Rapid Incremental Innovation Strategy: Sustainable Competitive Advantage

Lowell Broom, David L. Loudon, Robert W. Service, David Sonius

Abstract— Recent events have caused us to think anew about the issues accompanying our constantly connected, overly informed, multitasking lives. This new thinking requires a level of "mindfulness" where one takes the time to think about how they might improve themselves, our governments and organizations. For any entity to improve and survive, it needs to maintain a faithful curiosity by listening, looking, observing, interacting and practicing to re-assess/think/define and ultimately continuously repurpose who and what "it" is in the moment while preparing for the future. By thinking innovatively, we learn to think and innovate (Ridley, 2014 and Sternberg all dates).

We start by reminding ourselves that technology is neither good nor bad. It is how we use technology and what it accomplishes that makes it positive or negative: clear thinking and appropriate use make "tech" good. We add the fact that the most powerful imperative in staying competitive personally and organizationally is becoming and remaining innovative. We also look at the way we think and how we prefer "wish-fullness" over reality in order to make some sense of strategically minding the gaps between where we are and where we need to be. We all tend to think in a skewed fashion and we must realize that fact before we can effectively "think outside the box". Only then we can start to realize the benefits of rapid incremental innovation.

Rapid Incremental Innovation Is the Only Sustainable Strategy

We all must understand clearly the need to innovate in order to advance personally and to enhance organizational performance and survivability. Improving economic prosperity and expanding freedom depends on innovation. Closing the so-called income gaps, eliminating huge national debts, developing and using all the enormous talent that is available in the world, requires innovative new solutions. The old solutions have been neither effective nor efficient (Banerjee and Duflo, 2011; Butler, 2007; Conrad, 2012; Dorner, 1996; Gladwell, 2013; Grudem and Asmus, 2013; Leighton and Lopez, 2013; Ridley, 2014 and; Thornton, 2012-among many others).

Accomplishing needed innovation, requires that more of us open our minds to think anew in a creatively competent fashion, but only after we understand what is truly clear

Manuscript received Sep 03, 2014

Lowell Broom, Samford University USA David L. Loudon, Samford University USA Robert W. Service, Samford University USA David Sonius, University Munster Germany thinking (Williams, 2010). Before we think outside the box we must know what is in the box. Clear your head, and open up about everything from the new and different to the simply ordinary. Forget "Who it came from", while looking more at the issue of "Is it useful?" Whether leading, managing, or following we must seek to foster thinking that can nurture innovation in applications of principles, theories, adaptations, products, processes, ourselves, and others toward a sustainable distinctive competency. Continually identify innovations and put them into use for sustainable profitability in today's increasingly complex and competitive global marketplace. The strategy for sustainable competitive advantage is rapid incremental innovation. There is simply no other alternative.

The recent passing of the comic and dramatic great Robin Williams reminds us of a truth worth remembering. In his movie "Dead Poets Society" Williams, in character as a poetry teacher, has students get up on their desks and look at their surroundings from another view. This is what we suggest that we all do, and do often. Put a different frame around it, look at it from many angles; closer now, further out and all around (Zander and Zander, 2000). Analyze with a questioning mindset; can we see a different picture of the situation, can we see newer or at least different alternatives for addressing the issue (Gaynor, 2002)?

Innovation encompasses getting ideas to market in the form of a product, service, system, policy, program, or process that is new to the implementer. As has been noted in much of the literature, all innovative improvements start self-knowledge. This self-knowledge begins with the awareness that few of us actually go into any situation empty-headed. We all have cognitive frameworks and mindsets that surround our thinking about what we experience. Each individual's perception is their reality. We think and react through foundations of experiences, religion, and culture. Our choice is not between a framework and not having one (Chopra and Mlodinow, 2011). Instead, it is between taking one that is unknown and unconsidered, and one that is known and subject to the challenge of new ideas. Therefore, know your frames, modes and models of thinking, and relentlessly challenge and expand and clarify them. Also be clear about what strategy is and is not. Strategy is simply minding the gaps. It starts and ends with world-views: where the world is and where it is going within your area of concern. The gaps one must mind are between where you are now to where you might be, can be, want to be, and ought to be..... but most importantly need to be. A leader's strategy indicates what the leader's interpretation of the situation is (their reality) and the how, what, where, when, and why of accomplishing the leader's vision. Strategic thinking is a never-ending, circular process and does not follow the normal path of the study, plan, execute, evaluate, and adjust model (Service, 2006). We will look more closely at the desired strategic cycle later.

Here we must consider the work of Barney who calls for products and services to be rare, of value, have no substitutes or imitations. Then we must add in the work of Harvard's Michael Porter when he calls for products and services that are differentiated, low-cost and/or focused. Barney's and Porter's calls can only be met with innovation.

Whatever your specific strategy, make it revolve around rapid incremental innovation for there is no other sustainable competitive advantage. All other strategies run their course and lead to failure. Only by constant improvement and upgrading can one continue to beat the competition or continue to advance as a society. Before we get more specific as to how to how to achieve rapid incremental innovation, let us define the generic strategic cycle, not as it is but as it needs to be.

Strategy Pure and Simple

Strategy starts with a vision that clearly provides a picture of what one desires to be at some definitive time in the future. Then it naturally evolves to the development of specific actions necessary to achieve the stated visions. These specific actions, moves, or allocations are strategy. From these strategies come goals, which must ultimately be translated into objectives with Specific Measurable actions that are Attainable, Relevant, and Time-bounded: these are indeed SMART objectives.

The purpose of objectives meeting SMART criteria are guidance, measurement, indications of adjustments or redirection, and motivation. Indeed, the discipline of strategy making has moved from strategic planning to strategic management to strategic thinking to strategic leadership. Strategic leadership is serious and hard work directed toward determining how to translate visions and missions into actions that individuals and organizations can actually take.

Think through the different levels of strategy as defined in the past and try to separate the doing from the formulating. The doing consist of: 1) administrative preparation of components, 2) operational implementation; 3) functional and operational supporting actions, 4) organizational system support arrangements (HR, R&D, IS, Legal, etc.), 5) measuring, monitoring, motivating and rewarding tools, and 6) related consensus and implementation issues. The seventh component, creative developmental issues, is actually the formulating level of strategy. Think about issues 1-6 as the micro-strategic issues and issue number 7 as the macro-strategic issue. This paper stresses the macro-strategic issue, for that, indeed, is the difficult issue. When it is executed poorly, everything else is in vain because the result would be the implementation of the wrong things in a very efficient manner! If you get this what down correctly, then the how follows rather predictably without too much difficulty and the strategy becomes manageable.

Though some would disagree, experience and research has shown that the difficult part is deciding exactly where your strategies need lead toward. Anyone can say they have a vision of being number one in their industry. Likewise, most everyone can come up with measures that can specify what is meant by number one. Operational effectiveness is no strategy, it's a requirement. Many can develop specific SMART objectives with a little training and practice. Many

can develop monitoring systems, given the quality project management systems that are available today. But precious few are creative enough to develop original strategies that fit themselves, the others involved, and all their environmental contexts. When handled correctly detailed strategies guide an organization toward meeting specifically identified objectives.

Once the "what" is defined, the difficult part of the process becomes understanding and managing what is in between the vision and your identified measures of situational success. What actions or moves will propel you or your organization into the desired position that you have envisioned? This generally requires some innovation and new approaches. Will it be through new products (R and D), will it be through the best quality (TQM), will it be through the best procurement (JIT), will it be by offering the most features (functionality) or the best service (best in world) or what? Most likely, any competitive advantage will come through a combination of several of the prior components. Whichever delivery mechanism you ultimately choose, advantage will only come through customer perceived value; that is value as the customer defines it. Then, accomplishing these "things" becomes the real strategic issue.

A Starting Point: Understanding Strategy in Today's World: Honesty over political

correctness—The world has the means to solve its most pressing issues, but we lack the will to openly discuss them. If we will not talk freely about the most pressing of issues then we can in no way expect to ever solve them. Let us start a movement to throw out political correctness and replace it with honesty and openness.

To give the strategy a chance of success and to know when success is met, one must develop measures--feedback and monitoring mechanisms. Then actions must be taken to adapt, adjust, or change as the measures indicate: not looking for what you desire, but for what is actually happening. Key success factors are attention, focus, fit, and balance. It is important to remember that strategy in today's hyper-competitive world, must emerge as you reinterpret your on-going actions that are designed to make your vision really happen. The desirable strategic cycle as it has evolved is represented in the following ten steps:

- 1. Understand the real situation or problem not the presenting complaint or your perception of the situation. Understand the **strengths and weaknesses (SW)** of yourself, your top management team, and your business and industry; and the **opportunities and threats (OT)** that exist in these complex arenas (Porter, 1985 and 1990). Every situation is viewed in three ways.
 - a. The real or objective truth only God really knows this
 - b. The differing perceptions of all those involved.
 - c. How the situation gets enacted or played out.

The key is for your perception to be as close as possible to reality and to manage the others

involved to get them to play out the situation, as you perceive it or want it to be. When a

person is in charge they can use power to make sure the situation plays out as they desire.

However, when they are no longer in charge they must use influence, manipulation,

management, and politics to direct others to think their way (Hersey, Blanchard and Johnson, 2013).

- Define and then continually reassess and redefine as appropriate:
 - a. Why would someone do business with your organization? Every organization must have something of value that causes customers to choose that organization over their competitors. Your situational strategy must not change this competitive advantage, because it is the reason for the firm's existence (Barney, all dates; Cohen, 2010 on Drucker and; Porter, all dates).
 - b. How can your organization become and remain innovative? This is the key to a sustainable competitive advantage; something that is of value, rare, hard to imitate, and makes substitutes unlikely (Barney, all dates). The key is constant incremental re-invention of your organization's distinctive competency. Any strategy must insure that innovativeness is not destroyed (Peters, all dates; and Tracy, 2010).
- Notice things—pay attention to the right trends and developments. Never assume that any trends or developments do not affect your organization (Wind, et al. 2005).
- 4. Clarify and interpret what you project as the **direction of trends** of doing business that are developing in your industry and its greater environment (Levitt and Dubner, 2009; and Friedman and Mandelbaum, 2011).
- 5. Formulate **new beliefs and understandings** of how your **organization fits** into its industry and all environments: how they currently are and how they are becoming (Mintzberg, 2009).
- 6. Focus your desire and commitment. Understand what you might do (is there a market for it), what you can do (do you have the expertise or resources to do), what you want to do (is it within the organization's mission—desires?), what you ought to do (is it right). Do these things to establish a vision that is a mental image of possible and desirable future states that has foresight, breadth, uniqueness, consensus, accountability and doability (Peters, 2003). Continually assess: if what you do meets the need as they have developed and played out in the future?
- Develop viable alternatives. Always give status quo the same status as the other alternatives. Understand why you choose an alternative (Dobelli, 2013).
 - a. Picture the future and focus on your vision of the future.
 - b. Learn as much as you can about the situation.
 - c. Concentrate on the big picture and all of its parts.
 - d. Look for breakthrough ideas.
 - e. Be willing to go outside the box or stay inside the box.
 - f. Be alert for patterns and cycles.
 - g. View change as an opportunity.
 - h. Be willing to confront tradition but hold to your basic values.
 - i. Beware of pooling of ignorance.
 - j. Give your ideas a reality check.

- 8. **Decide and go for it**. Develop strategies to pursue the purpose and overall missions and visions dictated by the situation you are addressing. Strategies are moves, actions, "things" you are going to do to accomplish established objectives. Balance committing to a course of action with testing the waters and adjusting when you see it must be done (Service, 2006).
- Measure—feedback. Establish SMART objectives and use them, but do not fail to adapt if something indicates you should; i.e. when there is an economic downturn you cannot expect to continue as normal. Recall S = Specific, M = Measurable, A = Attainable, R = Relevant and/or Realistic, and T = Time bounded.
- 10. Adjust and continue #1-9 (not necessarily sequentially) Those with a high and effective successful intelligence are good at strategy, because they understand that strategic thinking is a never-ending, circular process and does not follow the normal study, plan, execute, evaluate and adjust model. It should be more of a rapid incremental process of attention and experimentation. Strategies are the plans of actions and moves that describe resource allocation and other activities for dealing with the factors facing an organization as it attempts to improve its competitive position. Like visions and missions, strategies change. But successful organizations develop strategies that focus on core competencies, developing synergy, encouraging and motivating organizational members, and creating value for all constituents. Strategy is implemented through the systems and structures that are the basic architecture for how things get done in an organization. But first and foremost, strategy is about understanding the situation and how it impacts people. It is through people: leaders, followers, customers, other stakeholders, and the public at large that goals get accomplished (Yukl, 2013).

Learn to make your strategies focused and clear to everyone. This helps to build a performance-based culture where you can execute your strategies in a more efficient and effective way. Keep your talent by having flat organizations that are fast and involve everyone (Friedman, 2005 and 2008).

The Variables That Can Be Manipulated to Realize Strategies: Take people over process every time and fire those who don't: especially business school professors and deans as well as OC-TOM experts!

Your strategic role as an organizational leader is to build organizational capacity for realizing a sustainable competitive advantage by addressing identified situations: i.e. meeting a competitor's low pricing, adding new functionality in response to competition or customer demands, establishing a new or sustainable segmentation, and so on. You do this only by building a learning organization that the leader matches to the environment as both the organization and the environment change. Then, the "innovation" leader directs the uncovering of new market opportunities, focusing of existing resources and the accumulating of new resources. Often the question becomes, "How can you change an institution?" First, realize that organizations are arenas where coalitions vie for dominance, and often it takes a crises to trigger action. Yes, organizational values and norms (culture) make it hard to transform organizations. Innovative ways to re-interpret existing knowledge, bend the frame of stodgy organizations, and develop solid strategies to accomplish the new and different are a must for long run organizational survival. Organizational success in accomplishing strategies is a function of how one arranges, develops, changes, or uses the organization's policies, systems, and people related to:

- Culture and climate. Culture is the systems of norms, beliefs and values that shape how an organization behaves. It is among the most difficult aspects of an organization to change. Changing an organization's culture is as difficult as changing the personality of a full-grown adult. The climate is simply how the organization feels; that is, how the culture actually plays in reality (Arnott, 2000; see Kim and Van Dyne, 2012 for good cross-cultural hints).
- Environments. Adapt or enact new environmental directions or structures (Service, 2009).
 - a. Objective Environments: Demographics;
 Political and legal; Technological;
 Economic; Governmental or locational;
 Ecological physical environments
 - Subjective cultural environmental views:
 Subsistence methods; Cultural man-made and physiological; Socio-social systems interactions, roles, laws, current concerns; Individual psychology; Inter-individual or socialization sociology; Projective myths, fantasies and religion (Service and Carson, 2009).
- 3. People. All constituents that have a stake in the organization and their level of involvement (Peters, all dates; also see Mendenhall, et al for the defining word on global leadership, 2008).
- 4. HR practices. The subsystems, policies, procedures and guidelines that direct hiring, training, and rewarding (Potoker, 2011).
- 5. Characteristics of the products and services. How closely they fit the organization's distinctive competency and the external environments (Barney all dates).
- 6. Management→Leadership—allocation and attention. Management is needed to keep people in the known: for stability and control. Leadership is needed to move people into the unknown: for change and innovation (Collins, 2001 and 2003).
- 7. Structure. This is the backbone of the organization and how departments and people are arranged (Drucker, 1996).
- 8. Markets and Marketing. Markets set the pace and the tone for products. They determine what sells and the functionality that must be a part of an organization: the demand. Marketing can change things about one's markets. Marketing can create demand and new markets (Buford, 2014 and Butler, 2007).
- 9. Systems. Beyond the automated IS, IT and MIS to include all organizationally related systems (Service and Cockerham, 2007).
- 10. Policies, procedures and rules. Remember that rules develop a life of their own and often become an end in themselves (Service and Arnott, 2006).
- 11. Technology use and level of sophistication (Yukl, 2013).

12. Develop from a complete understanding what it takes to fit-in with a balanced approach before standing out (Welch, 2006).

Though these situational variables are key, they are affected greatly by the following: a) felt necessity, b) exhibited commitment, c) realized communication, and d) ultimately desire of the organizational members as a whole. Indeed, 1-12 are independent variables that determine the dependent variable organizational success, but those independent variables are mediated by the variables shown as a-d above. These relationships are then moderated by: a) organizational type – i.e. governmental, for profit, charity, etc. b) organizational size - could be market cap, assets, number of employees, sales or locations, c) level of automation – for both production and doing business and d) other industry norms - i.e. level of competition, number of players, distinctive competencies, etc. (Service and others, all dates-as a review, mediating variables are simply catalyst that enable independent and dependent variable relationships; and moderating variables change the strength and form of the independent and dependent variable relationship).

A formulaic expression of this would be:

Organizations Success in realizing strategies = F (Culture + Environment + Constituents + HR + Characteristics of products + Management/Leadership + Structure + Markets/Marketing + Systems + Policies/Procedures + Technology + Fit/balance/stand-out) as enabled by catalyst of necessity, commitment, communication, and desire; moderated by organizational type, size, and automation as well as industry.

This overall formula must be understood in light of many different variables according to what one wants to accomplish and is actually made up of many complex relationships that could also be represented by a formula. The possible and probable individual and interactive effects of the 12 independent variables alone makes for a mind-boggling combination of possible influences. Highly effective strategist understand and apply these complexities as appropriate.

In today's highly competitive business climate it has never been more important to implement solid strategies. Strategist often present the Balance Scorecard as a method an organization can use to create value. The balance is among 1) financial-growth, profitability; 2) customer-quality and experience; 3) internal business processes-line management and best practices, and 4) learning and growth—relationships and skills. The key is to set up objectives and measures for all of these perspectives to guide the organizational members as they work day to day: works better over the long run. Regardless of specific systems or names for them all, strategies need to be translated into operational terms, aligned with all organizational units and members making strategy everyone's continuous job. Leadership must lead the charge for change, but must not develop strategies in a vacuum or keep the scorecard for consumption only at the top management levels of the organization.

Strategic management is a three-tier process involving corporate, business, and functional-level planners and support personnel. At each progressively lower level, strategic activities should be more specific, narrow, short

term, and action oriented, with lower risks but fewer opportunities for dramatic impact.

Everything is changing before our eyes, yet most of us cannot always recognize where it is going. The past is not always a good indicator of future situations. To clarify the future requires judgment and good decision-making. Too often we focus on just a specific area such as management, human resources, information systems, operations, globalization, quality, customer service, societal and ethical issues, finance and accounting, marketing, career management, life management, and leadership; when we need to look at all of these areas together.

What Gifted Strategist Do

"Speed is a great asset in war and business (Sandys and Littman, 2003: p. 253)."

Any improvement in your knowledge or skill base results in better strategy. That's because strategy formulation is about realistic interpretation of the situation. People who are exceptional at strategy are able to think both about things more <u>closely</u> and more <u>distantly</u>. They are the people that can change their minds quickly when they get new information or see something is not working. They look, listen, and notice as they constantly scan the situation, looking for that golden nugget and the pennies. They can take abstractions and envision what they would look like if they are bent, reshaped, or combined in new and differing ways. They are multi-task thinkers and doers that can focus on a key goal when necessary. They seem to flounder around often, but then suddenly they focus like a laser and get something solid done. They go outside their normal disciplines and patterns of thinking by reflecting on things and categorizing them in new and innovative ways. This litany of skills is a long and difficult one to amass.

The lessons witnessed, if not learned, on the journey to becoming a better strategist revolve around attention, focus, learning, accepting reality; and being clear about the: who, what, where, when, why, how, might, can, want, and ought of strategy. Apply them if you can, but do not get discouraged by its length.

Gifted strategist have great faith in the strategic management of situations, because strategy is something that can be learned, practiced and improved. Your style is not the determining factor, though it is a factor. Achievement of strategic thinking and leadership is a matter of finding better ways to be of use and to use what you notice. The more time you devote to learning and the less maneuvering for power, the more successful you will become. Many are doomed by unknowns, attempts to define the unknowns, and strategizing as to how to handle the unknowns.

Now we turn to the specific strategy of all strategies. Think and you will determine, as we have, that for anything to last it must constantly changing.

How to Achieve the Rapid Incremental Innovation Strategy

In the interest of space we are providing a few lists that should focus the reader on how to realize the ultimate sustainable competitive advantage of *rapid incremental innovation*. Certain actions and concepts are needed:

> "Just do it" -- shave the fuzzy front end and then you have something to adjust. This first step seems so

obvious one is left to wonder why more people simply don't just get on with it. The answer lies deep within the humanness of our desire for the known and predictability of our actions. Study psychology if you want to manage or lead for innovation.

- ➤ "Fast, simple, fitting" -- incrementalism.
- Understand teams and use them when they are necessary -- teams end-to-end, maybe? But always use involvement, modularity, parallelism and soft controls -- get on with it and avoid staying wrong long.
- ➤ Manage the future so it will not manage you!
- ➤ Innovation mindsets by all -- the strategy for long run survival. Comes from novel interpretations of existing knowledge. Institutional pressures exist in all organizations. Organizational values and norms make it hard to transform organizations.
- > Frame bending things do not have to be the way they have always been.
- > Organizations are arenas where coalitions vie for dominance, and it takes a crisis to trigger action.

Always remember you need to start by understanding the importance of process, purpose, and payoff. Then gather as much information as possible and anticipate, analyze, act and adapt. Do not forget to understand the context as well as the content.

Champions of change realize the following things:

- ➤ In times of great change leadership cannot be delegated.
- Managers convert vision of change into a reality.
- > Today's techniques will be obsolete tomorrow.
- ➤ You'll make mistakes if you try, but experimenting is learning.
- ➤ It's not enough to tell people, you must show them with your actions.
- Reward people for what's required.
- > Resistance to change is the rule.
- > Collect and use feedback.
- ➤ Get rid of barriers to change -- people, processes, products, services, etc.

Failure in the innovation process can occur due to a number of factors. From firsthand accounts of those present when disaster occurred, through our eyes, and many of the listed references we offer the following as our "insights" on the roots of executive failure:

- > They did not figure out the politics of dealing with their key constituents.
- They failed to understand why someone chose to do business with their organization.
- ➤ They misread the competition.
- > They fulfilled wrong or incomplete visions.
- > They addressed complaints versus the real issues.
- ➤ They used favorite solutions versus constructing innovative solutions.
- > They did not strategize and follow their own directions.
- > Their view of reality was inaccurate, incomplete, or hindsight.
- > They ignored vital information or stuck to only what they wanted to know.
- > They identified too closely with an individual, group, company, or industry.

➤ They generally were not greedy, inept, or careless. In sum, they all proved that they simply chose not to cope with innovation and change.

Using the Principles

Yes, life is a short experiment that is enhanced greatly by trying the new and improved with an appropriate balance in all areas of what it means to be human. All progress starts by understanding how little we know of what there is to know and broadening our knowledge by being in the moment, connected at times, and disconnected at others. Remember, it is not the upper or lower blade of scissors that cuts the paper. it's both! Education that makes us think and starts and ends with the realization of how little we know is key. Ignorance more often builds confidence than does knowledge. Also watch out for man-made dichotomies. Most choices are not either-or but are more complicated continuums, not polar extremes. If we wish to improve our economic circumstances, leadership, or management abilities we must stop seeing the world and missing the details, and vice versa; seeking the facts and not confusing facts with single stories. Recall the saying "rather to be respected than loved as a leader." Well that is wrong. This is a common example of a false mutual exclusivity. It is simply better to be both.

Most prescripts for how to better manage or lead cannot be repeated nor modeled in part because all calls are for starting the improvement journey with self-knowledge. Indeed, when one makes a total 180 degree turn in any aspect of their lives, they end up in the same place they started. Progress from such a turn requires movement into the future and new direction. We see the current call to listen to our inner-voice as valid only if one understands the past and the current context. Remember that the present is a sum total of all the past and primarily shaped because of each individual's interpretation, (i.e., perception) of where they have been and where they need to be going. However, do not misrepresent where you have come from, where you currently find yourself, and where you need to be in order to succeed in the evolving globally hyper-competitive battleground. Remember that you may not believe in free-will, but surely you have seen the results of free won't.

Distinctions defined primarily by (and because of) outcomes seem to us to offer little help in making better decisions. The after-the-fact pronouncements are describing what happened looking through the rear view mirror and are at best "feel good fables" that provide little of use. Likewise, it is often easy to say "this is what we should have done" after the fact. It is yet another thing to say "this is what is coming" and "here is how we are going to act now." Remember "the deciders" are doing it and once they become "describers" their stories of success or failure change (purposefully or unconsciously) to justifications (self-serving or otherwise) at best. It is not that the deciders or researchers are lying, but that human explanations (rationalizations that help us survive) show that we are simply incapable of defining "the" reality. We describe our reality and our reality often says more about us than it does what we are describing. Recall again that we don't simply describe what we see, we see what we describe. Outcomes change descriptions of events. Thus beginners luck is taken for talent, regression to the mean becomes a causal link, correlation is cause, we see what we need, confidence that is too high or too low (forms of attribution errors), and so on. Big decisions are relatively unique to the time, place, and people involved with a complexity that will not be repeated again. Therefore, it is tough to model or anticipate, and even tougher to describe the reality of past decisions since our descriptions are colored by the role and relationships of the describer (decider, protagonist, researcher, friend, enemy, etc.).

Think about your own "rational ignorance" where we choose to remain ignorant on issues instead of investing our time and energy on them. We would extend that by saying that when we have "known" rational ignorance that is one thing, but when we have "unknown" rational ignorance that is quite another. Both types of ignorance are often characterized by people who say, "I don't know anything about that but . . . here is my totally uninformed opinion about it" UGH!! We use rational ignorance on specific topics daily as we catch up with The Wall Street Journal. We will read a small part of a story and determine our time is better spent elsewhere because either we do not care about the issue or realize to learn much about it we have to go beyond the "single story." Or we may just find all we want to know about the topic in the headline and stop short of really reading the story. We have found we totally got or missed the point when we get into the topic deeper at a later time. Take a moment to think about the problem with single stories — witness U.S. President Obama's 2014 State of the Union address on January 28 and its many single-story individuals that tug at our hearts (President Reagan started this story telling and it has gotten out of hand). Some of those stories reflect a greater reality and others are selling something that is simply a slant of the full truth. Be reminded that a story is not fact -- it is a story. Most story tellers, like us as professors, emphasize the points we want to stress and skim over or ignore others. Combining rational ignorance with cognitive biases makes one wonder how do we reasonably decide anything?

See wisdom as knowledge that is applied in an appropriate and balanced way that fits all involved and suits the situations at hand and, more importantly, the developing circumstances. We see knowledge accumulation as a means to making better judgments and the key is to act and measure in order that continual adjustment must be made to make situations, things, and people better. In all changes unintended circumstances and likely responses are to be considered; as well as changing rules and polices often so people will not play the game. Few people try to improve the underlying intent of a reward; they simply try to get the reward. Change that tendency and become a doer to lead the strategy of rapid incremental innovation: just do it!

Conclusion

Books and articles about business deal with the mechanics of success, that is, accounting and finance, plans, strategies, and functions. Fiction and the so-called news (all a good part fiction) teaches us about how humans think and act. Maybe fiction should be the primary source of many innovative ideas and just maybe we should be more interested in people than how "theoretically" business should work? "To be or not to be?" Each of us is coded for a range of tasks and even if we don't understand it, we need to strive to find our sense of calling and become more of what we are capable of becoming. Here we as professors proclaim anew that we need to always keep in the forefront of our work and relationships to help students realize insights related to the sweet spot of the might, can, want, ought, and need of their living a meaningful and

fulfilling life. What do you need to do to better contribute toward a fully functioning society? The overall improvements of contributions rest on the additive of fully functioning, productive, and innovative human beings. We must realize that our institutions do not exist alone and when they become an end unto themselves they end themselves. We know of basically no successful entrepreneur who cannot agree with the fact that "Every venture I have undertaken, whether profit or non-profit, has been a play for rapid growth requiring almost continuous innovation and entrepreneurial energy (Buford, 2014: p. 64)."

A free market system is actually a great number of experiments conducted simultaneously. And if we don't see that the unemployment and underemployment in the United States is the failure of our educational (and other) systems, we have our collective heads in the sand. We need not concern ourselves with the income gap; we need to concern ourselves with the attitudes, skills, and knowledge gaps. One must treat the underlying issues not the symptoms. Develop and ask some key questions related to any proposed rule, regulation, law, policy, action, change, addition or deletion (innovation). Never forget unintended consequences and the normal barriers to clear thinking. If you get the questions wrong, you do more harm than good. Address the correct questions and only then do the answers matter (Service and Reburn, 2014).

Start this quest to solve major issues by recognizing that "common" biases influence our considerations of arguments, form the base for our frames of reference and mental models, guide our views of others and cultures, and direct our judgments and actions thus helping us determine and justify our place in the world. Our cognitive biases most often keep us in our known and unknown ignorance (unawareness). These mental favoritisms, misguided interpretations, or mathematical weaknesses can keep us from innovating and creating new and different products, organizations, selves, or approaches.

Develop a deep understanding of yourself and what you might, can, want, ought and need to do. Next maximize strengths and minimize weaknesses. Then spread understanding to others, remembering to seek a proper balance in the circumstances. Then look at innovation and first know what is inside the box and then seek many ideas that are inside the box, outside the box, or anywhere in between. Having a good idea requires having a lot of ideas. Managerially, one needs to realize the strengths of others and leverage them. People want and need direction. To improve, one must reward for improvement. Remember, that a choice is a decision under varying degrees of uncertainty. Therefore, we must reduce uncertainty and also realize that not making a decision is a decision. Never forget that the enemy, your competition, gets a vote.

The criteria for a new rule, policy, product, service, process or so on should start with truth and understandability, making it easy to comply with where consequences of non-compliance are spelled out. In all arenas we see wisdom as knowledge that is applied in an appropriate and balanced way that fits all involved and suits the situation and environment at hand. We see "clear thinking" as a means to making better judgments and the key is to act and measure in order that continual adjustment be made to make situations, things, and people to promote innovation. In all implementing all changes, unintended circumstances and likely responses are to be considered. Change rules and polices frequently so

people will not game the system. Few people try to accomplish the underlying intent of a reward and simply focus on getting the reward. To create wealth for all, people must first produce something that others value and to keep that process going we must never stop innovating.

Our Charge to YOU

We have touched on many issues in an attempt to make you think. And think you must, but do not let shortcomings of this article become an excuse. There is no excuse for not thinking anew each day for "today" is the beginning of a new day and we can squander it or use it for progress: our choice for "today" will always be replaced with tomorrow!

Now it is your turn.... whether big or small, just think. We have sought to convince you that rapid incremental innovation is the only sustainable strategy for individuals and for organizations. We have provided tools, theories, rules and concepts to make you think and to frame and clarify your thinking; now you must go and form your own game plan to become and remain innovative in all you do. Read, think and develop your own insights. Repurpose yourself to be an innovative example starting right now by continuously innovating, void of a fear of failure and the unknown, with the goal of being better!

References

We recommend that the serious reader pick some of our references out and read them. Formulate your own justifications and plans to become and remain innovative. Do not discard some of the references because of their older publication dates; those with older dates remain relevant (be sure to read some Barney, Drucker, books about Drucker, Gladwell, Mintzberg, Peters, Porter and Sternberg).

- [1]Banerjee, A. V. and Duflo, E. (2011). Poor Economics: A radical Rethinking of the Way to Fight Global Poverty. New York: PublicAffairs.
- [2] Barney, J. (1986). Organizational culture: Can it be a source of sustained competitive advantage? *Academy of Management Review, 11(3):* pp. 656-665.
- [3] Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1): pp. 99-120.
- [4] Barney, J. (1995). Looking inside for competitive advantage. *Academy of Management Executive*, 9(4): pp. 49-61
- [5] Bennis, W.G. and Nanus, G. (2003). Strategies for Taking Charge. New York: Harper Books.
- [6] Bennis, W. G. and Thomas, R. J. (2002). Crucibles of Leadership. *Harvard Business Review, September*, 80(9): pp. 39-46.
- [7] Blanchard, K. (2007). Leading at a Higher Level. New York: Prentice Hall.
- [8] Buford, B. (2014). Drucker & Me: What a Texas Entrepreneur Learned from the Father of Modern Management. Brentwood, TN: Worthy Publishing.
- [9] Butler, E. (2007). Adam Smith-A Primer. London: The Institute of Economic Affairs.
- [10] Charan, R. (2007). Know-How: The 8 Skills that Separate People Who Perform From those Who Do not. New York: Crown Business.
- [11] Chopra, D., and Mlodinow, L. (2011). War of worldviews. New York: Harmony Books.
- [12] Churchill, W. S. (1949). The Second World War (6 Volumes). London: Cassell & Co. LTD

- [13] Cohen, W. A. (2010). Drucker on Leadership: New Lessons from the Father of Modern Management. San Francisco, CA: Jossey-Bass.
- [14] Collins, J. (2001). Good to Great: Why Some Companies Make the Leap to Greatness and Others Don't._New York: HarperCollins.
- [15] Collins, J. (2003). 'The 10 Greatest CEOs of All Time', Fortune, July 21: 55-68
- [16] Conard, E. (2012). Unintended Consequences: Why Everything You've Been Told About The Economy is Wrong. New York: Penguin.
- [17] Corbett, S. and Fikkert, B. (2012). When Helping Hurts. Chicago: Moody Publishers.
- [18] Corbin, J., and Strauss, A. (2008). Basics of qualitative research: Techniques and procedures for developing grounded theory (3th ed.). Thousand Oaks, C.A.: Sage.
- [19] Dobelli, R. (2013). The Art of Thinking Clearly. New York: HarperCollins. Translated by Nicky Griffin.
- [20] Dorner D. (1996 translation). The Logic of Failure: Why Things Go Wrong and What We Can Do to Make Them Right, New York: Henry Holt and Company, Translated from 1989 German Version.
- [21] Dotlich, D. L. and Cairo, P. C. (2003). Why CEOs Fail. San Francisco: Jossey-Bass.
- [22] Drucker, P. F. (1985). *Innovation and Entrepreneurship*. New York: Harper & Roe.
- [23] Drucker, P. F. (1988). 'The coming of the new organization', Harvard Business Review, 66(1): 45-53.
- [24] Drucker, P. F. (1989). The New Realities. New York: Harper & Row.
- [25] Drucker, P. F. (1996). The shape of things to come. Leader to Leader, Premier Issue: 12-18.
- [26] Friedman, T. L. (2005). The world is flat: A brief history of the twenty-first century. New York: Farrar, Straus and Giroux.
- [27] Friedman, T. L. (2008). *Hot, flat and crowded*. New York: Farrar, Straus and Giroux.
- [28] Friedman, T. L., and Mandelbaum, M. (2011). *That used to be us.* New York: Farrar, Straus and Giroux.
- [29] Gaynor, G. H. (2002). Innovation by Design. New York: AMACOM Publishing.
- [30] Gladwell, M. (2002). The Tipping Point: How little things make a big difference. Boston: Little, Brown.
- [31] Gladwell, M. (2008). Outliers: The Story of Success. New York: Little, Brown and Company.
- [32] Gladwell, M. (2013). David and Goliath: Underdog, misfits, and the art of battling giants. New York: Little, Brown and Company.
- [33] Grudem, W. and Asmus, B. (2013). The Poverty of Nations: a sustainable solution. Wheaton, IL: Crossway.
- [34] Hersey, P. H., Blanchard, K. H. and Johnson, D. E. (2013). Management of Organizational Behavior (10th edition). Upper Saddle River, NJ: Prentice-Hall.
- [35] Hubbard, G. and Kane, T. (2013). Balance: The Economics of Great Powers from Accient Rome to Modern America. New York: Simon & Schuster.
- [36] Hunger, J. D. and Wheelen, T. L. (2011). Essential of Strategic Management (5th edition). Upper Saddle River NJ: Prentice Hall.
- [37] Kelley, D and Kelly, T. (2013). Creative Confidence: unleashing the creative potential within us all. New York: Crown Business.
- [38] Kennedy P. (1987). The Rise and Fall of the Great Powers, New York: Random House.
- [39] Kim, Y. J. and Van Dyne, L. (2012). 'Cultural Intelligence and International Leadership Potential: The Importance of Contact for Members of the Majority', Applied Psychology, 61 (2): 272–294.

- [40] Kotter, J. & Cohen, D. (2002). The Heart of Change. Boston: Harvard Business School Press.
- [41] Landsburg, S. E. (1993). The Armchair Economist, Economics and Everyday Life. New York: The Free Press
- [42] Leighton, W. A. and Lopez, E. L. (2013). Madmen, Intellectuals, and Academic Scribblers: The Economic Engine of Political Change. Stanford, CA: Stanford University Press.
- [43] Levitt, S. D. and Dubner, S. J. (2009). Super Freakonomics, New York: William Morrow.
- [44] McIntosh, F. (2011). The Relational Leader: A Revolutionary Framework to Engage Your Team. Boston MA: Course Technology.
- [45] Mendenhall, M. E., Osland, J. S., Bird, A., Oddou, G. R., and Maznevski, M. L. (2008). Global leadership: Research, practice and development. New York: Routledge.
- [46] Mintzberg, H. (2004). Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development. San Francisco: BK Publishers.
- [47] Mintzberg, H. (2009). Managing. UK: Pearson Education
- [48] Norberg, J. (2006). Humanity's Greatest Achievement. The Wall Street Journal. October, 2: p. A11.
- [49] Obama, B. (2004 edition of his 1995 book—includes his speech at the Democratic Convention). *Dreams from My Father: A Story of Race and Inheritance*. New York: Three Rivers Press.
- [50] Obama, B. (2006). The Audacity of Hope. New York: Crown Publishers.
- [51] Peters, T. J. (1987). 'Facing up to the need for a management revolution', *California Management Review, Winter:* 7-37.
- [52] Peters, T. J. (2003). Re-Imagine! New York: Dorling Kinderslev.
- [53] Peters, T. J. and Waterman, Jr., R. H. (1982). In Search of Excellence. New York: Warner.
- [54] Porter, M. E. (1990). *The Competitive Advantage of Nations*. New York: Macmillan.
- [55] Potoker, E. S. (2011). International human resource development: A leadership perspective. London: Routledge.
- [56] Reichheld, F. (2006). *The Ultimate Question: Driving Good Profits and True Growth*. Boston, MA: Harvard Business School Publishing
- [57] Ridley, M. (2014). Smart Aid for The World's Poor. *The Wall Street Journal*, July 26-27, C1-C2.
- [58] Robinson, A. G. and Schroeder, D. M. (2004). Ideas are Free: How the Idea Revolution is Liberating People and Transforming Organizations. San Francisco: Berrett-Koehler Publishers Inc.
- [59] Savitz, A. and Weber, K. (2006). The Triple Bottom Line. New York: Jossey-Bass/Wiley.
- [60] Sandys, C. and Littman, J. (2003). We Shall Not Fail: The Inspiring Leadership of Winston Churchill. London: Portfolio the Penguin Group.
- [61] Service, R. W. (2006). 'The development of strategic intelligence: A managerial perspective', *International Journal of Management*, 23(1): 61-77.
- [62] Service, R. W. (2009). 'Leadership Quotient©'s thought experiment: A framework for leadership and management', *International Journal of Business and Public Administration*, 6(3): 74-90.
- [63] Service, R. W. (2012). 'Leadership and Innovation across cultures: CIQ-Contextual Effectiveness as a Skill', Southern Business Review, 37(1): 19-50.

- [64] Service, B., and Arnott, D. (2006). The leadership quotient: 12 dimensions for measuring and improving leadership. New York: iUniverse.
- [65] Service, R. W. and Carson, C. M. (2009). 'Management and Leadership: Religion The "Mother of all Context."', *Interbeing Journal*, 3(1): 37-43.
- [66] Service, R. W. and Cockerham, D. (2007). 'The Managerial MBA: Classroom Lab Experience', The Journal of Learning in Higher Education, 3(1): 1-14.
- [67] Service, R. W. and Loudon, D. (2012). 'A Global Leadership Quotient-GLQ: Measuring, Assessing and Developing', China-USA Business Review, 11(8): 20-40.
- [68] Service, R. W. and Loudon, D. L. (2013). 'The United States: Economic and Educational Problems and a Suggestion', *Journal of Business and Economics*, 4(2): 249-259.
- [69] Service, R. W., Loudon, D. L. and Kariuki, K. (2014). 'Cross-Cultural Leadership: Recommendations for Kenya', *Journal of Social Economics Research*, 1(4): 40-71.
- [70] Service, R. W. and Reburn, J. P. (2014; pending). Leadership for Innovation: Fundamentals of Human Influence. *Journal of International Research and Practice*, (8).
- [71] Smart, B. D. (2005). Topgrading: How Leading Companies Win by Hiring, Coaching, and Keeping the Best People. New York: Portfolio.
- [72] Sternberg, R. J. (1996). Successful Intelligence: How Practical and Creative Intelligence Determine Success in Life. New York: Simon & Schuster.
- [73] Sternberg. R. J. (2003). Wisdom, Intelligence, and Creativity Synthesized. New York: Cambridge University Press
- [74] Thornton, W. P. (2012). Why Can't They Hear You?

 Orality based teaching for cross-cultural trainers.

 Global Impact Missions, 87 pages.

 philthornton@windstream.net
- [75] Tracy, B. (2010). How the Best Leaders Lead. New York: AMACOM.
- [76] Welch, J. (with Welch, S.) (2006). Winning: Everyone Wants to Win, Not everyone Knows How. New York: HarperBusiness.
- [77] Wind, Y. and Crook, C. with Gunter, R. (2005). The Power of Impossible Thinking: Transform the Business of Your Life And the Life of Your Business. Upper Saddle River, NJ: Pearson Education
- [78] Williams, J. H. (2010). Wings of Opportunity: The Wright Brothers in Montgomery, Alabama, 1910. Montgomery, AL: NewSouth Books.
- [79] Yukl, G. (2013). Leading in organizations (8th ed.). Boston: Pearson.
- [80] Zander, R. S., and Zander, B. (2000). The art of possibility: Transforming professional and personal life. New York: Penguin.