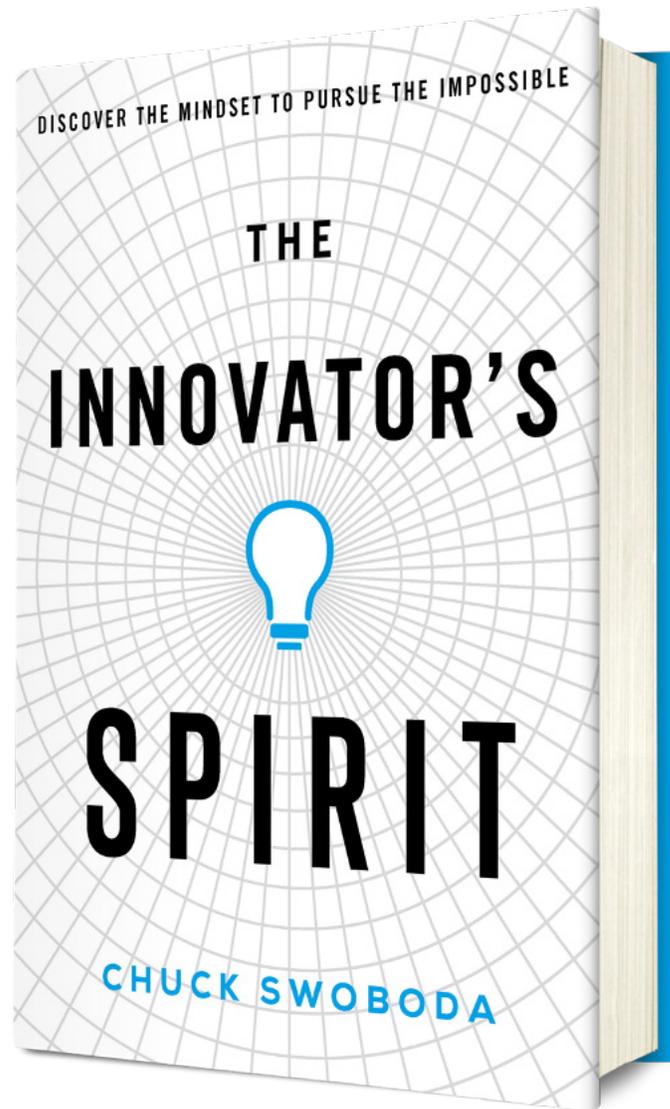


The Innovator's Spirit BONUS PACK



"Innovation is a mindset, not a recipe."

PEOPLE > PROCESS

May 2020



Greetings from Marquette University and Innovation Alley. I'm currently the Innovator-in-Residence at Marquette and formerly the Chairman and CEO of Cree, Inc. where I spent 25 years helping lead the business from a startup to a global technology company as we created the LED Lighting Revolution that led to the obsolescence of traditional light bulbs.

I'm also the author of *The Innovator's Spirit* and host of the *Innovators on Tap* podcast.

Thank you for attending our Beyond MU Event on ***Finding Opportunity in Crisis – an Innovator's Perspective***. I hope you were able to take away some ideas that you can use to help yourself and those around you see what might be possible.

I recognize that these are very challenging times for the global Marquette family and the many people around the world dealing with the incredible disruption to our daily lives caused by the coronavirus pandemic. It is to be expected that many of us will struggle to adapt to the many changes we're facing, but I would encourage you to keep in mind that change also creates opportunity.

Please note that profits from sales of my book, *The Innovator's Spirit* during the first part of May will be donated to the Marquette University Bridge to the Future Fund to help support students in need who have been affected by this crisis.

I know that many of you are facing your own challenges during these unprecedented times, but please consider supporting this worthy cause to help ensure current students can complete their Marquette journey and experience for themselves what we mean when we say **WE ARE MARQUETTE!**

Let's go change the world,

Chuck Swoboda
Innovator-in-Residence



How To Uncover Your Innovator's Spirit

By Chuck Swoboda



Innovation begins and ends with people, not a process or recipe.

In its most basic form, innovation implies something new, that solves a customer problem, and creates real value. But peel back the layers and delve deeper, and you'll find it's much more than that.

Innovation speaks to our deep-seated desire to improve or expand our lives. It is the great equalizer, giving underdogs not only a chance, but often the advantage. It brings people together. It challenges the status quo. It makes the impossible, possible. And, in the broadest sense, it creates the future.

Yet, these days, I fear that the term innovation is becoming hollow, like the countless corporate buzzwords that have come before it. In fact, it seems that the more we use the word, the less we actually do it. And, worse, the more we try to put it in a neat little box, the more elusive it becomes.

For background, innovation is personal to me. In 1993, I left HP to join Cree, where I spent the next two-and-a-half decades growing the company from a fledgling startup to a global technology superstar. We not only disrupted many an industry, but also started an LED lighting revolution that changed how the world thinks about light. Yet, considering our success, it might surprise you that we never really talked about innovation. We just did it.

In reflecting on that time, I've come to understand a surprisingly simple truth: Innovation begins and ends with people, not a process or a recipe. And that requires uncovering what I call

“the innovator’s spirit”—the mindset that makes innovation possible in the first place.

Unfortunately, our life experiences, by and large, create beliefs and ways of being that actually stymie innovation. Consequently, we tend to avoid risk, abide by best practices, accept the ways things are, and avert problems at almost any cost—all of which are anathema to innovation.

Want to uncover your own innovator’s spirit? Start by putting these six key traits into practice.

1. Candor

You’ll never solve problems if, first and foremost, you’re not honest about the facts.

Yet, most work cultures prioritize collegiality over candor and constructiveness. As a result, people don’t question or challenge one another, let alone speak truth to power.

So, the next time a colleague proposes something nonsensical in a meeting, call them out. You can expect some pushback, as there’s nothing like a little unvarnished truth to make people uncomfortable. Still, when someone isn’t willing to face the facts, they won’t be very helpful in the pursuit of innovation.

Tip: To dish it out, you also have to take it. Accept others’ candor with grace and an open mind.

2. Initiative

As the old saying goes, “Don’t let the perfect be the enemy of the good.”

Innovation requires cycles of learning, so don’t spin your wheels awaiting an epiphany or aha moment to make the perfect decision or next move. You’ll only lose precious opportunities to grow, learn, and succeed.

So, when sitting on an idea, waiting to eventually perfect it, get over it and show some initiative instead. Put your thinking out there for all to see, and watch what happens. Odds are, you’ll discover that it’s far better to take action and learn from it than to wait on perfection.

Tip: Remember being directionally correct may not be perfect, but it’s good enough.

3. Resolve

Innovation is hard, and it’s tempting to give up when things don’t go as intended. But if you’re really serious about innovating, you must be resolute and make success your only option.

So, instead of spending your time on contingency plans in the event that things don't go according to plan, take a deep breath and stop yourself. Know that something will go wrong, but by abandoning your backup plans, you'll create the focus required to give you the best chance for success.

Tip: Go all in. Period.

4. Courage

There is no innovation without risk—and failure.

Innovators are obliged to not just be unafraid of failure but to actually embrace it. As Winston Churchill pronounced, “Success is not final, failure is not fatal; it is the courage to continue that counts.”

So, to build up your courage muscles, put yourself in an especially challenging situation, like signing up for a stretch goal that scares or intimidates you. Once you confront the fear of failure and come out on the other side alive, you'll realize that there wasn't much to be afraid of to begin with.

Tip: In innovation, the bigger risk is doing nothing.

5. Leadership

Innovation requires strong leadership and a steadfast vision. And that starts with people who, rather than aiming to think outside the box, believe that there is no box. In fact, just acknowledging the so-called box creates boundaries and conditions that only limit what's possible.

So, think about something that most of your colleagues or company is writing off—declaring it impossible. Then make that your mission.

Tip: The best opportunities lie in what others say can't be done.

6. Engagement

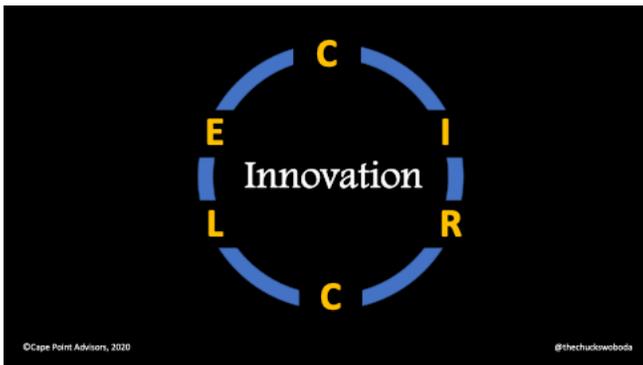
It's natural to want to delegate problem solving, especially as a team or organization grows. Yet, in innovation, some of the most consequential ideas and solutions live within the details. And if you can't sense or experience that insight, you'll likely lack the kind of context that leads to success.

Inherently, innovation is messy work, and you have to be willing to get your hands dirty. You have to wholly engage—to put skin in the game—and make it personal.

So, think about the biggest challenge that stands between you and your current goal. Then put that on sticky notes around your desk, or make it the screensaver and wallpaper on your devices, to remind you to engage with it on some level every day.

Tip: Make innovation personal, and you're guaranteed to get things done.

Like a circle, there is no beginning or end to innovation. And the same goes with the innovator's spirit. To uncover yours, practice these six traits early and often. You will perpetuate a circle of innovation, pursue the impossible, and perhaps even create the future.



Are You a Manager or a Leader?

By Chuck Swoboda



“Management is doing things right; leadership is doing the right things.”

That’s how Peter Drucker, the iconic father of modern management, characterized the difference between management and leadership. And as someone who has long studied the connection between innovation and leadership, I couldn’t agree more. Why? Because the behaviors that make someone an effective manager are often in conflict with those required for innovation.

Many people assume that if you are a manager, then by default, you are also a leader. But that isn’t true. Someone else can make you a manager. Only you, however, can make yourself a leader. What’s more, there are very few people who are good at both managing and leading.

Successful organizations are built on a combination of great leaders and effective managers, and more importantly, they ensure those skills are matched to the appropriate problem.

The differences

Functionally, managers and leaders apply different approaches in pursuit of different outcomes.

Managers get people to follow rules and procedures in an effort to reduce risk and deliver predictable outcomes. This is what is required to maintain or incrementally improve upon the status quo. Managers view variability as a threat to be reduced as much as possible. To measure success, they evaluate how well each person abides by the process and produces the expected results.

Leaders, on the other hand, rouse others to take risks and challenge the status quo in an effort to achieve something new and better. This is what is required in the pursuit of innovation. Leaders view variability as an opportunity to achieve results that others think are impossible. To measure success, they look at both what the team achieves and what the team is learning.

So while managers seek compliance, leaders seek to inspire the pursuit of excellence.

Are you a manager—or a leader?

There's no black-and-white litmus test to determine whether someone is a manager or a leader. Still, if you want to get a sense of where your strengths are, ask yourself how you'd respond to each one of these five scenarios.

1. Titles

Imagine that you're spending the day interviewing to be the head of marketing for a budding entrepreneurial enterprise. Things are going really well, and you're feeling like you do want to work there. Then, during the last interview of the day—with the founder and CEO—you learn that the company is still deciding if the position will be titled vice president or director. Either way, however, the compensation and job responsibilities would be the same.

Question: Do you make it clear that a VP title is important to you so that everyone recognizes that you're in charge of the entire marketing operation? Or do you assure the CEO that your job title is inconsequential—that what you really want is the opportunity and resources to help the team innovate and succeed?

A manager uses their title to be empowered. A leader empowers themselves through their ability to convince others to do what is needed.

2. Roles

Imagine that you're attending a sales conference with colleagues from other companies in your industry. In a breakout session, the facilitator asks you to define your current role to the group.

Question: Do you tell the group, "I oversee a 17-person global sales force with a \$50 million budget"? Or do you respond, "I lead a group of talented people that are working to grow twice as fast as the market."?

A manager defines their role based on who and what they are responsible for. A leader defines their role based on what they are trying to accomplish.

3. Accountability

Imagine that your team has devoted the last few months working toward a major deadline on a critical project. Regrettably, one person on the team comes up short—meaning that, as a team, you'll miss the goal. The next day, you have to face the facts and tell your boss in front of your peers at the weekly staff meeting.

Question: Do you explain why the miss was out of your control and who on the team was to blame? Or do you take responsibility for the miss, acknowledge that the buck stops with you, and explain what you will do differently the next time?

A manager is accountable for doing what they said they would do. A leader is accountable for the outcome.

4. Resources

Imagine that you're in a company meeting to go over quarterly targets. Someone explains that their team is likely to miss their goal and needs more resources to finish their work in time. The company's president chimes in, asking who else can help them close the gap.

Question: Do you stay mum to safeguard your own team's workload and goals? Or do you volunteer to share a couple of your people even though it'll mean extra work for the rest of the team?

A manager views resources as their own and something to protect. A leader views resources as ours and to be used to serve the greatest need for the organization.

5. Priorities

Imagine that your organization is in a slump, struggling with slowing sales. To get your annual bonus, the executive team is requiring that you commit to a 5% growth target. The thing is, you believe that if your team were to push harder, you could potentially hit 10% growth instead.

Question: Do you do what was asked and commit to the 5% target? Or—to help the company in hard times and perhaps incite others to follow suit—do you up the ante and pledge 10% despite putting your bonus at risk?

A manager's first priority is to meet their own goals. A leader's first priority is to achieve the best possible outcome.



A good organization needs both effective managers and effective leaders. The key is to match the skillset with the business need. One is not better than the other; instead, they are good at different things. And when it comes to innovation, you need leaders.

No doubt, for you and your company to really prosper, it's critical to put yourself in a role that compliments your strengths. So which one are you—a manager or a leader?

The Coronavirus Pandemic Has Created Problems, But It's Also Creating Tremendous Opportunities

By Chuck Swoboda



Daily life certainly has certainly changed in the last few months.

Just think, in mid-February, things were humming along. The stock market was up. Sports leagues were playing. Schools and workplaces were abuzz. Bars and restaurants were serving. Travelers were on the move. And the novel coronavirus, while grim, was largely a China problem.

Then it happened. The coronavirus began to spread, and before we knew it, the World Health Organization declared COVID-19—the viral disease caused by the novel coronavirus—a global pandemic. Far and wide, we started to [learn](#) what it means to “flatten the curve.” To say nothing of how “social distancing” and “sheltering in place” would, virtually overnight, redefine the way we live and work.

In addition to the obvious global health concerns, the economy has been severely impacted, as reflected in the decline in the stock market and dramatic rise in unemployment claims.

There is no doubt that the coronavirus pandemic qualifies as a crisis, and that it has and will cause many hardships for people. But a crisis also creates opportunities. President John F. Kennedy said in a speech in 1959, “The Chinese use two brush strokes to write the word ‘crisis.’ One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger—but recognize the opportunity.” While Chinese language scholars have since explained that this interpretation might not be completely accurate, his point has never been more relevant—a crisis is an opportunity to embrace change.

When change is no longer optional

Change generally happens incrementally and relatively slowly. Why? In an [article](#) in *Psychology Today*, clinical psychologist Jennifer Kunst explains it this way: “The mind is like a rubber band; you can easily stretch it temporarily, but it snaps back to its resting position. We resist change. People crave the familiar; we take refuge in what we know. There is a basic principle in the deep layers of the [unconscious](#) mind that sameness=safety and change=danger.”

But during a crisis—especially an epic one like COVID-19—the rules as we know them seem to no longer apply. And for individuals, organizations, and entire industries, that means those hardwired mental equations start to shift. Soon they see that, in reality, sameness=danger and change=opportunity.

The aha, then, becomes simple: The status quo won’t do—and change is no longer optional.

The power of crisis

Need a business example? Take the Ford Motor Company. Bill Ford Jr., the executive chairman of Ford, had been working for several years without much success to try and focus the company on making great cars instead of being mired in internal politics and infighting. Then, the Great Recession hit in 2007. Ford had to convince his family members, who controlled almost 40% of the company voting shares, to allow him to pledge the trademarked blue Ford oval as collateral for a financing package to help the company survive the Great Recession. Saving the family legacy became more important than the internal politicking that had plagued the company in the past. This gambit created a renewed sense of focus and willingness to take risks that allowed the company to break through these decades-old barriers and make real changes under the guidance of new CEO Alan Mullaly.

Ford is an excellent example of how a crisis can also be an innovation accelerator. It creates an environment that, under normal circumstances, is nearly impossible to replicate by removing long-standing boundary conditions. Here are three accelerators that you can take advantage of in a crisis.

1. Changes the risk/reward balance

In most organizations, decisions are based on some type of risk/reward analysis. Is the potential gain enough to outweigh the risk of failure? The challenge for most people is that, under normal circumstances, the fear of failure almost always overrules the argument for change. So companies are biased towards avoiding risk. This is to be expected when most organizations reward success and not trying and failing. But in a crisis, the dynamic shifts dramatically – the real risk becomes doing nothing.

And the customer's perspective also changes, as it becomes willing to consider new ideas and accept sometimes imperfect solutions. When the status quo breaks down, there is almost no downside to taking a chance, and you're better off trying something new.

A crisis helps people realize that they have nothing to lose and everything to gain.

2. Increases focus

Competing, and sometimes conflicting, priorities are a common problem that all organizations face. In most cases, companies allocate equal amounts of attention to each priority, ensuring that every facet of the company is given enough attention. This keeps each priority moving along incrementally, but limits the potential for a breakthrough idea. A crisis fundamentally shifts this strategy. When your back is up against the wall, you stop spreading your focus and instead direct all of your attention to the one problem that really matters. This focus is an extremely powerful tool that can give ordinary people the ability to do the extraordinary. That's especially true when people's jobs, or even their lives, are at stake.

A crisis enables people to eliminate distractions and push toward a common goal in a way that makes failure not an option.

3. Identifies leaders

Companies are filled with managers who have good intentions but are often not able to convince themselves to take a risk. They are part of a culture that rewards hitting your goal, not taking on challenges that might not be possible to solve. They accept boundary conditions for what they are: limits on what's possible. But you can't manage your way out of a crisis; you have to lead. It requires people focused on solving problems. Since problems don't resolve themselves, somebody has to step up and find a solution. Somebody has to lead and find a better way.

A crisis gives leaders the opportunity to step up and a license to ignore the status quo in pursuit of something better.

Opportunities

A crisis creates opportunities in industries directly affected but also those indirectly affected. Consider what's currently happening in higher education.

While online courses have been a growing trend over the last decade, the majority of undergraduate students still primarily attend classes in person. At least they did until mid-March when universities across the country started telling their students to stay home and began shifting all their courses online. Until now, the pace of progress towards online has been steady but relatively slow. It has been limited by several issues, not the least of which are the risk of failure, the fear of the unknown, and many competing priorities.

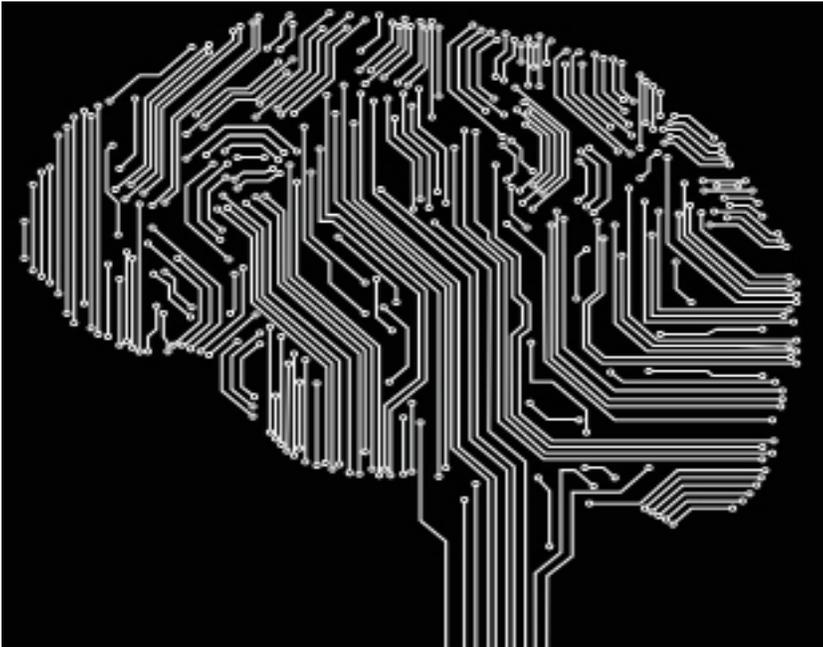
This is a significant undertaking, one that was filled with risk, and there have been some things that have gone wrong along the way. But because the only alternative was canceling classes altogether, which is the equivalent of temporarily going out of business, the universities and their customers (the students) are figuring it out. Higher education has made more progress in the last two months moving to online than it had in the past ten years. I predict that this will end up being one of the most innovative periods in higher education, and the business model will be forever transformed for the better.

This crisis will no doubt cause many difficulties for people, but it will also create opportunities for innovation across many industries. This is time for people to take more risks, focus on what really matters, and embrace the opportunity to lead.

When it comes to innovation, never let a crisis go to waste.

To Hire Talent Wired for Innovation, Focus on Mindset — Not Skill Set

By Chuck Swoboda



According to the consulting firm [McKinsey](#), 84 percent of executives agree that innovation is critical for their business. But here's the rub: only 6 percent are satisfied with their performance. To succeed going forward, they'll need to do many things. Among them is to hire talent wired for innovation.

Innovation is about doing something new that hasn't been done before. So innovators, by their very nature, have to believe that something is possible before they know it actually can be done. And that requires a special mindset.

All to say, to know if a job candidate is wired to innovate, you have to turn traditional hiring on its head. Why? To focus less on what they know and more on how they think.

To focus on mindset—not skill set.

Start with these four key practices:

1. Play down the resume

Use a candidate's resume as a mere starting point. Go ahead and touch on the basics, but more important, seek out something that you have in common to start a real conversation. Your goal is to get to know who they are and how they think rather than what they've already done. Odds are, their resume focuses on their skill set. You want to understand their *mindset*.

2. Apply the UFO test

The UFO (uncertainty, failure, ownership) test is a great way to get a sense for how a candidate thinks and how they're likely to respond to innovation's inherent challenges.

With regard to *uncertainty*, ask the candidate to solve a problem in real time. Not a technical problem, but a thinking problem. For instance, ask them: "How many barbers are there in New York City?" Then have them talk you through how they would figure it out. (You can have a whiteboard on hand, too, if you like.) How they respond is a good indicator of how they deal with the unexpected—a predictable occurrence in innovation. Keep in mind, you're not looking for the correct answer; you're looking for the ability to tackle problems, and the uncertainty that comes with them, in the moment.

With regard to *failure*, ask the candidate to describe a profound professional failure and what exactly they learned from it. (Warning: You may need to nudge them.) Their "lessons learned" provide insight as to how effective they are in dealing with disappointments and risks as well as their ability to be introspective and self-aware. They also tell you how well they're likely to learn from any failures to come and, likewise, about their resilience and temperament.

With regard to *ownership*, look for something on the candidate's resume that shows they were part of an organization that ran into business trouble. It could be a bankruptcy, a corporate scandal, a collapse in market share, a disastrous product launch, or the like. Then ask them why they didn't do more to prevent that problem. They'll probably say that wasn't their job, but keep pushing them. They should be able to come up with at least something they personally could have done. You're looking for someone willing to do what it takes to help a company succeed, and not merely what is in their job description.

3. Spot non-resisters

Innovators naturally push for more and better—and never settle for "good enough." Conversely, a candidate's long tenure at a large company can be a red flag. Big corporations may be full of great managers, but they rarely innovate. That's because the very things they do to manage the business

well also restrict the actions and behaviors that real innovation requires. To linger in a large organization for a long time usually means accepting the system, not actively resisting it. And that's anathema to innovators.

4. Beware candidates seeking titles

When all is said and done, innovation is hard work. Those who succeed at it understand that recognition comes from the accomplishment, not a title or a position on an org chart. In fact, by and large, the best innovators don't even think of themselves as "innovative." Instead, they see themselves as being good at coming up with solutions to problems that create value for others, and sometimes even society at large. Real innovators, in other words, can't be bothered with titles; they're concentrated on what they're doing today for the world of tomorrow.

Hiring, to be sure, is an imperfect science. But if you're serious about selecting talent wired for innovation, turn tradition on its head and focus on mindset—not skill set. Only then will you find true innovators.

Legacy Company, Startup Culture: Interview with Peter Gunder and Ryan Rist

By Chuck Swoboda



What's the first industry that comes to mind when you hear the word innovation? What about the second? Or the third?

My guess is that the insurance industry did not make your top three. Yet, Peter Gunder, chief business development officer, and Ryan Rist, director of innovation, are bringing an innovative spirit to that industry at American Family Insurance.

AmFam has taken a deep dive into innovation - including relocating part of its team away from headquarters to focus on innovation, creating a world-class venture capital business, acquiring new technology and business expertise through acquisitions, as well as developing innovation internally.

However, the company also is dealing with the tension that exists in many legacy companies. On one hand, the core business drives near term success, but at the same time, things that make you successful today are often the same things that get in the way of innovation.

Ryan summed it up as: “You have to anchor yourself in the transformational side of things, in the long term, but you don’t get unlimited rope... Every year we need to be showing up with value.”

I was fortunate enough to sit down with Peter and Ryan for my podcast, *Innovators on Tap*, and hear the about the successes, failures, and the future of innovation at American Family Insurance. You’ll hear about the necessity of leadership to fundamentally drive innovation, the need to view competitors as the up and coming startups, not other legacy companies, and how customer expectations are often set outside your own industry. Enjoy!

Link: [*Innovators on Tap* Podcast](#)

“Successful legacy businesses seek to minimize variability and powerful innovators crave variability because there will be a lot of losers and a few winners hiding in that set of experiments” - Peter Gunder

“I always ask people what their passions are...when we can line up passion with work that needs to be done is when we see people at their best...solving hard problems, intellectual curiosity. If you’re wired for that you’re not going to fit with the job that tells you exactly what to do” - Ryan Rist

Want to learn more?

If you would like to learn more about discovering the mindset to pursue the impossible, please see my website www.chuckswoboda.com

You can also follow me on [LinkedIn](#), [Twitter](#) or [Instagram](#).

Please also take time to listen to my podcast, [Innovator's on Tap](#), which is one of the many new things that are being developed as part of Marquette's Innovation Alley.

