

Innovation, creativity and courage: the essence of far-sightedness

In June, Perini Journal interviewed Tom Kelley, Philip Kotler and Andris Zoltners, three of the important speakers at the World Marketing & Sales Forum, the annual appointment organized in Milan by HSM. HSM is a company that proposes the best management contents through three channels: media, tailor-made learning programs to supply companies with creative solutions, and management events that each year gather over 75,000 visitors coming from every field of business.

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Tom Kelley. "The Red Queen has to run faster and faster in order to keep still where she is. That is exactly what you all are doing" - Through the Looking Glass - Lewis Carrol. Who does not remember Lewis Carrol's Through the Looking Glass and the terrible Red Queen? And who would ever think that Alice's bitter enemy summarizes in such a simple and effective way our modern times? Today, in order to remain in the same place, we have to run twice as much, just like companies must work with greater determination, run twice as much and face the Red Queen Effect in order to remain on the market.

According to Tom Kelley, General Manager of IDEO, the renowned design industry that created the Apple mouse, Polaroid's I-Zone instant camera, the Palm V, and hundreds of other leading-edge products and services, today everyone speaks of innovation but not everyone puts it into practice, because they retain it a non-contingent problem. But when growth and renewal are imperatives and the context is difficult, creativity and innovation become the two milestones for development.

PERINI JOURNAL (PJI): IN YOUR EXPERIENCE, HOW CAN WE IDENTIFY AN INNOVATIVE COMPANY?

TOM KELLEY: There are several features that distinguish an innovative company. The first is, of course, verifying the company's state of health by observing its conditions, if its situation is good and if it is trying to improve. In my seminars, I quote Procter&Gamble rather frequently, a leader in many fields it is involved in and this is thanks to its CEO who constantly stimulates staff, inviting them to do better, to believe and to propose new ideas. It's what I call a "condition of restlessness", the feeling of not being satisfied, fulfilled and hence stimulated to do better and to think about new ideas, looking for innovative solutions. If a company takes on a presumptuous attitude towards the market, is too proud of its conquests and is not focused on the attainment of new aims, this gives other companies the perfect opportunity to conquer new slices of the market. Never stop doing better. This is surely one of the essential features that define an innovative company.

The second fundamental characteristic for being innovative can be found in the wisdom to learn from the outside, listening to the suggestions that come from the environment surrounding the company. And wisdom is seen as the balance between the awareness of one's knowledge and wanting to learn more. A few months ago, I had the chance to return to Singapore, a city where I lived for many years and that I knew very well. But once there, I realized that I knew Singapore very well in 1994 but today it has changed, so I was in the condition of getting to know it all over again! This is an example of what I define an aptitude for wisdom: always remember that you know something, but not everything.

Finally, the third characteristic is empathy: knowing how to listen and listening above all to the young people present in the company, meant as the young in age and in working experience, the so-called "eggs teaching chickens". Of course decisions are taken by the appropriate decision-making company organs, but the input, the ideas and concepts come from the people who work in the front line.

PJI: WHAT THREE ADJECTIVES CAN BE USED TO DESCRIBE AN INNOVATIVE COMPANY?

TOM KELLEY: Humble, aware that it does not have all the answers. Optimistic, because it retains that new ideas can be fulfilled and is in constant quest for innovative solutions.

Empathic, a company capable of listening.

PJL: HOW IMPORTANT IS A COMPANY'S PAST IN ORDER TO BE INNOVATIVE IN THE FUTURE?

TOM KELLEY: There are two approaches to interpreting the past. Companies speak a lot about the past and not enough about the future. This is surely not a positive aspect, because if we speak about the past as better times, where everything was simpler, we do not help innovation, which instead lies in the future. On the contrary, the past interpreted as past history can be an optimal instrument for innovation, and this second approach is surely constructive. I worked at the Institute for the Future in Silicon Valley and they sustained that if you want to “see 5 years into the future, start looking 10 years into the past” because almost all the technological innovations of the latest years, such as the mp3 or the social networks, are new technologies that have followed a trend called the S-curve. If we look at the past trends of the curve, it is possible to understand the future trends.

PJL: HOW IMPORTANT IS COMMUNICATION FOR INNOVATION?

TOM KELLEY: The main type of communication we are interested in is the communication in which we speak of emotions, from which a story, a thought, sentiments and human values emerge. An effective communication transmits emotions stimulating new ideas that are at the basis of innovation.

PJL: HOW IMPORTANT IS THE PASSION FOR ONE'S WORK?

TOM KELLEY: In the last HSM meeting, Francis Ford Coppola said: “I do what I like doing. I adore red wine and I have a vineyard; I adore pasta and I have a company that produces it; I also adore films, and this is what I do.” Some people feel that it is silly to do something that you place a lot of enthusiasm in because you will not make much money, but the point is different: if you do a job that you like, that you adore, it is an advantage for you, for others and for the company. Passion and enthusiasm make a company stronger and better with respect to the competition. If within a company, people believe in what they do, they will perform their tasks in a unique way and this will constitute a source of energy, talent and many more ideas. I have seen companies go bankrupt because of non-motivated staff who felt little passion for their work.

PHILIP KOTLER. “Within five years, if you're in the same business you are in now, you're going to be out of business”, Philip Kotler.

Philip Kotler, top worldwide strategic marketing expert who is attributed the paternity of the most recent developments in the field and “Marketing Thought Leader”, a title bestowed on him by the Academic Members of the American Marketing Association, feels that today it is fundamental for companies to be able to face turbulence by adopting a policy aimed at maintaining the value of the brand. The strength of a company lies in the value of the company itself and of its products.

PJL: MC LUHAN SAID THAT THE MEDIUM IS THE MESSAGE. WHAT IN YOUR OPINION ARE THE PARAMETERS TO DEFINE, TODAY, AN EFFECTIVE COMMUNICATION?

PHILIP KOTLER: Communication is effective when it reaches the people for whom it is intended, at the right time and in the right place. For example, if we take the Google search engine, we realize that focused and effective communication is performed. In America, if we look for the BMW website, in the adjacent column we also find the car dealers selling BMWs. This is a great example of effective communication: knowing who is interested in the product and offering it to them. This is what being effective means. Today, communication is so fragmented that it becomes a challenge for companies to integrate and diffuse their message through the different means of communication. The term IMC, Integrated Marketing Communication, identifies the activity that mixes the various types of traditional communication such as radio, TV, publicity, with new-generation means such as social networks, blogs, the web, you tube etc. Companies must research creativity by communicating to its interlocutors the essence of the brand with any and all means, always maintaining the same style and message. This is the true challenge for an effective communication. The starting point for marketing is strategic planning that determines for whom and where to create a new product. Once the type of product and where it is aimed has been established, we must find the most effective way to communicate the message.

PJL: IN THE LAST FEW YEARS, PL PRODUCTS HAVE INCREASED THEIR MARKET SHARE. WHAT DO BRANDS HAVE TO DO TODAY IN ORDER TO MAINTAIN THEIR LEADERSHIP?

PHILIP KOTLER: Brands must be handled twice and refreshed twice, otherwise they risk becoming old and tired. Some brands disappear and others succeed in getting new life. An example to be quoted is McDonald's, a brand that knows how to renew itself. A few years ago, McDonald's underwent a downturn, losing its leadership position, and the management decided to intervene on brand management through a series of actions developed in three phases:

- renewal, that is, refreshing its image. In this case, they worked on the image of their facilities by renewing their

restaurants;

- innovation, creating new offers, introducing novelties. For example, McDonald's introduced their offer dedicated to healthier food with new menus, improving their raw materials supply chain processes.
- marketing, diffusing the new McDonald's through effective communication.

The result of this operation was the rise of McDonald's once again, confirming that a brand must constantly renew itself, otherwise, the risk is its decline.

PJL: THE 4 PS (PRODUCT, PRICE, PROMOTION AND PLACEMENT) SHOULD TODAY PERHAPS KEEP ANOTHER FACTOR IN CONSIDERATION: PACKAGING, MEANT AS A VEHICLE OF COMMUNICATION AND AS AN ASPECT OF AN ENVIRONMENTAL NATURE. DO YOU FEEL THAT IN THE FUTURE, PACKAGING CAN BECOME THE FIFTH MARKETING LEVER?

PHILIP KOTLER: The reason that companies invest in a product's packaging must be sought in the fact that the graphic, and hence visual, aspect becomes a distinctive element when the product does not substantially have other characteristics that make it different from the others. In any case, the packaging remains an element within the product itself. Today, however, we can state that in the study of the package, we must keep the environment and the issues connected with it in consideration. So, on the one hand stylish, catered to, captivating packages, and on the other, environmentally friendly ones. There is not much data indicating that the consumer is willing to pay more for an environmentally friendly packaging, but there is an increase in the number of young, environmentally conscious consumers, who, thanks to the new means of communication, are exchanging opinions on products, commenting their performance and whether or not they respect the environment. There is nothing worse than an angry consumer who, through the web, invites other consumers to not use a certain product.

ANDRIS ZOLTNERS. "Not everything that counts can be measured, and not everything that can be measured counts", Albert Einstein.

"If the people who work in a company live that company intensely, then the companies, too, will live intensely". Andris Zoltners, professor of Marketing at the Kellogg School of Management of Northwestern University and founder in 1983 together with Prabha Sinha of ZS Associates, has very clear ideas on the value of a good sales force.

PJL: WHAT IS THE ROLE OF COMMUNICATION AS AN INSTRUMENT TO HELP SALES?

ANDRIS ZOLTNERS: Communication represents the essence of what we do. Communication is a challenge and must be integrated with sales. If marketing and sales are not integrated, I cannot envision having effective sales. Communication must be clear and understandable to all and must be planned to create a link between the sales person, the consumer and marketing, with the aim of making the product attractive. A good sales person must know how to listen to his or her interlocutor, ask questions, understand needs and consequently offer the most appropriate product.

PJL: HOW LONG DOES IT TAKE TO BUILD AN EFFECTIVE SALES FORCE?

ANDRIS ZOLTNERS: Building an effective sales force is very difficult and takes time: people must be trained, they must grow and trust must be placed in them. Robots do not make up companies: "No person no success". With people, we win. People invent the products, they work and they know the customers; no company can do away with people. And companies that consider their sales force as a cost will not go very far.