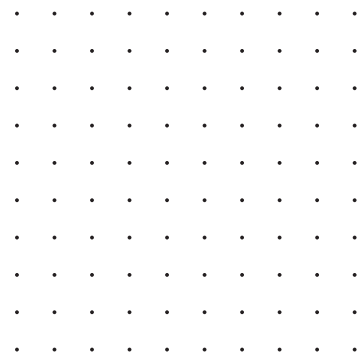


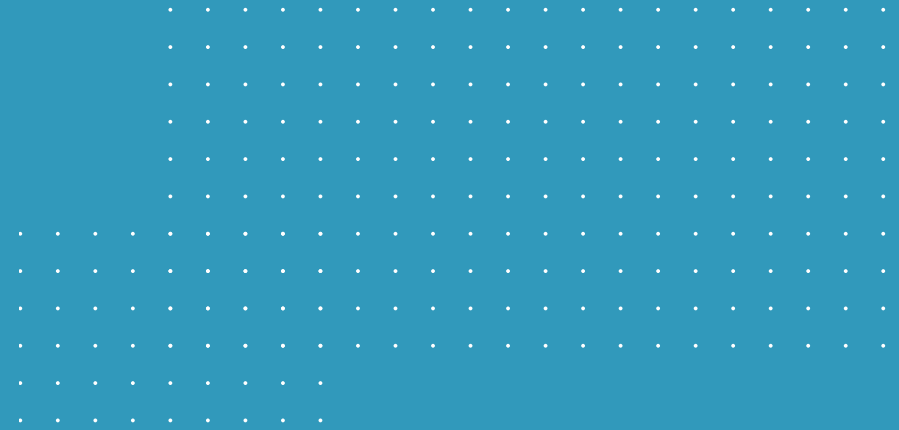
How to Create a Culture of Innovation Through Knowledge Sharing



Table Of Contents

Intro: The Harsh Truth of Innovation at Work	03
6 Ways to Encourage Innovation-Focused Knowledge Sharing	06
1. Explore the Adjacent Possible	07
2. Embrace Failure	09
3. Look Before You Leap	10
4. Reinvestigate Old Discoveries	11
5. Embrace Downtime	12
6. Create the Right Environment	13
Moving from Idea to Action	14





Intro: The Harsh Truth of Innovation at Work

Intro: The Harsh Truth of Innovation at Work

Innovation is a critical part of running a successful business. Today's landscape is much too competitive for any organization to think they can achieve success by doing the same things they've always done.

Just look at Blockbuster, which famously went out of business when Netflix provided a new way for consumers to watch movies. Or, for more recent examples, look at long-standing organizations like Barnes and Noble, which is losing book sales to Amazon, and taxi companies, which are facing increasing competition from Uber and Lyft.

So, how can organizations encourage innovation and position themselves for success in this hyper-competitive environment?

The key lies in increased knowledge sharing. Leaders must empower employees with diverse perspectives, competencies, and knowledge to share information freely across departments.

Through this democratization of knowledge and increased interdepartmental collaboration, employees can view challenges in a new light and uncover creative solutions.

Harvard Business Review explained the benefits of this approach:¹

"To move to the higher value uses and maintain a competitive edge, we need to lessen the impact of data silos on our businesses. To remove the barriers of silos, a progressive, pragmatic approach is most effective. The end goal of embracing advanced data analytics is to make a company data-driven — that is, to benefit from data in a consistent, organization-wide manner."

Unfortunately, many companies fail to create an environment where information flows freely from one department to another. Instead, departments operate independently, focusing on conflicting goals and sharing knowledge only with those on their teams.

While 61% of the workforce says "the solution to reaching their strategic goals is collaborating more across functions, paired with faster decision making," more than half report working in silos "with each function making its own decisions."²

Why do companies that seek innovative solutions to common challenges continue to work in silos? In some cases, it's the result of a fundamental misunderstanding of the nature of innovation.

"To move to the higher value uses and maintain a competitive edge, we need to lessen the impact of data silos on our businesses. To remove the barriers of silos, a progressive, pragmatic approach is most effective. The end goal of embracing advanced data analytics is to make a company data-driven — that is, to benefit from data in a consistent, organization-wide manner."



David McCullars, Vice President of Engineering at Bloomfire, refers to this misunderstanding as the “myth of the Eureka moment.”

“There is a detrimental but very common misconception about innovation,” he says. “We believe that innovation is like a light bulb being turned on. We go from no idea to fully fleshed out innovation in an instant.

According to McCullars, even those who are responsible for innovation

fall prey to this belief.

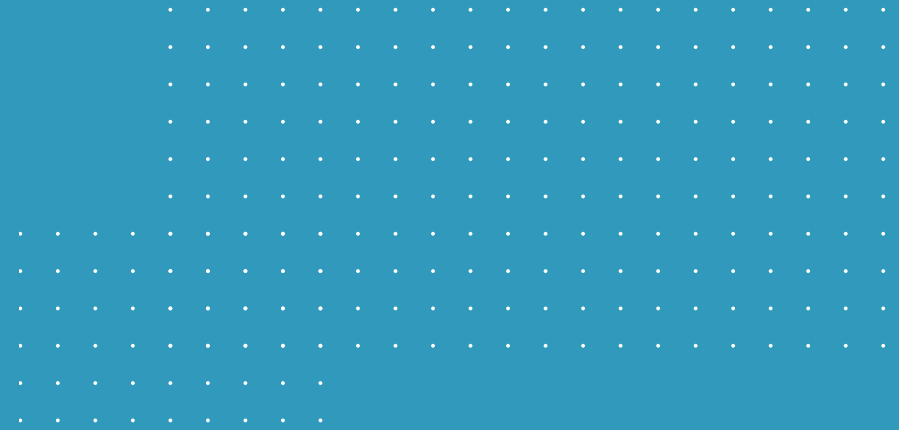
“There is a famous case where Charles Darwin claimed to have the theory of natural selection come to him in a flash, and he sincerely believed this,” he explains. “But historians later discovered in his diary that the ideas were all there years in advance, slowly percolating and coming together over time.”

Simply put: innovation doesn’t occur in a single flash of brilliance. It is the

result of prolonged consideration of seemingly disparate concepts until they slowly form a new, impactful idea.

If you want to foster innovation at your company, you must encourage collaboration and knowledge sharing across every department.

Innovation doesn’t occur in a single flash of brilliance. It is the result of prolonged consideration of seemingly disparate concepts until they slowly form new, impactful ideas.

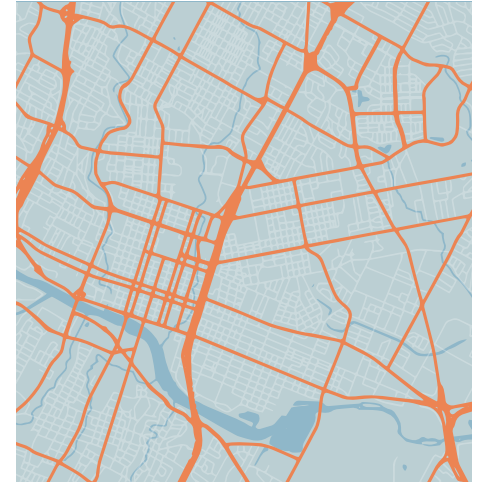


6 Ways to Encourage Innovation-Focused Knowledge Sharing

6 Ways to Encourage Innovation-Focused Knowledge Sharing

The idea of establishing a culture of knowledge sharing and innovation at a company currently lacking those qualities may seem overwhelming, but there are proven best practices you can follow.

After studying the world's best scientists and startups, we uncovered six steps companies can take to increase knowledge sharing and innovation among employees.



1. Explore the Adjacent Possible

Stuart Kauffman, a theoretical biologist and mathematician who spent his career studying the origin of life on Earth, created a concept called the “adjacent possible.” Steven Johnson, best-selling author of *Where Good Ideas Come From*, described it as “a kind of shadow future, hovering on the edges of the present state of things, a map of all the ways in which the present can reinvent itself ... [it] captures both the limits and the creative potential of change and innovation.”³

To help conceptualize this idea, McCullars offers the following thought experiment:

“Suppose I gave you a giant map of the world, and I handed you a yellow highlighter and asked you to highlight every stretch of road anywhere in the world you’ve ever been down at least once in your life. It probably wouldn’t cover much of the map, would it? Even in your hometown.

“Now, suppose I gave you a pink highlighter and asked you to highlight all of the side streets,

every road adjacent to a road highlighted in yellow. These are the roads which were — at least at one point — available to you, but you went right instead of left. Every day as you go through your commute, you pass by these possibilities, maybe without giving them a second thought.

“And finally, consider all of the places on the map that are left un-highlighted. These are the places which aren’t available to you — at least not yet. The only way to get there is to choose one of those pink

side roads and go down it. Go left instead of right. Turn a pink road into a yellow one and make a whole bunch of un-highlighted roads turn pink. This is the essence of the adjacent possible.”

True innovation is born when organizations embrace and explore the adjacent possible.

Consider PayPal, a now well-known digital payment platform. If not for leaders embracing the adjacent possible, this company would not exist today.



To find your organization's adjacent possible, you need a road map indicating where you are and where you've been. This will allow you to see the "side roads" that are available for you to explore.

You see, PayPal wasn't originally created as a digital payment platform at all. According to Max Levchin, Co-Founder and former Chief Technology Officer at PayPal, the company originally set out to create an encryption solution for Palm Pilots.⁴

Fortunately, when faced with PayPal's imminent demise, Levchin and others saw another possibility beyond the one they originally set out to achieve.

"We thought, 'We have all these libraries that allow you to secure anything on handheld devices. What can we secure?'" Levchin explained. "Then finally we hit on this idea of, 'Why don't we just store money in the handheld devices?'"⁵

They ultimately made a pivot, became a digital payment platform, and Levchin eventually sold his share in PayPal to eBay for a reported \$34 million.⁶

That's the power of the adjacent possible.

But to find your organization's adjacent possible, you need a road map indicating where you are and where you've been. This will allow you to see the "side roads" that are available for you to explore.

This is where technology can help.

Knowledge sharing solutions like Bloomfire allow you to document, store, organize, search for, and distribute key organizational content,

giving every employee the ability to understand the information currently available to their organization and uncover new opportunities.

2. Embrace Failure

Nothing stifles innovation like fear of failure. The simple truth is that most new ideas will fail, but it's through failure that we learn the greatest lessons.

As Thomas Edison famously said, "I have not failed. I've just found 10,000 ways that won't work."

To embrace innovation, you must put aside the notion that failure and success are mutually exclusive. Experiencing failure does not make you a failure.

Consider Steve Jobs. After founding Apple and seeing initial success, Jobs had a string of failures — including the release of Lisa and the Apple 3 — that ultimately led to his firing.⁷

But no one would consider Jobs to have been a failure.

That's because he didn't let his setbacks stop him. He continued to dream up new ideas, and eventually, he returned to lead Apple. In 2001, he announced the release of the iPod, and by 2005, Apple posted a net profit of \$295 million, a figure Jobs largely attributed to the iPod.⁸

"We're thrilled to report the highest quarterly revenue and net income in Apple's history," he said. "We've sold over 10 million iPods to date and are kicking off the new year with a slate of innovative new products."

To create a culture of innovation, give yourself and your employees room to fail, and treat each failure as a lesson. Document what went wrong, why, and what you learned. Then, share that information freely across the entire company so employees in every department can learn from it and offer their insights and advice.

"I have not failed. I've just found 10,000 ways that won't work."

The Startup Genome Report “found that 70% of startups scaled prematurely along some dimension. While this number seemed high, this may go a long way towards explaining the 90% failure rate of startups.”

3. Look Before You Leap

While you want to embrace failure, you don't want to be reckless. This is a mistake that has ruined many promising companies.

The Startup Genome Report “found that 70% of startups scaled prematurely along some dimension. While this number seemed high, this may go a long way towards explaining the 90% failure rate of startups.”⁹

Give yourself room to test new ideas, but don't waste resources diving into an unknown proposition.

One way to ensure you try out new ideas without needlessly wasting money is by ensuring your organization isn't duplicating projects — an all-too-common mistake. The cause? Poor communication.

Perhaps your product team wanted to better understand what circumstances drive a specific target market to seek the kind of offering you provide. When they couldn't quickly find the answers they needed internally, they started a market research initiative to obtain them.

On the surface, that seems like the right call.

But what they didn't know is your marketing team commissioned that same research two quarters ago. Unfortunately, the knowledge they gained now resides in multiple PowerPoint and Excel files, and only one or two people — if any — know where to find it.

An effective knowledge sharing platform can eliminate this concern by making your research searchable and accessible across your organization. When someone in the organization has a hypothesis or a question, they can start by searching the knowledge sharing platform to determine if someone else has already asked the same thing — and received an answer.

And by determining what's already been answered, employees can identify follow-up questions or related areas to explore (which brings us to our next point).

“Biologists have discovered that an ancestor of the dinosaur first developed feathers from scales — but not to fly. Those early feathers were probably for the purpose of temperature regulation — and possibly also to attract mates in the same way peacocks do. It was much, much later that their airfoil shape allowed them to be repurposed for flight.”

4. Reinvestigate Old Discoveries

In many cases, something considered old, when viewed in a new light, can lead to the greatest innovations. McCullars explained how this can even happen in nature:

“Biologists have discovered that an ancestor of the dinosaur first developed feathers from scales — but not to fly. Those early feathers were probably for the purpose of temperature regulation — and possibly also to attract mates in the same way peacocks do. It was much, much later that their airfoil shape allowed them to be repurposed for flight.”

The same thing can happen in your business. Investigate old ideas, initiatives, and products to identify

new ways they can be developed and marketed.

This is another area where having a knowledge sharing platform can be an asset. By providing easy access to product documents, market research, and more, you empower employees to reinvestigate old information and develop new ideas.

This also leads to another important point: you don't have to be the first to the market to be innovative.

Many people consider introducing a completely unheard-of product to be the only form of innovation, but this simply isn't the case. And it's not even necessarily the best path to success.

Consider Myspace. The early social networking site saw great success when it entered the scene in 2003, until Facebook became publicly available in 2006 and dominated the market.

It's always worth looking at the current status quo and identifying new iterations that can lead to an even greater impact.



“As a company leader, our job is to keep everyone on task, to provide clarity and direction. We make sure everyone’s plates are full and that no time is wasted. In our endless effort to iron out inefficiency and maximize productivity, we may inadvertently suffocate any trace of innovation.”

5. Embrace Downtime

This one is difficult for most business leaders. It’s natural to feel like downtime is wasteful. After all, when employees have downtime, they aren’t producing any measurable results for your company. But it’s during downtime that people have the space to think and create new ideas.

McCullars notes the importance — and difficulty — of embracing downtime.

“As a company leader, this one can be hard,” he says. “Our job is to keep everyone on task, to provide clarity and direction. We make sure everyone’s plates are full and that no time is wasted. In our endless effort to iron out

inefficiency and maximize productivity, we may inadvertently suffocate any trace of innovation.”

Try to take the long-term view and understand that, while giving employees space to step away from everyday tasks and brainstorm won’t deliver an immediate return on investment, it can yield incredible results over time.

6. Create the Right Environment

The environment you create for employees will have a major impact on how collaborative and innovative they are. And many employees in today's workforce believe their environment isn't up to par.

In fact, according to a Deloitte study, 84% believe they need to rethink their workforce experience to improve productivity.¹⁰

At Google, creating a collaborative work environment was so important, the company invested in a research initiative known as Project Aristotle, which asked its people analytics division to determine "a universal recipe for team collaboration."¹¹

While they couldn't find a one-size-fits-all solution to promote collaboration across every team, they did determine that "more than anything else, psychological safety was absolutely instrumental to an individual team member's willingness to trust and collaborate with colleagues, regardless of his or her personality type."

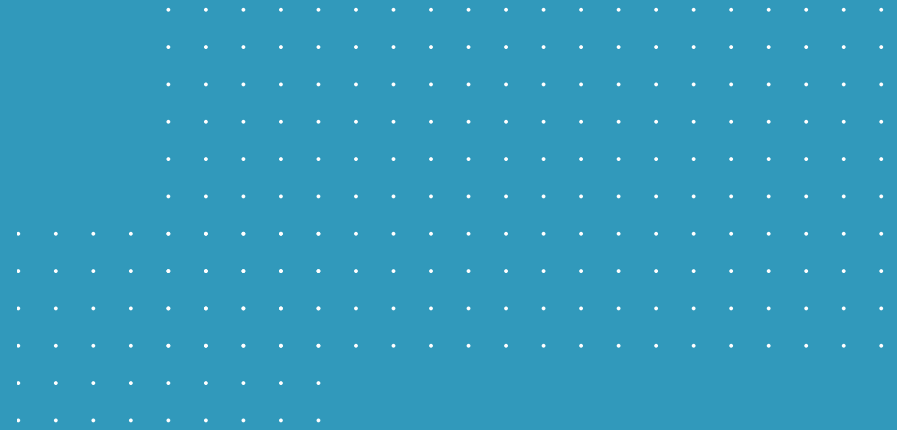
So, how can you promote psychological safety at your organization?

Project Aristotle uncovered three key factors:

1. "Empathy — referring to team members' ability to connect and communicate on a personal level."
2. "Equality in distribution of conversational turn-taking, which is Google's way of saying that: 1) everyone should be accorded roughly equal air time in group communication, 2) active listening must be learned and supported, and 3) intrusive interruption and theft of ideas should not be tolerated."
3. "Confidence that team members will not embarrass, reject or punish an individual for speaking up and expressing his or her feelings openly."

Put simply:

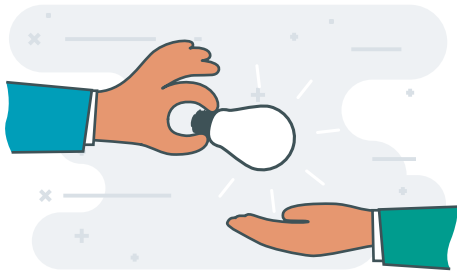
you must create an environment where employees feel their opinions and contributions matter.



Moving from Idea to Action



Moving from Idea to Action



Everywhere you look, business experts tout the value of strategic thinking, and for good reason. Without strategic thinking and bold new ideas, there would be no innovation.

But it's important not to forget actionable tactics. Without getting down to business and making things happen, big ideas remain just that — ideas.

Moving from formulating ideas to doing innovative work isn't something that can happen overnight. Your organization needs to start by cultivating a culture of knowledge sharing, where employees are encouraged to share their ideas, and a culture of experimentation, where individuals and teams learn that making a

decision and failing (or getting an unexpected outcome) is more valuable than not making a decision at all.

This type of culture needs to be promoted from the top down. Leaders must set a precedent for sharing knowledge across the organization, putting ideas into action, and owning (as well as sharing what they've learned from) their failures. Leaders should also encourage their team members to document and share the outcomes of their experiments so that others can benefit from their learnings.

A knowledge sharing platform can help employees at all levels of the organization share their learnings, collaborate on ideas with their co-workers, and discover valuable

insights that they can apply to their decision-making. If your organization doesn't have a platform that allows you to centralize knowledge, make it searchable, and distribute it across teams, it's time to consider investing in one. When your employees have the tools to share and search for knowledge across the organization, they'll be well-positioned to contribute to the next big innovation.



Bloomfire exists to organize knowledge and expertise, and make it accessible and shareable with the people that need it most. Our easy-to-use, elegant software is used by thousands of employees at leading companies for social learning, customer service, and sales & marketing alignment. With Bloomfire, collaboration is easier, work gets done more efficiently, and employees and customers are more satisfied. Bloomfire is headquartered in downtown Austin, Texas.

For more information or to schedule a demo,
visit www.bloomfire.com

1. <https://hbr.org/2016/12/breaking-down-data-silos>
2. <https://www.strategyand.pwc.com/media/file/Dealing-with-market-disruption.pdf>
3. <https://www.wsj.com/articles/SB10001424052748703989304575503730101860838>
4. <https://pando.com/2014/03/13/accidental-disruption-max-levchin-discusses-how-close-paypal-was-to-never-existing-at-all/>
5. https://www.academia.edu/22467709/Founders_at_work_stories_of_startups_early_days
6. <http://time.com/3430817/paypal-levchin-affirm-lending/>
7. <https://www.forbes.com/sites/randalllane/2013/09/09/john-sculley-just-gave-his-most-detailed-account-ever-of-how-steve-jobs-got-fired-from-apple/#76c66c43c655>
8. <https://www.apple.com/newsroom/2005/01/12Apple-Reports-First-Quarter-Results/>
9. https://s3.amazonaws.com/startupcompass-public/StartupGenomeReport2_Why_Startups_Fail_v2.pdf
10. https://www2.deloitte.com/content/dam/insights/us/articles/5136_HC-Trends-2019/DL_HC-Trends-2019.pdf
11. <https://www.shrm.org/resourcesandtools/hr-topics/organizational-and-employee-development/pages/viewpoint-what-we-can-learn-from-google-about-collaboration.aspx>
12. <https://www.entrepreneur.com/article/294787>

info@bloomfire.com 877.483.2777