

Fahrenheit 212

03 A SHORT HISTORY OF INNOVATION



Boiling Points
INNOVATION PERSPECTIVES

THE POINT: Innovation isn't a thing; it's a journey. One that began with clever cave-people who wanted their wild boar served warm and continues with insightful, uncompromising teams looking to grow by upending the status quo.

A SHORT HISTORY OF INNOVATION

Chapter 1: The Sumerians

These unheralded innovators invented the wheel, money and writing. Pretty impressive stuff. Though how they did it was, ironically enough, not written down.

Chapter 2: The Industrial Revolution

This was the heyday of the lone inventor, toiling by candlelight in the machine shop. Until of course the advent of the light bulb, noteworthy both as a stroke of genius, and as innovation's most enduring clipart cliché.

Chapter 3: Early 20th Century

The rise of the functionally siloed modern corporation spawned a department called Research & Development, both as a way to catalyze innovation, and to ensure the geeks in the lab didn't inadvertently blow up the rest of the company.

Chapter 4: Post WWII

The rise of brand management as a consumer-centric marketing discipline put a second innovation source alongside R&D, spawning awkward conversations like "Johnson, look what I've invented." "Who the hell would want that?"

Chapter 5: The Age of Proliferation

By the 70's and 80's, R&D and the marketing guys learned to play together and new product proliferation ran amok. Market shelves buckled under the weight of close-in, linear line extensions, and the hit rate predictably plummeted.

Chapter 6: The Experience Economy

In the go-go 90's, creating compelling 360-degree experiences emerged as the antidote to linear extension fatigue. This required a new multidisciplinary skill set, and the multi-functional innovation team was born, uniting R&D, marketing, consumer insights, sales, logistics and design in pursuit of market disruption. Holistic was the new buzzword. Designers became rock stars.

Chapter 7: The Outsourcing of Innovation

The bursting of the tech bubble and some painful struggles at the 'experience' game sent companies off reassessing their core competencies. Many realized their strength lay in scaling established paradigms rather than creating new ones. P&G CEO AG Lafley set the pace in 2002 when he declared that his famously insular company would, in the years ahead, source half its innovation from outside the company – unleashing the world and all the clever minds in it as his de facto garage. AG has now pushed that figure north of 60%, delivering a remarkably consistent string of innovation successes and the meet-beat-repeat earnings reports winning innovation drives. All of which has helped make the outsourcing of innovation a universally accepted approach even the Sumerians could love.

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