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The Problem with Great Ideas

Even great ideas have a limited shelf life. Bill Buxton has some stern words of advice for those looking to rest on their laurels

by Bill Buxton



Here's a backward proposition for those of us who strive for great design and [innovation](#): The better we do, the bigger the problem we make.

We may think that bad design is the "enemy" and that our holy grail is to stomp it out. But displacing poor design should be relatively easy for a trained professional. No, the real enemy is great design. Why? Because great design takes hold, gets traction, and takes on its own inertia—which makes it hard to replace. And replace it we must: Everything reaches its past-due date. Design is no different.

You might think that your great new product and innovation will be different, will have longevity, and that the associated business will continue to grow. But, quite apart from the fact that your product or process will inevitably provoke innovation from your competitors, expectations always grow faster than the ability to deliver. In his 1980 book, *Unpopular Essays on Technological Progress*, Nicholas Rescher persuasively argues that the faster expectations are met, the faster they escalate. In fact, he wrote, "progress produces dissatisfaction because it inflates expectations faster than it can actually meet them."

So the bad news is that our great new idea will satisfy neither customers nor society in the long term. The good news is that no matter how well we do, there is a constant and ongoing need for design and innovation.

Keep Moving

Here's what to do when an idea or product gets traction and starts generating a bunch of revenue. First, show restraint on the self-congratulation front. Next, invest a significant proportion of your resulting windfall into sussing out your next great idea. Keep moving and don't count on the continued success of your original one.

Yes, the majority of your competitors will simply try to copy you and jump on the gravy train of your new product or service—all the more so if it is trendy as well as profitable. But while you may imagine

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that they will just do tomorrow what you did yesterday, don't kid yourself. There are many smart, determined, hungry creative entrepreneurs out there, and they want to eat your lunch.

If you make the revenue from your great idea your only food, you are going to have a problem. The longer you take to broaden your menu, the bigger that problem will be. Great ideas need to be displaced, even when they still have the allure of the cash cow.

Disrupting Disruption

So why is it so difficult for innovators to disrupt themselves? After all, if you maintain the culture that introduced the original innovation in the first place, it seems that you should have a good shot at being the one who leads the next wave. After all, you should know the industry, your products, services, and markets better than anyone. And yet, there are all too many cases where this is not how things play out. Take the computer industry. IBM was one of the only companies to innovate over successive generations of technology. As the mainframe market started to dwindle, it moved to workstations, to PCs, and along the way extended its innovations to the disk drive industry and services. Hence it remains an important player in the industry.

As for the other early pioneers? Digital Equipment Corp. pretty much invented the mini-computer market in the 1960s and dominated through the 1970s, yet it wasn't able to bridge the transition to workstations. Apollo Computer, founded in 1980, was the largest manufacturer of networked workstations; its importance faded with the rise of ever-more-more powerful networked PCs. Neither company was able to make category-changing transitions—that is, the kind of innovation to which they owed their initial success. Shadows of their former selves, both finished their lives as acquisitions (by Compaq and HP, respectively).

Here's the sentence that should immediately set off alarm bells for those who don't want to head to the cemetery of one-category wonders: "We can't pursue that idea, because doing so will cannibalize our existing revenue stream."

If you hear this phrase, stop whatever you are doing and give what lies behind these words your undivided attention. In general, here is my advice: If you can't change the minds of those uttering it, you should head for the door.

The reason is simple: If you can see a way to shoot yourself in the foot, so can the competition. So the only course of action is to do it yourself. At least that way you get to choose when to pull the trigger and which toe you can live without.

Rather the toe than the business.

Design the Transitions

Here is how I have seen this play out. A company has a high-margin, industry-leading technology. It allocates a part of revenue to support long-term, high-risk R&D. The team develops a proof of concept demonstrating that they can do the same thing as the flagship product with an order-of-magnitude

improvement in price/performance. But when they go to the executive with a business proposal, they are rebuffed. The current technology is still generating solid revenue—but since the growth is trailing off, the executive is hypersensitive about maximizing the revenue stream. So, the answer in regard to making a product from the new technology is a solid "No!" The ambitious, smart young team that developed the new concept leaves the company and joins a startup. They develop the concept and within a few years put their previous company out of business.

This story plays out year in and year out. SGI and Nvidia come to mind. But the key thing is that such stories could have a different ending—if companies invested as much in the design and innovation needed to manage these transitions as they should in the new technologies themselves.

The moral of the story: Design and innovation are as important in the strategies and tactics of the boardroom and the executive suite as in the engineering and design divisions. While they are no substitute for strong and enlightened leadership, they sure can help.

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