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Failure is welcome

BLINK 12 BRANDS

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Change is constant and today, all brands need to innovate. It's the only way of staying fresh, relevant and useful. But when, where and how to innovate?

Innovation isn't easy. It's a venture into the unknown, and trying new ideas can be risky. New products, new processes, new approaches. Some might work, but some might not. What's important, though, is that you learn from past failures to improve your chances of succeeding next time. Real winners don't give up, they build on lessons learnt and push forward stronger. This summer I saw decades of innovation presented when I visited the Museum of Failure in Helsingborg in Sweden. The exhibition is now on a global tour and it is a homage to innovation and all of those products that didn't quite work out. Some things I'd seen before, some I hadn't, but there was a much wider narrative than just 'these products failed'. There were innovation lessons throughout the museum and pointers for brands thinking about the future. Indeed, the battle cry of the museum is “let’s take meaningful risks. Let’s embrace failure”. But how?

Three ways to innovate

There are different types of innovation (business model, organisational, product, marketing, etc.), and designing, managing and developing innovation is a strategic challenge. There is also a big difference between ‘new to the organisation’ and ‘new to the world’. But the best way of mapping innovation is to think about it on three different levels: core, adjacent and transformative.

Core innovation is based around incrementally improving familiar areas (e.g. product development like improvements in digital in-car displays or new ad formats on media plans).

Adjacent innovation is about pushing forward, using core business to fund exploration into new areas (e.g. products like connected cars, or from a media perspective, moving into content).

Transformative innovation is the game-changing stuff, the ‘disruptive’ innovation that often occurs in niche markets and is ignored until it is too late by core businesses (e.g. products like self-driving cars or marketing partnerships with groundbreaking new startup companies). I saw examples of all three areas at the Museum of Failure, and identified three lessons valuable to all brands:

Get your timing right Products that fail aren’t always bad ideas; sometimes, they’re just ahead of their time. Take the Sinclair C5, for example. The concept of small, battery-powered electric vehicle might have seemed ridiculous back in 1985, but the concept of electric cars is no longer far-fetched (the C5 still looks odd, though).

Or what about Boo.com, the fashion site where a virtual assistant would help you buy clothes online? It was a complete failure back in the early 2000s, but e-commerce has taken off a bit since then. Then there’s Modo, the handheld device that told you about a city’s dining and entertainment options and gave you coupons to spend. It was a nice idea but needed to be an app on a phone, not a standalone device. The key takeaway? Timing is everything. Being first to market might do you more harm than good if you don't have the tech to fully realise your idea. Sometimes, it might be better to wait a while.

Know when to quit Have you heard of the Apple Pippin, the gaming console made by Apple? It was on the market for two years back in 1996-1997, but was too expensive and had a lack of games. There was also the Apple Newton, a personal digital assistant that didn't work very well and even became a joke on the Simpsons. The museum claims that in 1997, Steve Jobs killed Newton when he re-joined Apple and re-deployed the talented mobile engineers onto other products. He knew when to quit. He also learnt a lesson from Pippin that ecosystems are nothing without content – something that fed the idea of the App Store.

Fail fast: Some ideas shouldn't even get into the production stage, either because they're engineered poorly, badly researched or just not thought out properly (which means they might cost more to make than they would sell for). Take, for instance, the interactive toy doll that failed so miserably to safeguard privacy that Germany's Federal Network Agency deemed it "illegal espionage apparatus". Then there's TwitterPeek, a non-real-time $200 tweeting device that could not access linked websites and only displayed 20 characters of a tweet at a time. Talk about a #FAIL. And there were many more examples like this in the museum.

Every brand is under pressure to come up with new ideas, but failing fast is important and getting feedback from prototypes and 'minimum viable products' is often better than failing with an expensive finished article.

Preparing for failure

Any established business is naturally focussed on growing and protecting its existing business. This can inevitably lead to a tendency to avoid disruption and large-scale change. This is The Innovator's Dilemma that Clayton Christensen refers to in his seminal book of the same name.

New startups are dismissed by incumbents because they are not large enough to worry about and do not appeal to an existing business's core customer base. But these new entrants quickly iterate and improve, and when they become interesting to the same established company's customers it's too late for the established company to react.

Therefore, trend tracking is becoming increasingly important and brands have found a number of ways to keep in touch with new developments – from using Silicon Valley Innovation Outposts (SVIOs) to working with startup consultancy divisions (like MediaCom's BLINK_Innovation team). In Only the Paranoid Survive, Andrew Grove sums up the situation perfectly, when he writes: "success breeds complacency. Complacency breeds failure. Only the paranoid survive."

Innovation, therefore, needs to be delivered by design, not by accident. Brands of the future need to protect their core business and explore adjacent and transformative areas too. They need to be 'ambidextrous', ensuring different parts of their business work to different KPIs. Leadership, people, processes and funding are all key areas in driving a successful innovation agenda.

Remember: doing well today does not guarantee you will be doing well tomorrow. To become a brand of the future, you need to keep evolving and moving forward. Failure to do so may result in your products ending up in a certain museum…

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