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Back to the Basics

Winding down 2018 has put us in a contemplative mood here at E&I. As we sip on our hot cocoa and get ready for the holidays, we're thinking about the foundation of what E&I is about. What is the end goal of said entrepreneurial and innovative ventures? Perhaps the answer lies in the pursuit of high quality value creation.

Whether it be a new product or a service, while we are busy bringing our next new idea to life, it is important to be mindful of whether we are adding value to the lives of the people who will use our products and services. Sometimes it is tempting to compromise on our original vision and mission in order to get through that next funding round, management request or other such constraints. Making quick checks every now and then on whether or not we have strayed too far from our original mission is a good way to avoid falling into this trap. With that thought, happy holidays and a happy new year!



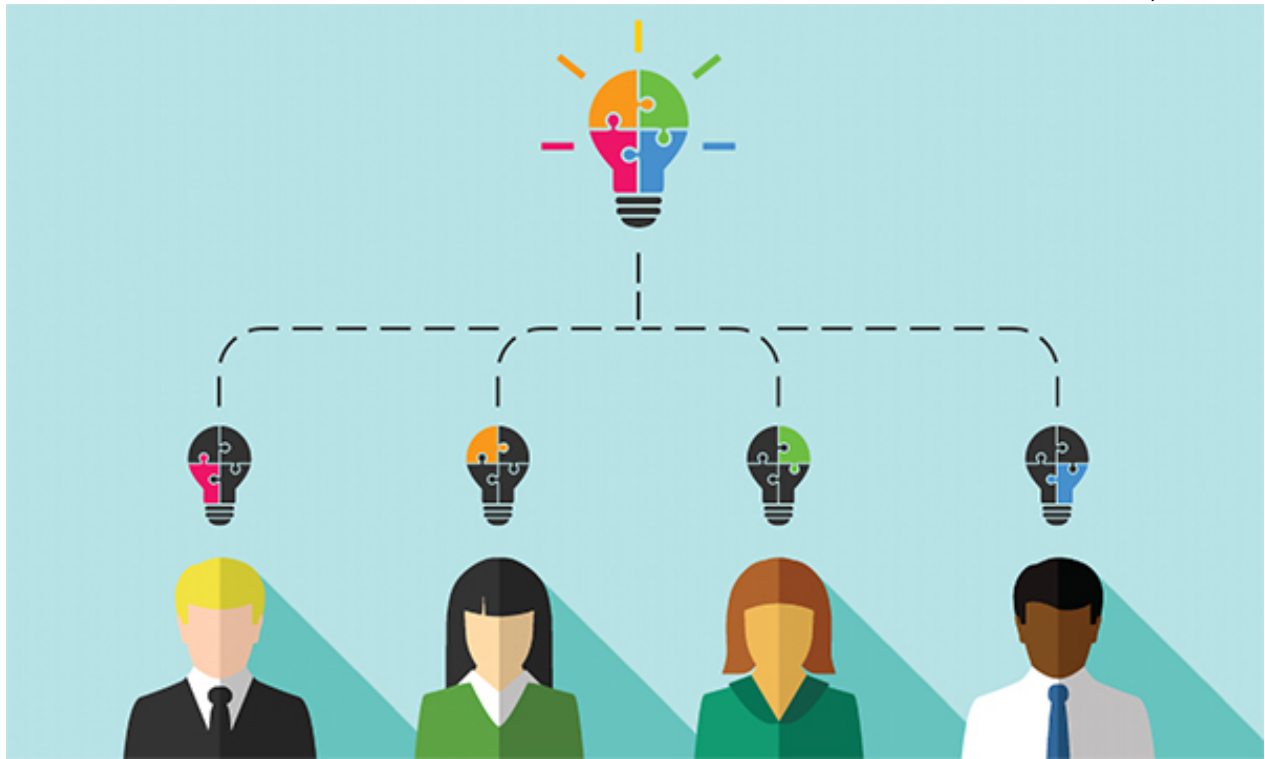
Innovation is a Big Word, but it Doesn't Have to be

We've said this before and we'll say it again because it's a good reminder for all of us in innovative roles who are trying to come up with the next greatest idea—Innovation doesn't have to be earth shattering. Innovation can simply be taking what's around you in your everyday life and, well, making it better, easier, faster, cheaper, and more efficient. If you are innovating for a company, this might mean finding ways to make it easier for your customers to do business with you.

Case in point: A local dry cleaner who advertises their curtain cleaning services. The large sign in front of their building simply says, "Trust us to Clean Your Curtains. Free Take Down and Re-Hang."

What did they innovate here? Did they change the way they clean the curtains? Probably not. Did they build a new cleaning machine? No. Invent a new detergent? Nope. What they did was make it easier for the customer to do business with them. How? Well, they thought about the customer experience and realized that the experience begins much earlier than when they drop off their curtains to be cleaned. They identified the road blocks around what might prevent customers from getting their curtains cleaned more often and determined that the not-so-simple task of taking the curtains down and hanging them back up again was a pain point for customers. So, they innovated around a customer service need. They removed a roadblock and provided value-added service.

Innovation doesn't have to be big to be meaningful.



Diverse Perspectives Bring Innovative Ideas to Life

Some innovation experts will say that all ideas are bad ideas. Their point is that an idea in its infancy may not be ready for prime time, but can become great when it benefits from the diverse perspectives of others, or cognitive diversity. One of the key drivers of cognitive diversity is identity diversity, which is based on identifiable characteristics of individuals. Regardless of whether your company has strong diversity and inclusion programs for hiring and developing people, you can encourage diversity of opinion by getting to know those you work with and inviting everyone, at all levels, for their perspective when seeking innovative solutions to challenges your company faces. The August/September 2018 issue of *The Actuary* is nearly exclusively focused on diversity and has several excellent articles with advice and case studies on the benefits of diversity.

For more information, see [the August/September issue of *The Actuary*](#).



Changing Can't to Can

As innovators, we've all been there. That ground breaking idea pops in your head. It solves a big problem facing your organization. You think through some details, come up with pros/cons, evaluate strategic fit, and you're still convinced the idea is awesome. Excitedly you start to socialize it with your colleagues. And inevitably the first reaction sounds a lot like "it won't work" or "we can't do that with our admin system (or distribution, or modeling platform, or risk appetite, or...)" The next thing you know, you are knee deep in an argument about the validity of the concept, the meeting ends, you get nowhere and your awesome idea basically dies on the vine.

Now what? How do you respond to the "we can't" reaction? In their book, *Playing to Win*, A.G. Lafley & Roger L. Martin, suggest asking the group one simple, yet very effective question. "What would have to be true?" Asking this question changes the tone of the discussion and more importantly, it changes the mindset overall. It forces everyone to think about all the things we can do to make it work. It effectively moves the entire conversation from a negative "we can't" to a much more positive (and productive) "here's how".

So the next time you find yourself pitching a new concept, idea or solution to the "we can't" audience, remember to simply ask the team what would have to happen for this to work and you're likely to find the conversation shift into a much more innovative discussion.



Anyone Can Innovate ... Even Actuaries!

Josh Linkner tells audiences you don't need a special degree or a lab coat to innovate. Instead, he says anyone can innovate. In his book, *The Road to Reinvention*, he suggests starting with your company's core product or service. He says "the creativity needed to reinvent a ... life insurance policy ... is yours for the taking." (Yes, he actually said life insurance in his book!). He goes on to say that this process starts with truly listening to customers, and that companies shouldn't limit "ideas to small tweaks and incremental shifts," something that to many may feel like a requirement just to keep up with the competition. So, just as we know the stereotype that actuaries aren't good communicators is wrong, it would also be inaccurate to say actuaries can't be creative. As Josh says "the only thing better than creating the best offering in the marketplace is creating the one that takes its place."

Adapted from [*The Road to Reinvention*](#), by Josh Linkner.



Getting Past No

What really is innovation? It's about doing something different. Or putting existing things together in a new way to create a new service, product or concept. Innovation most likely won't fit into existing structures or classifications. That's the point. But when something doesn't fit neatly in the box society has already created, it's easy for others to criticize the concept or not see its value and potential. In other words, innovators and entrepreneurs are likely to hear the word "NO." A lot. The point is, innovation and entrepreneurship is not easy. If it were, we would all be doing it. It takes creativity, determination and a little dose of guts to keep pushing through all of those potential "NO's." As Babe Ruth once said, "It's hard to beat a person who never gives up."



The Worst Ideas Can Generate the Best Solutions

When teaching "Innovation Advantage," a LIMRA executive development program, Claude Legrand, author of *Innovative Intelligence—The Art and Practice of Leading Sustainable Innovation in Your Organization*, focuses on problem-solving techniques. These include what to do when finding oneself "stuck" when trying to come up with ideas for solutions. He suggests thinking about the worst solution to a problem. Not the best. Not the most creative. The absolute worst. Not only can this exercise be fun, but participants also realize how many new, great ideas they could come up with just by identifying all the worst things they could do. In a recent class, the problem was "how to get seniors to use an ATM more often" ... and the bad ideas came flooding out—almost too easily. Participants suggested things like playing rap or heavy metal music at the ATM, using the smallest possible font size, or having the ATM only open between midnight and 3 am. All things that would not play well with seniors. But after chuckling over the absurdity of these bad solutions, they realized that by taking the opposite of each one, they easily had all sorts of new ideas and solutions to the problem. So if you find yourself struggling with this, spend a moment thinking about the worst solutions, then flip them around and ... voila! You'll have yourself all sorts of new ideas.



You Can't Read the Label if You're Inside the Jar

The sad irony of being an expert at an established company is that it keeps you from seeing possibilities. After all, you know what works, what doesn't, what you can afford, what's been tried in the past, and you are extremely unlikely to follow a new or different approach. If you've been working in an industry for more than six months, you are "in the jar". The nice thing about being an entrepreneur is that you usually don't have this problem. So instead of relying on your own expertise — which is typically nonexistent — you can go looking for experts solving similar challenges to the ones you are facing and search for technology that could allow you to take shortcuts.

Adapted from "Entrepreneurs Vs. Market Leaders: Three Strategies Entrepreneurs Use To Win," by Mike Maddock, CEO, Maddock Douglas, Inc.