
Create project plans	Create project plans		
Be organized & methodical	Be organized & methodical		
Know & follow policies & procedures	Know & follow policies & procedures		
Project a professional image	Project a professional image		
Prevent people from making costly mistakes	Prevent people from making costly mistakes		
Create clear roles & responsibilities	Create clear roles & responsibilities		
Find ways to save money	Find ways to save money		
Priority Number 3: Collaborate	Hold / Improve		
Establish shared values	Establish shared values		
Listen with concern	Listen with concern		
Coach & mentor people	Coach & mentor people		
Initiate cross-training	Initiate cross-training		
Collaborate on projects	Collaborate on projects		
Build on team member strengths	Build on team member strengths		
Develop commitment & trust	Develop commitment & trust		
Resolve interpersonal conflict	Resolve interpersonal conflict		
Encourage participation	Encourage participation		
Respect differences	Respect differences		
Priority Number 4: Create	Hold / Improve		
Support people with innovative ideas	Support people with innovative ideas		
Envision ambitious change efforts	Envision ambitious change efforts		
Design bold organizational initiatives	Design bold organizational initiatives		
Imagine the future	Imagine the future		
Project optimism & enthusiasm	Project optimism & enthusiasm		
Be willing to adjust in the moment	Be willing to adjust in the moment		
Experiment with how you interact with others	Experiment with how you interact with others		
Initiate change	Initiate change		
Be a big-picture thinker	Be a big-picture thinker		
Reward new ideas	Reward new ideas		

CREATING YOUR ACTION PLAN

Action Plan Steps

1. In the chart below write one Team action item and one Individual action item for each CVF quadrant. Use the previous two tables as the basis of your ideas.
2. Determine specific tasks you can take in meetings, performance reviews, hiring practices, physical space and symbols, or other areas you have the ability to influence.
3. Once you have determined the specific tasks for the two actions in each quadrant, select a person who you can verbalize your commitments to and a follow-up date to meet with that individual for a review of your progress. It is through this process of being accountable to someone else that you will increase the likelihood of success.

Example of an Action Plan:

Action Plan		
Top Actions From Team and Individual Matrix	Checklist of Tasks	Follow up With / Date
Priority Number 1: Create		
1. (Team Action) Develop new products and services	Establish an innovation subgroup	Jay Grant 3/2/2011
	Team has set up a new product and services checklist with activities and outcomes to track progress	
	Generate feasible recommendations	
	Team will decide on course of action (i.e., establish timetables, acceptable parameters, etc.)	
2. (Individual Action) Stimulate people to think originally	I need to provide time and resources to do creative thinking	Pat Smith 3/15/11
	Take short term heat to ensure long-term success	
	Ask a group to benchmark another industry	
	Try out an idea that you are not sure will work	

This is an example of only one of the four quadrants that needs to be filled out in the Action Plan. Always start with your top priority quadrant. Use the table on the next page.

ACTION PLAN		
Top Actions From Team/Individual	Checklist of Tasks	Follow up With/Date
Priority Number 1: Compete		
Team Action		
Individual Action		
Priority Number 2: Red		
Team Action		
Individual Action		
Priority Number 3: Collaborate		
Team Action		
Individual Action		
Priority Number 4: Create		
Team Action		
Individual Action		

WHERE DO YOU GO FROM HERE?

Hopefully this guide has got you thinking about how you can add more value to your organization, how you can be a better leader and how you can facilitate change and innovation in your organization. This guide has only touched the surface of the information in your assessment and what can be accomplished through the Competing Values Framework.

Developing new capabilities takes time and implementing your action plan helps lay a foundation. Appendix C contains a list of books that can help you further develop skills, approaches and activities unique to each quadrant of the Competing Values Framework.

Additionally, you might also consider or organize a meeting with your team members to discuss some of the following questions:

- If another department or sub-group of your organization answered this assessment would the profiles look different? How would they look different?
- Is this the final state your team is working towards or is it a transition state (e.g. after the merger we need to create trust through building community and develop the new skills necessary — Collaborate — to be able to begin to innovate and grow at a faster pace in the future — Create)?
- Are your team's outcomes different than the overall organization's desired outcomes?
- How can you support the larger organizational desired outcomes?
- Are there more places where you can integrate your desired outcomes (e.g. using desired outcomes in strategic planning, measuring activities in monthly meetings, looking for personal approaches in behavioral hiring interviews)?

UNDERSTANDING YOUR PERSONAL APPROACH PROFILE

Individual Level	Team Level	Organizational Level
Personal development planning	Creating a shared vision and shared values in a team	Creating a shared vision and shared values in an organization
Leadership development workshops	Strategic planning	Strategic planning
One-on-one coaching	Hiring and staffing	Hiring and staffing
Career development	Selecting projects	Selecting projects
	Identifying innovation leaders	Developing performance measures
	Leadership development	Identifying innovation leaders
		Organizational development

Example actions for each quadrant in the Competing Values Framework

COLLABORATE

- Involve people who will be affected by the change in the planning and implementation.
- When planning change, ensure that the objectives, responsibilities, time frame, etc. are defined and clearly communicated to other people. Give them the freedom to experiment.
- Tell people what you think the change will mean for them and then request and listen carefully to their feedback and reactions.
- Ask for a lot of advice. Look for both confirming and disconfirming feedbacks.
- Allow people to talk about their reactions and feelings, especially when they feel that they are losing something due to change.
- Meet with someone who has implemented some type of change successfully. Discuss the steps that were taken throughout the change process. Review your plans for change with this person.
- Identify an innovation champion in your organization and work with them to support and initiate innovative projects.
- Hold feedback meetings to allow others to express their feeling about how the change is going.

CREATE

- Establish goals and hold people accountable for producing innovative ideas. Make it part of everyone's job description.
- Hold idea sharing events such as cross-functional task forces, focus groups, and book reviews. The idea is to address question such as: What is new? What problems do we have that we don't expect anyone to solve?
- Establish a "practice field" separate from normal daily work where new ideas can be tried out and low cost experimentation can occur. This could be an actual physical location with time off, some resources, protection, and support from you and other leaders.
- Encourage action learning. Try things first. Then analyze what you have learned from your success/failure.
- Don't wait until you are certain of success before you take action.
- Create a climate where people feel free to fail and admit it. Remember that the best baseball hitters succeeded only 33% of the time.
- Generate as many options as you can during problem identification and the generation of alternatives in a problems solving process.
- Purposefully take a risk in your decisions by trying out a new alternatives or a different process.
- Keep a journal or a file of new ideas. Each time you think of something innovative related to your work, write it down and file it.

COMPETE

- Give customers what they want the first time, every time, then work toward exceeding those expectations. Surprise them with the level of service they would never expect or request.
- Keep track of trends in your industry or sector and adjacent markets. Monitor what is happening demographically with your competitors, both foreign and domestic.
- Identify cutting edge organizations that establish the trends in their business. Based on what you observe from those organizations, project a future for your organization. What will you have to do to be a world-class organization?
- Streamline your process to increase your ability to respond quickly to the changing market place. Encourage your team members to act decisively.
- Incentivize your team members to accomplish their goals in time and with flying colors.
- Work on process improvements that can produce bigger impacts than what you have right now.
- Make it easy for employees as well as customers to complain and to give suggestions. Make the assumptions that the more input the better you will craft the right strategy. Actively seek out improvements from employees and customers.
- Never let 24 hours go by without asking at least one customer what they want. Constant asking will produce a constant flow of ideas.

CONTROL

- Measure improvements no matter how small, not just whether your organization/unit accomplish its tasks or goals.
- Institute regular audits of each unit in your organization in order to find ways to improve it.
- Establish past performance as the standard against which to measure success.
- Automate and improve some processes (e.g., financial systems) by employing new technology to achieve more productivity and efficiency.
- Use new technology to monitor and measure work processes and outcomes efficiently.
- Break problems and issues apart into smaller components in order to understand details more thoroughly.
- Ask "why" questions repeatedly regarding processes that are unclear.
- Refuse to be intimidated when you do not understand the process. Ask, probe, and discuss until you do.
- Analyze critically the key reports that are produced by and for your unit to assure accuracy and usefulness.

APPENDIX B

Measures for each quadrant in the Competing Values Framework

COLLABORATE

Measures of Community	Measures of Knowledge
Employee satisfaction / morale surveys	Percent training requirements fulfilled
Turnover rate due to poor performance	Training expenditures as a percent of operating budget
Absentee rate	Training investment per employee
Reduction in employee grievances and complaints	Percentage of employees with career development plan
Headcount as a percentage of forecasted needs	Number of employee suggestions approved
Job posting response rate	Number of best practices applied across departments
Percent of job offers accepted	Skill targets achieved
Percent of employees promoted	Impact and value evaluation of training programs
Customer satisfaction survey ratings	Average experience level of personnel

CREATE

Measures of Innovation	Measures of Growth
Number of new products or services launched	Growth in total sales
Number of new sources of revenue	Total market share against competitors
New products/services investment as percentage of sales	Growth in sales by segment
Sales derived from new products/services as a % of total revenue	Growth in sales by channel
ROI for new products or services	Growth in sales by geography
R&D Investment / Total Expenditures	New market growth in sales
Ratio of R&D expenditures in core research vs applications	Growth in sales through joint ventures
Diversity of innovation portfolio mix	Growth in sales through new applications of existing products
New product and service process pipeline flow rate	Measures of brand recognition
New product and service survival rate	Growth in sales per person

COMPETE

Measures of Speed	Measures of Outcomes
First to market with products and services	Percentage of goals accomplished
Cycle time to design and develop products/services	Customer satisfaction
Cycle time to market new products and services	Number of new sources of income
Time to achieve objectives for existing products and services	Number of projects with satisfactory outcomes/ impact
Time to achieve objectives for new products and services	Brand recognition
Number of projects launched ahead of schedule	Sustainability of projects supported/launched
Number of projects with objectives completed ahead of schedule	No. of new markets or no. of constituents served
Ratio of projects launched to projects in the development phase	Amount of fundraising dollars raised/grants received
Time to enter new market through acquisitions/collaborations	Amount of cash on hand (cash flow)
Number of employees qualified to launch projects	Donor attrition rate

CONTROL

Measures of Efficiency	Measures of Quality
Program cost per constituent served	Percent first-time quality
Target vs. real cost achievement	Percentage of staff time with constituents
Percentage of budget spent on non-program	Safety violations
Revenue from fundraising/grants vs. corresponding expenses	Regulatory violations
Total staff hours per constituent served	Number of projects failed to achieve objectives
Percentage of milestones achieved	Improvement on error (human and procedural)
Percent of on-time deliveries	Percent reduction in redundancy or waste
Total internal cost savings	Number of process changes during the life of the project
Revenue vs. employee ratio	Percentage of trusted partners/service providers
Program cost per employee involved	Lack of negative impacts of programs

Competing Values books

Kim S. Cameron and Robert E. Quinn (2006) Diagnosing and Changing Organizational Culture. San Francisco: Jossey Bass.

Kim S. Cameron, Robert E. Quinn, Jeff DeGraff, and Anjan Thakor (2006) Competing Values Leadership: Creating Value in Organizations. Northampton, MA: Edward Elgar.

Jeff DeGraff and Shawn Quinn (2006) Leading Innovation: How to Jumpstart Your Company's Growth Engine. New York: McGraw-Hill.

Jeff DeGraff and Katherine Lawrence (2002) Creativity at Work: Developing the Right Practices to Make Innovation Happen. San Francisco: Jossey-Bass.

Robert E. Quinn and Kim S. Cameron (1988) Paradox and Transformation: Towards a Theory of Change in Organization and Management. Cambridge: Ballinger.

Robert E. Quinn, Lynda St. Clair, Sue R. Faerman, Michael P. Thompson, Michael McGrath (2006) Becoming a Master Manager: A Competency Framework, 4th Edition. New York: John Wiley.

Robert E. Quinn (2004) Building the Bridge as You Walk On It: A Guide for Leading Change. San Francisco: Jossey-Bass.

Robert E. Quinn (1988) Beyond Rational Management: Mastering the Paradoxes and Competing Demands of High Performance. San Francisco: Jossey-Bass.

Kim S. Cameron and David A. Whetten (1983) Organizational Effectiveness: A Comparison of Multiple Models. New York: Academic Press.

Kim S. Cameron, Robert I. Sutton, and David A. Whetten (1988) Organizational Decline: Conceptual, Empirical, and Normative Foundations. Cambridge, MA: Ballinger Publishing.

David A. Whetten and Kim S. Cameron (2007) Developing Management Skills. 7th Edition, Upper Saddle River, NJ: Prentice Hall.

Anjan V. Thakor (2011) The Four Colors of Business Growth. San Diego: Elsevier.

Readings by Competing Values quadrant

COLLABORATE

Dorothy Leonard. *Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation*. Boston: Harvard Business School Press, 1995. Harvard Business School professor Leonard explores how the "knowledge assets" of a firm lead to the creation of new products. This book has particularly helpful chapters on identifying individual "signature skills" and combining people into effective, diverse combinations that can build core capabilities.

Jeffrey Pfeffer and Robert I. Sutton, *The Knowing-Doing Gap*. Boston: Harvard Business School Press, 2000. Stanford professors Pfeffer and Sutton point out that businesses spend too much time studying how to gather knowledge instead of using it. Based on years of research, this book provides useful recommendations on how to help an organization develop ability through a culture that supports hands-on experimentation and distributed decision-making in a cooperative, team-minded atmosphere.

CREATE

W. Chan Kim, Renee Mauborgne, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant*. Boston: HBS Press, 2005. The author's blue ocean metaphor elegantly summarizes their vision of the kind of expanding, competitor-free markets that innovative companies can navigate. Unlike "red oceans," which are well explored and crowded with competitors, "blue oceans" represent "untapped market space" and the "opportunity for highly profitable growth."

Andrew Hargadon, *How Breakthroughs Happen: The Surprising Truth About How Companies Innovate*. Boston: HBS Press, 2003. Every breakthrough is a collective effort that combines and tweaks already existing ideas and technology in novel ways. The author examines innovation as a phenomenon of networks connected by "technology brokers"-people or organizations that link isolated groups and industries to integrate previously unrelated viewpoints and technologies to resolve new problems.

COMPETE

Robert G. Cooper, Scott J. Edgett, and Elko J. Kleinschmidt, *Portfolio Management for New Products*. Reading, MA: Addison-Wesley, 1998. This is a "must have" book for anyone who is serious about establishing an integrated process for launching and funding initiatives with a portfolio method. Learn about how investors and financial departments evaluate new ideas and gain the upper hand in getting your projects funded.

B. Joseph Pine II and James H. Gilmore, *The Experience Economy: Work Is Theatre and Every Business a Stage*. Boston: HBS Press, 1999. This book proposes that the ultimate value a company offers is the "theatrical" experience that accompanies any product or service. Because customers are willing to pay extra for memorable, distinctive, or customized experiences, companies should consider these experiences to be an additional outlet for creating value.

CONTROL

Jean Philippe Deschamps and P. Ranganath Mayak, *Product Juggernauts: How Companies Mobilize to Generate a Stream of Market Winners*. Boston: Harvard Business School Press, 1995. This book looks at the wide array of key components that factor into the ongoing processes of making a product a winner. It integrates product design, manufacturing, sales, and customer service into a system to refine, adapt, and improve existing products and to create new ones. It includes material on Toyota as well.

Jeffrey Liker, *The Toyota Way: 14 Management Principles From The World's Greatest Manufacturer*. New York: McGraw-Hill, 2004. In factories around the world, Toyota consistently makes the highest-quality cars with the fewest defects of any competing manufacturer, while using fewer man-hours, less on-hand inventory, and half the floor space of its competitors. The *Toyota Way* is the first book for a general audience that explains the management principles and business philosophy behind Toyota's worldwide reputation for quality and reliability.