
Innovation & Failure

The Basis for Building the Future.

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Innovation & Failure

The Basis for Building the **Future**



Jonathan

Born in Nov. 2016



2050



9.5 billion

A cityscape featuring a mix of modern high-rise buildings and older, more densely packed structures. A river flows through the center of the scene, reflecting the buildings and the sky. The overall atmosphere is somewhat somber due to the overcast sky. The text '6.5 billion' is prominently displayed in the center in a bright yellow, bold font.

6.5 billion

Resource usage.



“... the creation and adoption of more efficient and appropriate **technologies** is a necessary part of any solution .”

Foray, Mowery & Nelson
(2012, p. 1697)

“ ... Vor dem Hintergrund
großer gesellschaftlicher
Herausforderungen [ist]
soziale Innovation in den
Blick zu nehmen.”

“... everyone realizes
that the grand
challenges can't be
solved **by one group**
[alone].”

You will fail!

Everybody does.

FAILURE

forever

FAIL

forever

What is about to come.

1. Approaching failure
2. Innovation & failure
3. Learning from failure is good
4. Learning from failure is hard
5. What can we do?





Approaching Failure.

Failure describes activities that fall short of expected or promised outputs or outcomes.



Innovation & Failure.

Is failure really the
mother of innovation?

Failure and innovation

Analysis of more than 1,200 German innovating firms

Correlation of failure and innovation is inverted u-shaped

Ebersberger & Petersen (2016)

- If the failure rate $< 20\%$, failure and innovation are positively related:

the higher the failure rate the more innovative the firms are.

- If the failure rate $> 20\%$, failure and innovation are negatively related :

the higher the failure rate the less innovative the firms are.

Learning is crucial.

We attribute the findings about the positive effects to the fact that failure is a good opportunity for learning.

Learning from failure is even more instructive than learning from success.

- If the failure rate $< 20\%$, failure and innovation are positively related:

the higher the failure rate the more innovative the firms are.

- If the failure rate $> 20\%$, failure and innovation are negatively related :

the higher the failure rate the less innovative the firms are.

The background is a complex collage of various textures and colors, including shades of brown, red, purple, and black. It features a repeating pattern of the word "FAILURE" in a large, bold, black, distressed font. The text is partially obscured by the layered and torn paper and fabric elements.

Learning from
failure is **good**.



Sometimes **new perspectives are more powerful** than just being smart.

Astro Teller

“Fail fast and cheap.
Fail often. Fail in a
way that doesn't kill
you.”

Seth Godin

“If you want to
succeed,
double your
failure rate.”

Thomas J. Watson

Secret sauce ?

Failure is not the secret sauce for success.

Learning is the secret sauce that might turn failure into success.





Learning from
failure is **hard.**



Biases lead to **wrong decisions**

- Overconfidence
- Confirmation bias
- Illusion of predictability

How does it
feel to be
wrong?

It feels like
being right!

ENTER HERE TO GROW IN WISDOM

P



Why am I right and others wrong?

- Ignorance
- Idiocy
- Evil



“Fallor ergo sum” =

We all have the
capacity to skrew
up.

The background is a complex collage of torn paper and fabric. The word 'FAILURE' is printed in large, bold, black letters across the top and middle sections. Below it, the word 'forever' is written in a smaller, lowercase font. The collage includes various colors like purple, red, green, and black, with some areas appearing to be layered or torn apart. The overall aesthetic is gritty and textured.

What can we
do?



Failure attracts
attention within
the organization.

Failure causes
negative emotions.

These negative emotions are
called **grief**.

(Shepherd 2003)



Failure causes grief.

Because it questions
competence, relatedness,
and autonomy.



For coping with grief there are two approaches

1. Grief orientation
 2. Restoration orientation
-

Grief orientation

1. Think about the events leading to the failure
2. Build a rationale why this happened



Restoration orientation



1. Distraction from failure = not thinking about it
2. Proactivity for second level stressors

Best results

Oscillating between
grief orientation and
restoration orientation.



Dilemma:
Feeling grief
hampers learning.

What can we do?

Three Approaches:

1. Failure part of the culture
 2. Normalizing failure
 3. Emotionally capable organization
-

Failure as part of the culture

1. Make it safe to fail
2. Make failure the path of least resistance
3. Enthusiastic scepticism

Normalizing failure

1. Failure is part of what you do.
2. Desensitize your employees to failure and rejection.

Emotionally capable organization

1. Establish rituals
2. Provide social support
3. Learn to oscillate
4. Be humble and appreciative towards failure

Zotter's graveyard of ideas.

Zotter manufactures chocolates with the most delicious fillings.

- **Failed ideas** (e.g. Café, Flag-Ship)
- **Failed recipes & flavors** (e.g. string bean & onion)
- Successful but **replaced flavors** (e.g. pineapple & pepper)
- **Exhumation is possible** (pink coconut & trout marshmallow)



Summary

- Challenges of the future require innovative solutions.
- Innovation activities have the potential for failure.
- Failure is a great opportunity for learning.
- Failure causes negative emotions.
- **Your organization can only learn from failures when it can handle those negative emotions.**

Innovative organizations have to be more **appreciative** and **humble** towards failure!

As leaders of those organizations take the first steps right away!

Be **appreciative** and **humble** towards failure!

HOME
WORK

Your CV of failure

1. Retreat to your office
2. Write down a CV with the **failures** you experienced and what you **learned**.
3. Every now and then: **Read it.**

HOMEWORK

Thank You.

Let me know how you are doing with your CV of failure.

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Images.

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