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INNOVATION BEST PRACTICES

How Amazon creates new offerings such as its revolutionary web services offering for software developers:

Amazon has a group called the S Team—S meaning “senior”—that stays abreast of what the company is working on and delves into strategy issues. It meets for about four hours every Tuesday. Once or twice a year the S Team also gets together in a two-day meeting where different ideas are explored. Homework is assigned ahead of time. A lot of the things discussed in those meetings are not that urgent – rather a few years out. The team thinks and talks about them at length. Eventually the team chooses just a couple of things, if they’re big, and makes bets.

Amazon ensures that this happens across the organization, not just at the top. BU heads drive that.

Source: [The Institutional Yes -- An Interview with Jeff Bezos by Julia Kirby and Thomas A. Stewart](#), Harvard Business Review, October 2007.

How Pixar fosters collective creativity

Between 1995 and 2008, Pixar introduced 9 movies: *Toy Story*, *A Bug’s Life*; *Toy Story 2*; *Monsters, Inc.*; *Finding Nemo*; *The Incredibles*; *Cars*; *Ratatouille*; and *WALL-E*. All have been blockbusters. How does Pixar do it?

Ed Catmull, co-founder of Pixar Animation Studios and president of Pixar and Disney Animation Studios, describes Pixar's secret to collective creativity in an HBR article.

“All of our stories, worlds, and characters were created internally by our community of artists. And in making these films, we have continued to push the technological boundaries of computer animation, securing dozens of patents in the process. [...] I believe our adherence to a set of principles and practices for managing creative talent and risk is responsible. Pixar is a community in the true sense of the word. We think that lasting relationships matter, and we share some basic beliefs: Talent is rare. Management’s job is not to prevent risk but to build the capability to recover when failures occur. It must be safe to tell the truth. We must constantly challenge all of our assumptions and search for the flaws that could destroy our culture. [...]

People tend to think of creativity as a mysterious solo act, and they typically reduce products to a single idea: This is a movie about toys, or dinosaurs, or love, they’ll say. However, in film-making and many other kinds of complex product development, creativity involves a large number of people from different disciplines working effectively together to solve a great many

problems. The initial idea for the movie—what people in the movie business call “the high concept”—is merely one step in a long, arduous process that takes four to five years (Translation: creating a superior offering takes time, which runs counter to the push for rapid product development cycles praised by operational excellence experts).

A movie contains literally tens of thousands of ideas. They’re in the form of every sentence; in the performance of each line; in the design of characters, sets, and backgrounds; in the locations of the camera; in the colors, the lighting, the pacing. The director and the other creative leaders of a production do not come up with all the ideas on their own; rather, every single member of the 200- to 250-person production group makes suggestions. Creativity must be present at every level of every artistic and technical part of the organization. The leaders sort through a mass of ideas to find the ones that fit into a coherent whole—that support the story—which is a very difficult task. It’s like an archaeological dig where you don’t know what you’re looking for or whether you will even find anything. The process is downright scary. [...]

(Taking risks) If we aren’t always at least a little scared, we’re not doing our job. We’re in a business whose customers want to see something new every time they go to the theater. This means we have to put ourselves at great risk. [...] Our most recent film, WALL·E, is a robot love story set in a post-apocalyptic world full of trash. And our previous movie, Ratatouille, is about a French rat who aspires to be a chef. Talk about unexpected ideas! [...]

We as executives have to resist our natural tendency to avoid or minimize risks, which, of course, is much easier said than done. In the movie business and plenty of others, this instinct leads executives to choose to copy successes rather than try to create something brand-new. That’s why you see so many movies that are so much alike. It also explains why a lot of films aren’t very good. If you want to be original, you have to accept the uncertainty, even when it’s uncomfortable, and have the capability to recover when your organization takes a big risk and fails. What’s the key to being able to recover? Talented people!

Source: [How Pixar fosters collective creativity](#), Harvard Business Review, September 2008.