

Kathy Klotz-Guest

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**How CXOs Can Improve
Innovation by Saying, “Yes,
and!”**

*Because it’s the Human Element that
Matters Most*

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Why the Heck Does Improvisation Matter? Because People Do!

Improvisation addresses the human side of creativity and innovation. It is a people-centered strategy that improves business outcomes because it improves individual and team creativity.



Sure, processes, models, and systems govern innovation and help ensure that viable ideas make it to commercialization. But none of that matters unless people are working at their best – collaborating, coming up with great ideas, and working together.

Processes don't matter as much as people do. After all, it's people that design and implement processes. By focusing on helping individuals

and teams be their best, improvisational techniques drive better business outcomes. Improvisation works because it enables better individual and ensemble listening, communication, ideas, relationships, and fun. And fun and play matter – they are the fuel for creative exploration and problem-solving. Play isn't frivolous – it's essential for competitive advantage and innovation.

Daniel Pink, author of *Whole New Mind*, describes the ability to play as one of the key senses critical to success in the creative age. “When you are playful, you are activating the right side of your brain. The logical brain is limited. The right-side is unlimited (186).” Improvisational tools are often the catalyst for unlocking this creativity.

Improvisation Means Business

Innovation is the ability to react in real-time to current market realities and to improvise or create ideas for better business outcomes.

Improvisation is the act of creating in the moment in reaction to others' suggestions and to existing conditions. Anyone can create. Creativity is often associated with artistry; however, it is really about the act of creating something different, new and improved. Improvisation can be comedy; it can be creating processes, products, artwork, poetry, jazz, or other pursuits. Few innovations today are completely new; most are *improvised* adaptations of existing ideas.

In improvisation, the goal is to get a group of individual players to listen and support one another by building on each other's offers such that the final outcome (scene, process, music, product, etc.) is greater than the sum of all parts.

Improvisation allows us to change our view so we see different possibilities and solutions that we previously had not considered. Successful improvisation means playing, accepting

offers from others, and adapting to changing realities. Improvisation techniques allow us to see through new “lenses,” and to try new things in a safe, low-risk environment. They enable us to look at situations with fresh perspectives, invert assumptions, and break old patterns of behavior. If you changed your *assumptions*, you would discover new solutions.

Improvisational tools teach people to listen better, to communicate more effectively, to collaborate more fully with others (by saying yes, and! to others’ offers), and to take creative risks without forcing certain outcomes. Improvisational tools are about teaching people how to think and act differently for the long-haul.

The beauty about improvisational exercises and facilitation is that these approaches are malleable containers that you can customize with your own content once you understand how to use them. Once a company has improvisation playbooks, the tools can be used for anything with little or no incremental cost.

Improvisation IS innovation (and vice versa), so what better framework to use for creative problem-solving than one that harnesses improvisation?

Innovation Paradox - The Individual and The Ensemble

Innovation is often an evolutionary and incremental group development, not the result of revolutionary breakthroughs by individuals.



The paradox with innovation is that most innovation occurs incrementally and iteratively in groups, yet our culture celebrates the myth of superlative individual achievement. The revolutionary a-ha moment is rare. Sure, individuals often come up with great ideas, and those ideas are further vetted and refined by interactions with other people. No corporate idea is ever brought to commercial viability without the collaborative efforts of a team.

However, to achieve group innovation, we need to strengthen lateral creative thinking in all employees. Supporting creativity and innovation in the workplace requires a commitment to strengthening individual creativity, team collaboration, and corporate culture. And since incremental evolutions govern innovation, creating an innovative culture is an investment in the long-run. As Keith Sawyer, author of *Group Genius* explains, group improvisation *exponentially* improves creativity and corporate innovation.

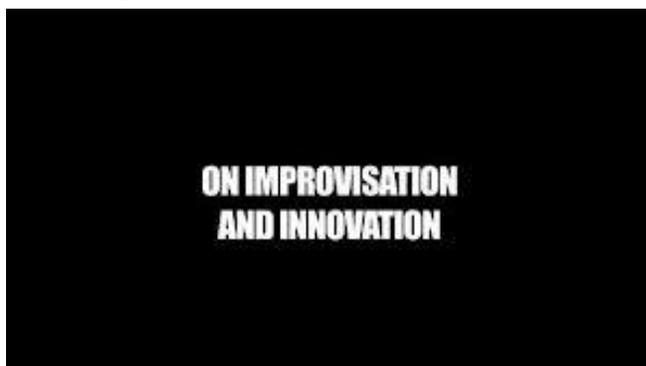
How do you move creative work forward in the organization? You need high-functioning teams and access to resources that enable experimentation and play. Self-directed groups tend to be the most successful, and innovation often springs from the bottom-up.

Innovation is unpredictable – it's the “X” factor in success. Consequently, company leaders want to manage it. Still, leaders must not over-process every creative effort in the company. Bureaucracy creates barriers to creativity. Innovation and creativity can be encouraged by the way leaders manage, delegate, and structure corporate culture and reward systems. Thus, leaders have a daunting task of trying to support it, manage it and nurture it without trying to control it. To be sure, innovation must be benchmarked and supported by corporate policy. But a fine balance must be struck between over-institutionalizing practices and providing support that allows some degree of controlled chaos – the kind of improvisation that fuels creativity.

I See More Money in Your Future - My Improvisational Profit-cy

The bottom line is that improvisation boosts team and company performance in the marketplace. Many of the most innovative Fortune 500 companies understand the improvisation-creativity-innovation connection. Companies such as 3M, Google, and Pixar, for example, use improvisation in a variety of ways. Proctor and Gamble has opened up its innovation to include ideas from customers, and today, customer co-created products account for a significant portion of its revenues. One of the most successful and innovative product design firms today, IDEO, uses improvisational techniques in much of its work.

It is little surprise that corporate cultures that operate with some improvised fluidity tend to be innovative. And that, according to management consulting firm McKinsey, usually means higher profits. An IBM study released in November 2009 called “Seizing the Advantage” also showed that the most innovative companies *improvised* as needed.



In 2007, according to *Fortune*, nearly 40% of Fortune 1000 companies reported using improvisation for innovation. And top academic institutions are also recognizing the benefits of improvisation for design and business advantage including Stanford University (Graduate Business School and its school of design, led by David

Kelley, founder of IDEO), as well as the Thayer School of Design at Dartmouth College to name a few places.

People ARE the Pillars of Improvisation

Improvisation works because it creates a positive, collaborative mindset within teams. Adapted from improvisational performance, the five key concepts below are powerful when applied to business environments because they bring out the best in people.



1. Yes and. This is the cornerstone concept around which everything else in improvisation builds. Successful innovation requires that each team member fully accept the reality offered. No offer of information is denied or judged. Saying “yes, and” to each piece of information offered allows the group to maintain positive forward momentum and to keep from getting creatively “stuck.” Don’t critique. Mistakes get made. Integrate it and move on.

Exercise: Want to kill creativity really quick in an organization? Try having people intentionally “Yes, but” or “No, but” new ideas with each other. “No” shuts people down. Now, try the same activity where you are generating ideas and everyone must say “Yes, and!” to every idea by adding a new thought onto the idea given to you (after you “yes and!”). Notice the energy level change? How about the quality of ideas?

2. Playing team. This means sharing focus and co-creating with others. Everyone creates without judgment because every team member is there to make others look good. Sharing focus means it’s not about you each moment. It’s about building something together, where the whole is greater than the sum of the parts. Taking the focus off of “looking good” frees people up to support the team, be more creative, and get a better outcome.

3. Listening and reacting to the moment. As new information is added, team members process each piece and “add” on to it by listening and reacting to what is being said.



4. Co-creation. Business situations change in real-time and that requires the ability to deal with the reality you have in the present. You co-create with others in real-time.

5. Being engaged and present. Get out of your head. Stop planning your next move. By reacting to what is said each moment, you have lots of new choices each time you respond.

Applied Improvisation – We Have the Tools, Now What?

Improvisation can be applied to yield better solutions for a number of corporate issues:

- Creation and Co-creation (internal and external to the organization) – idea generation and brainstorming are key to creative cultures. Here improv tools can help companies come up with new ways to modify, package, recombine, rearrange, etc. *existing* products and services. The incremental cost is low, while benefits are high. Improv tools encompass, for example, the often-used S.C.A.M.P.E.R (Substitute, Combine, Adapt, Modify, Put to Other Uses, Eliminate, Rearrange and Reverse) method of product, service, process, and business model innovation. More products today are being created via co-creation with customers and partners. *These tools can be applied to creation of any type (not just product) where idea generation is critical: business models, naming, cultural and process innovation, etc.*
- Communication and listening. Improvisation involves being in the present. How do I take the information given to me just now and respond to it? Improv is about generous listening that encourages ideas, rather than shutting them down.
- Problem-solving, decision-making, and idea evaluation techniques. Improv tools aren't just about idea generation; they also enable creative ways for group evaluation of those ideas so that viable ideas are evaluated in a deliberative manner that leverages the genius of the group.
- Self-awareness and approachability. We all believe we are approachable; yet the reality is sometimes we send signals not to engage with us. That's a problem for teams that must work together and for leaders as well. Improv tools can help turn "denials" into "Yes, ands!" that make all team members more approachable.
- Group collaboration, teamwork, and shared control. Collaboration is not just for teams, it's also for leaders who need to learn open-thinking, shared control, and how to praise and encourage teams, and recognize employees. It's hard feeling like you are giving up control. Try building a story **one word** at a time in a small group. Now, eliminate judgment and trying to force direction. Just say whatever comes to mind (don't "try" to look good!). The result is funny. There is no way any one individual could replicate it. Individual creativity matters and group collaboration or distributed development (think open source model!) allows for outcomes that are often far better than any one individual could create trying to control all pieces.

These are just a few of the ways improvisation can facilitate better outcomes. Improv tools can be adapted and customized for any situation. Innovation isn't just about products and services; these techniques work for innovating culture, business models, and new processes that can lead to revenue increases and cost savings.

CXOs Can Say "Yes, and!" to a Creative Culture

The culture of "Yes, and!" goes all the way to the top. CXOs need to understand how to nurture organizations that are empowered to create, and must also embrace risk-taking themselves. Lack of CXO support is frequently the biggest impediment to innovation. CXOs

must consider the following in order to improve an organization's ability to create:

- Support an environment where play is OK, and where the value of discovery, play and experimental inquiry exist with accountability, parameters, and resources
- Leverage IMPROV techniques to facilitate discovery, vetting, and evaluation of ideas
- Do not try to control innovation or innovative groups with mandates, forced outcomes, or misguided reward systems that reward the wrong behavior
- Let successful groups develop organically and self-manage – creativity means different things to different people and subgroups
- Lower bureaucracy – it's the creative organization's kryptonite!
- Encourage replication of things that work throughout the organization, but don't force it. Different groups may work best in different ways
- Demonstrate *smart* risk-taking and celebrate failure. Reward creativity, not *just* outcomes. Without the risk-taking, there is no success. Make it OK to fail
- Embrace innovation and creativity at all levels of the organization. Great ideas often come from customers and employees. Creativity is everyone's responsibility
- Promote individual and team creativity, especially rewarding the latter. Align incentives to reward team creativity and collaboration
- Give people 15% of their time (the 3M rule) to explore activities not related to their main jobs (Google and Pixar do this). Empower first, and engagement grows.
- Allow fun. Fun is fuel for discovery and play. Do you know any inventors that hate what they do? No, you don't. There's a reason for that
- Benchmark what works and provide policy support for those practices

Innovation starts with experimentation and improvisation. Senior leaders must themselves be more fluid in creative thinking. CXOs that send subordinates to be trained to roll out creative initiatives without undergoing training themselves are jeopardizing the credibility of their efforts. CXOs claim they are "too busy" to bother with the details of improvisation training. Change may start elsewhere in the organization, but it must be supported, understood, and taken to heart at the top.

The R-O-Why of Improvisation in Human and Business Terms



Improvisation works for small business issues. Yet, the "Yes, and!" mindset generates the best results when it becomes an *ingrained way of thinking* about business every day. Creativity gains steam when improvisation becomes a key part of the culture.

Companies must track the success of their innovation programs. However, companies don't agree on a singular best measure for innovation efforts, and revenue per employee is an insufficient proxy. Employee engagement is an important measure, but it too doesn't capture the dividends that occur as a by-product of an innovative culture – such as the decrease in transaction costs, for example, or the fact that teams communicate

better. That is a priceless outcome that pays dividends in a number of ways. Imagine better morale, teamwork, and fun at work. If it doesn't help people, improvisation wouldn't be an asset in the most innovative companies around.

It's important to measure innovation in both short-term and long-term metrics that are meaningful to the particular organization. Below are a few ways to think about innovation effectiveness (and improvisation tools can make a difference in measuring performance):

- Ideas and solutions generated (and where they're coming from in the organization)
- Ideas coming from co-creation externally (customers, partners, etc.) and internally
- Viable solutions vetted
- Better decision-making from better consideration set of alternatives created
- Increased employee engagement
- Improved team interactions and relationships (the relationship multiplier)
- Reduced transaction costs
- New products and percent of company revenues from those new products
- Cultural (as opposed to product) innovation and fluidity
- Business model innovation to power new markets
- Improved fun and morale (benefit: priceless!)

Benchmarking is critical to measuring success. However, it's important that companies allow for some fluidity and recognize the short- and longer-term nature of the investment.

Got Engagement? Get Creative First!

It's also important to remember that employee engagement increases *in response* to more creative work. Every employee wants to do creative work that matters. Too often organizations are consumed with trying to increase engagement first in order to get to innovation. There is much data to suggest, however, that companies must first create a sustainable culture of creativity, improvisation, and innovation where employees are encouraged and rewarded for taking risks. As a result of a creativity-first mentality, senior leaders will then see employee engagement increase significantly.

ABOUT THE AUTHOR



An improviser, storyteller, and marketer, Kathy Klotz-Guest MA, MBA, is the Founder of San Jose, CA-based marketing and communications firm, *Keeping it Human*. Kathy helps executive teams tell their best stories to the world in human-speak, a language that customers trust. When not kicking jargon's ass, she runs the *Jargonorrhea Live* marketing podcast. Her clients have included Yahoo!, Autodesk, Cisco, and United Way. Her favorite audience is still her little dude, Evan, who laughs himself silly every day. Trained at ComedySportz and at BATS, she still plays weekly with her stage partners in crime.

Kathy@keepingithuman.com [Twitter](#) [LinkedIn](#) keepingithuman.com