

Gijs Van Wulfen

How to pick the right moment to innovate

Speakers:

Nick Skillicorn – Innovation and Creativity Expert and Host of Innovation & Creativity Summit

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Expert Interview transcript:

Nick Skillicorn: Hello, everyone and welcome to another expert interview of the Innovation and Creativity Summit 2017. I'm very happy to have the Gijs Van Wulfen with us today. Gijs is a LinkedIn influencer when it comes to the topic of innovation and the author of multiple books on the subject including the one he is most famous for, the *FORTH Innovation Methodology* which has been translated into many languages, which he gives conference for around the world.

Gijs, it's wonderful speaking with you again.

Gijs Van Wulfen: Yes. Hi, Nick. Yeah, nice to see you again.

Nick Skillicorn: Absolutely. So as I mentioned, you've been very busy over the last year or two going all around the world teaching your FORTH Methodology. It must be quite exciting.

Gijs Van Wulfen: It is. It is. Actually – so I am now 57, Nick, and I haven't travelled since I was – until I got to 53. I made a methodology with a map. And now this map takes me all over the world. So for me it's like a young dream coming – the dream of a young guy coming true. So yeah, I'm feeling very blessed.

Nick Skillicorn: Perfect. So for people who aren't aware of you or haven't your work on LinkedIn, can you give us a brief background as to where you started and how you got into innovation?

Gijs Van Wulfen: OK. Well, actually I am a business economist. I studied marketing and I went to work in the food sector, food industry, for seven years marketing soups and children's candy. Then it was a complete disaster to innovate. Everybody was so conservative. And I tried to push my ideas through innovation from all the old field and I only got a lot of trouble on my way.

And I became a consultant. You can always become a consultant, right? So I did that very young and I was a consultant for 12 years for Ernst & Young doing strategy and marketing

advice related for a Dutch company. Nobody knows them outside of Netherlands. It's got an astrology boutique.

Reorganizing big companies who got into trouble because they were too conservative and their reviews went down and they had to reorganize. So I did that work.

And then I was now 15 years ago exactly, I quit my job. I had a wonderful job being a boardroom consultant but what kind of added value did I have? Almost none. Well, we got the company refinanced. But in the end, they didn't do anything with all the advice we gave them. And it was so frustrating for me. Then I said, "OK. I want to solve this." How was it possible that existing organizations have so much difficulty in getting innovation launch at the right time and doing the right things at the right time?

And so I quit my job. I part-time studied creativity. We didn't call it design thinking then. We just call it creativity. I did that for two years. And then I combined my business insights and my experience with learning from creativity and then I – because I wanted to make a real methodology to start innovation at the frontend. And this was a long time ago. It was even before YouTube existed or the Business Model Canvas didn't exist or even Lean was not there yet.

So I made this methodology I called FORTH. I made it in the form of an expedition because on expedition, you get people outside the box, and that's where it all starts. Innovation all starts where we go beyond our present borders. That's the moment where we go over our present borders. That's the moment innovation really starts. It's all getting you inside first and then you get new ideas.

So I structured and just thought of innovation in a journey of 20 weeks and in 5 phases; Full steam ahead, Observe and learn, Raise ideas, Test ideas, and Homecoming. So FORTH is an acronym of five first letters of each item. And it takes people in a group from inside the box to outside the box and then to inside the box again. Otherwise, nothing happens.

So I wrote books on it. My first book when I made the methodology and it really works in 2006. And then in 2009, another book. In 2012, another book. And then somebody else asked me, "What's your big dream?" I said, "Well, if it works in the Netherlands, it could work anywhere."

Then I started to blog and write in English. And then I wrote my book, *The Innovation Expedition* and my being asked and invited to become one of their influencers, I just had a wonderful platform. I still wrote my blogs and it was certainly read by 5,000, 10,000, however thousand people and it is the way how the methodology was spread all over the world.

And so then it got translated in more than 13 languages, in Russian, in Chinese, in Japanese, and I followed the map. So people say, "Hey, can you train me?" I come over and I have trainings that you can do to apply the methodology yourself. There's no business model

there. I just love to stimulate innovation all over the world. And that's what I do now most, doing keynotes, workshops, or trainings from Brazil to Japan or from Cape Town to Canada.

Nick Skillicorn: I think – I obviously got the book as well. We have spoken about it previously. What I like about the FORTH methodology and I think I'm quite biased here, is compared to a lot of other books on innovation, it is very structured. It is actually a methodology. And as you say, it takes people through a 20-week process.

Gijs Van Wulfen: Yes.

Nick Skillicorn: To help them get the right type of ideas for their business. Do you think it's important to have a methodology for innovation when a lot of people think that innovation should be all about being free and just trying out whatever and seeing where it goes?

Gijs Van Wulfen: Yeah, yeah. Well, first of all, innovation is on everybody's calendar. It's on everybody's agenda. Everybody struggles with, "What do I do? How do I start it? OK. So let's innovate. But what do I have to do now?"

Now, to make it totally simple, innovation is all about both chaos and structure. Great innovation is kind of structured chaos or that's what it is. So the more I get closer to the equator, the more sun there is, the more chaos there is. So when I apply my methodology or talk to it in Spain or Turkey or Brazil, they love the structuredness. Tak, tak, tak, tak, tak, tak, tak, tak. That's what I'm European Dutch so I'm semi-German and that's what a German do. Tak, tak, tak, tak, tak.

Now on the other hand, when I go for example to Germany with my methodology or it has been applied in Japan, they are too structured. So we have to bring in some chaos. So FORTH helps you to go beyond your borders. So the first thing, observe and learn and to reach out to people and to get new insights and then you get new ideas.

So it's a good balance between structure and chaos. Chaos is wonderful to get great ideas. But then in the end, if there's no structure, nothing materializes. And when you structure, you have revealed a good machine, a real good gun. But there are no creative bullets to shoot. So it's all about a balance between structure and chaos.

I think that's what innovation is. Innovation is a big paradox. On the one hand, you have to be creative. On the other hand, you have to be able to implement it. First, you have to go outside the box but you have to put it inside the box again. It's all about being flexible on all those access and to get – first off, you have to be here and then you have to be here. And the methodology helps.

Nick Skillicorn: Absolutely. And just picking up on one of the things you said there, it's about bringing it back into the company to actually get implemented. And that's where I think a lot of the other ways of innovating which are all about just idea generation end up falling apart

because unless you get someone to say yes to your idea, eventually it's just not going to go anywhere.

Gijs Van Wulfen: Nope. Nope. What I normally do, I suppose here is the innovation funnel, right? So here is the idea and here's my introduction. What I used to do is try to push it, push my idea. What happens is, the harder I push, the harder they push back. Why should I hear, stick my neck out for your idea? You're a nice guy, Nick, but I would not stick my neck out. I was, "Oh, no! I'm sorry, Nick. It doesn't really fit the mission and vision of our company." Or, "It doesn't fit to our ERP system."

So the trick is and you don't even have to use my methodology but one of the most important lessons to learn is that you can invent along but you can't innovate along. So while they're doing the methodology is if this is the fellow, we get here, the marketing guy, the sales guy, the project development and we go to production. We got procurement. We got service. We got IT. We got finance. We all gather the two teams here at the start. And together, we come up with ideas. And we transform ideas into business cases. They get accepted.

And then here, we work on the children. We made ourselves here. So it's all about creating internal support. And you do that by innovating together in the team. Not pushing idea here but getting the team up here. Also, getting connected here. Nobody would have steering committee or would look how we've been doing. I get a steering committee on board. I call them the extended team. They joined the journey and that's why I get to learn too. And that's how they get confidence. Confident enough to say yes to those in the business cases at the end of FORTH.

So I think that's the most important thing for people to learn is that that it's not about you. It's not about ideas. It's about our idea and our business and creating internal support from the start is the best condition to reach the end of the funnel successfully.

Nick Skillicorn: What about when the people who are the decision makers, which are the CEO or your boss or your manager, aren't able to be part of that core team at the beginning and they are the ones who usually put the brakes...?

Gijs Van Wulfen: Now, why aren't they – I'm sorry to interrupt you. This is what I hear all the time. They are normal people. They have 24 hours in a day. Why can't they be on an ideation team? Well, they say to you, "No, no, no. No, it's not for me." They are too busy. But if you would not spend, a CEO, six days in a period of 20 weeks to join the team to make the next generation project or services, what do you say? It's not – it doesn't have any priority to me.

Now, when somebody – when a CEO says that, I said, "OK, if you would not spend six days to help your people create your new projects of tomorrow, why should I join you to do it? It's your company. I'll just wait. I'll just wait one or two years until the shit gets bigger and then he will come back and say, "Guys, we have to innovate now." And then you will start smiling

like you do now, right? They always smile and say, “This is a very direct touch and I really am.”

Nick Skillicorn: And it’s this concept of waiting until as you say, the shit has hit the fan, that’s what those companies think, “Oh, now is the time we actually need to innovate.” Is that a bit too late or is that actually something ...

Gijs Van Wulfen: Yes. Well, that’s a good question. So in my last book, *The Innovation Maze*, I made kind of a bell curve. Proactive organizations are like people. We get born. We grow. We get over hill like me and then you die, right?

Now, when do you need to innovate? Not here as startup. Here, you grow. But in here, at the end of the growth, innovation takes time. It takes on average for products, 36 months from idea to launch, two years. And then it will take one, two or three years to generate money. That means that the moment you’re at the top of your bell curve, you want to create a new one, you should have started six years before that to generate the profits.

So this means there’s – I call it the switch buffer innovation here. That’s the moment you want to innovate. But most of the time, we think, “It goes endless at that market.” And then suddenly, oops, the market gets saturated. There are more competitors. Our market share drops and they get a double blow. And suddenly, you can’t control your revenue anymore. So you have to cut costs.

Now, on the top here up the curve, a company is always in reorganization. You have to cut costs again. And then next year after, there are more layoffs in a company. That’s a very bad time to innovate. Why? People would not stick their neck out. And the pressure, you say, “OK, sit still. I hope nobody sees me.” And then the reorganization is over and they feel confident again. And you have to feel confident and you have to feel comfortable to go beyond your borders otherwise you sit there like a duck in the lights of a car driving to watch you.

So this means that there are two sweet spots. One is here. We have to – the moment you want to innovate. And then it is after their last reorganization, everybody knows, “Now, we have to do something different.” So this is the moment we have to innovate.

So those are the two sweet spots for innovation. And when you’re not on those two sweet spots, you should wait because you have only chance to start an innovation project. If you come up with an idea now, I said, “No, Nick. It’s not really the time. I’m sorry. We are not going to give this priority.” And you come again three months later and I say, “What a stubborn guy you are!” You can only launch your idea once or your project once so pick the right moment.

Now, on the moment here where you're still at the end of the growth phase, the good news is yes, there is money. There is money this time because the company goes, "Well, the only point is there is no urgency on the workflow because we're still growing."

So what I see is which companies pick that point for innovation? Two kinds of companies. First of all, family-owned companies who think far beyond next year or the year after. We think, "OK, what will the next generation do?" So they have a much stronger blending period. And the companies with very strong leaders. This is because I as leader say, "OK guys, we're doing great now but we have to find out the next factors in our industry and we have to do it." And so, leading by example by a strong visionary leader.

Now, it does two things. I know most of them, "Oops! Oh shit! Oh, we have to reorganize once and we organize twice and then we have to innovate." The positive news there is there is urgency. Everybody knows, well, we lost some colleagues here so we have to step up. The bad news is there is no money or little money. And we have only short-term to innovate.

So here you see, here is time to do some of the evolutionary, that's time. Come to think about evolutionary innovations. Here is always, we have to go for the quick win or the low-hanging fruit or whatever you call them. It's more of the evolutionary innovation because we need them next year to grow the frontline again.

But those are the two spots. Those are the two sweet spots. And just wait until you are in one of those sweet spots. Otherwise there is no internal support. And when there is no internal support, nothing materializes.

Nick Skillicorn: So when you're waiting for these moments of internal support, these sweet spots, there are still some tips I know that you have on how to get people to actually listen to your ideas.

Gijs Van Wulfen: Yes, yes, because it doesn't mean that you have to sit still and do nothing. No. It's all about making people nervous. That's what you should do as innovator. Or you can, in a more positive way, you can say, you inspire them.

So, what do you do? Well, just start emailing to your management team, "Hey, there's this new business model coming in this sector that's interesting." You say, "Hey, in the US, there are new startups doing it in totally different way." And you email them.

When you organize customer panels and customer panels are more youngsters who say, "Oh, you're just an old brand for old people." Invite them to join a customer panel like that. Or for example, if there are technological development or R&D development, reach out to universities and take your management team to universities saying, "Hey, these are the next technologies coming up."

The point is, just try to inspire them. Don't say to them, "You have to innovate." No. They're all bright people. So the point is, you have to let them draw their own conclusions and you have to bring them on the right spots. So that's what you should do as innovator.

And then the moment it is, OK, so OK guys, we need to do really something. And then the question is, "Well, Nick, do you have plan?" And then you pull up out of your bag the plan you have there already for two years sitting there and say, "Yes, I have a plan here." And then you have the right moment.

Knowing that I'm Dutch, so in the Netherlands, we plant a lot of tulips, right? When do you plant your tulips in the garden? It's not in the summer where it's high growth phase. No, because it's too hot. It's not in the winter. Management crisis, right? Because it's too cold. You plant your tulips in spring or in autumn. So look for spring and autumn in your company, OK?

Nick Skillicorn: Have you got any examples to help bring this to light? Because I know a lot of people when they hear about methodologies, it all seems a bit overwhelming.

Gijs Van Wulfen: Yes.

Nick Skillicorn: Let's talk about some ways that companies have actually used this way of thinking.

Gijs Van Wulfen: OK. I like to come up with three examples. The first example is Bruil, B-R-U-I-L, a medium-size company with only 350 people. They work in concrete. They make wet concrete to build buildings or pre-fab concrete. Now, we had a building crisis. Now, from 2008 until 2013, they lost 45% of their revenues, 45%. They had three reorganizations. This is a family-owned company. They tried to keep the labor on but they had to fire some people.

And the margins were even worse because everybody gave concrete away just to keep the factories running. They had to innovate. And so, there was the extended team of the shareholders that were on the team. The board was on the team. We had a core team of ten people. They don't have an innovation department. There were several factories making concrete.

So we went with them on the journey. And the first journey is observe and learn, start learning from other sectors. So they start learning from other sectors. And so, what are chances here for us? And they went to other sectors not to get ideas, not to get new insights. They came back and observe and learn. We have four workshops. It brings back learnings. I have been to this sector. I talked to this person. Wow! We can learn from this sector. Oh, interesting. Somebody else have been somewhere else.

So what you do is you gather mind results. If you're making concrete for 25 years, the world is like this. So you first have to open up.

Then – now, this phase is the incubator phase for ideas. Then we have 14 people from the team. We had 3 outsiders. And then on our ideas and workshop, we had 964 ideas, 964. Boom! It's there because they were inspired. So we selected the top 15 ideas. We work them out.

So now, we were in the ideation phase. And then we went back to the test phase. We went back with ideas to customers. So we connect customers and we said, "OK, we got these ideas. What do you think of them?" And they came back. They came back with their feedback. And we approve those ideas.

In the last phase, we choose 5 top concepts to work on as business cases. And in four weeks, in pairs, they develop business cases. And at the end of the 20-week journey, they presented the 15 business cases to the extended team.

Now, the shareholders were part of the extended team so they rule the journey. So they learned a lot too. And that's why they said yes to all the five business cases. Now, this was two years ago.

So of course, they had low-hanging fruit because they need to innovate. Now, one of the things is they had – they called it the silo service for tiles. You know how you make tiles with tile glue. They make tile glue also. And normally when you go to big supermarket, you have the new tiles. You have those sacks, the 25 kilograms sacks. Put water in it and you mix it. That has been the same from the hundreds years. Only we now have a drilling machine to do it.

Now, they had the idea of why don't we bring already wet glue to them so they don't have to. What you do, you got three pile of sacks there and a container full of garbage afterwards. But the main problem was that the tilers didn't earn any money anymore. There was one man continuously busy with making tile glue. And they had the point why, why do we make dry tile glue? Why don't we make wet tile glue? So they made – they developed a tile glue which is wet. They put it in silos. They put the silo to the floor to be tiled and they just can pour it on the floor.

Now, they have introduced this and it's a massive success. Why? Because the tilers, normally they have four people working. Now, they only need three. So this means they can improve their margins by 20 to 25%. Now, every big tiler in the Netherlands wanted this tile glue. It was a very simple solution. This was a low-hanging fruit.

The most evolutionary thing they did was 3D printing. Now, they are in concrete. They are the leading example in the world of how to 3D print architectonic concrete.

So what was the friction? The customer friction was the architect. Half of the architects are without a job at this moment. Why? It was building crisis. You only build standard buildings.

When you like to have something especially made for you, it's expensive because the architect makes all kinds of original things which are expensive to make. So that was the friction, from the architect.

Now, with 3D printing with a normal pre-fab concrete, it takes four weeks. First, you have to make a mold then you have to pour it in. Then you have to check if the mold was right or not and then – and now – but the architects always, they draw it out. It's all – become 3D.

So now, what they developed was they had old baking robot in one of their old factories. They rebuilt it into a 3D printing robot. They partnered with a startup of young guys with a software. They developed a special concrete to be 3D printed. And now, they are operational for 60 months and they are the world's leading 3D printing unit of architectural concrete, which is wonderful.

Now, the most proud I am is not of the business cases but they say that there's a saying on a fisherman, when you are a fisherman, the main catch is the by catch and the by catch is the main catch. And the main catch was to get business cases to get revenues.

They said during those 20 weeks, those 15 people, they got so inspired and they talked to customers. They know how to brainstorm. They make business cases. There is a different – it really influenced their covered culture. And now, there's a call that everybody became so much more entrepreneurial again. That that's the main catch is actually, that people have become much more entrepreneurial. So that's the case of Bruil concrete maker in the Netherlands.

Nick Skillicorn: That's a great one. It's a lovely concrete example as we say in England. But is there any example you have maybe from outside the traditional business world?

Gijs Van Wulfen: Yes. Well actually, FORTH is used in three quarter of all the implementations in services or in social innovation. I trained in FORTH.

Andrew Mbogori was a head of Uganda from the UNHCR. They have a problem in refugee. Three refugee camps in Uganda with hundred thousand people in there. The problem at refugee camp is that women and young women are not safe from men. They get violated and they get harassed. And how come? And they used the FORTH methodology to come up with a solution.

Now, women are responsible for cooking food. And for cooking food, you need fire. And for fire, you need wood. They make their fire from charcoal but you need roots to get started.

Now, as there's a refugee camp in the wrong place, first the woods are next to it. But you have to travel more and more and more to farther and farther and farther into the woods to get wood. And that's where it was the moment and the place where all those women and young girls get harassed by men.

So they thought, “How can we create a safer environment? And how can we protect this and make it for women more safe?” Then they came up with, “What if we don’t use wood but we use banana peelings?” Because they have banana plantations there.

So what they do now is they thought they make briquettes of banana peelings, banana peeling briquettes. And they use that now to start fire with the charcoal. Now, the advantage is that – is briquettes, they burn very fast and easy and long, much more longer than charcoal. So, three times as long.

Now, this means when they burn three times as long, you need three times less wood to get it started with. So it means you only have to go out once every three weeks instead of once every week. And in this way, women have to get out of the camps less and by which they are safer. It’s a very simple example of how the methodology helps generate a very simple idea.

Nick Skillicorn: You must be very proud of that one.

Gijs Van Wulfen: Yes, I’m very proud of that one. Yeah, yeah. Importantly, I wasn’t there but they sent me pictures. They had also thousands of ideas on the wall. The great thing about innovation is when you have successful innovation, you feel so proud and it works for years and it empowers so many people. That’s why it’s worth all the trouble, Nick.

Nick Skillicorn: Yeah. We’re coming towards the end of the interview unfortunately. I’m sure like with many other ones, I could speak with you for hours on end. But one thing I’d like to ask to leave the people with which I ask all the experts, do you have one tip or one actionable insights that people can try out quickly over the course of an afternoon or a week to get some value out of the methodology we’ve been talking about today?

Gijs Van Wulfen: Yes. Well, the most important point is for you as innovator, you offer a young guy to sit like this because you feel all the energy and you want to do it, right? But the point is that you have to sit back like this. And the point is that you have to pick the right moment. You have to be patient. You have to build up awareness. And that’s the job in itself.

You can only start innovation in your company only once for the first time. So pick the right moment. Don’t be too eager. And start building awareness. That’s what your role is. Start building awareness that we need to innovate. And don’t blame anybody that, “Oh, you don’t want to innovate. You don’t want to innovate.” No. People not wanting to innovate accept that it’s normal.

Now, what I used to try to – well, innovation is a struggle. But what helped me a lot was that you learn to love the struggle and you’re much more relaxed in it and then you get much more effective.

Nick Skillicorn: Perfect. We're going to get links down to all of your resources below the video. Can we just let people know that we confirm if they go there?

Gijs Van Wulfen: What they could find? Yes. Well, I advise you to go to www.forth-innovation.com. There, you can find the methodology. You can find maps for you to download in 12 languages. You'll find 20 checklists from the book. You can download there for free. Please don't tell my publisher. So that's all for free.

And then there's also my personal website if you like to interact with me more. It's www.gijsvanwulfen.com. And there's more information about me and my speeches.

Nick Skillicorn: Perfect. Gijs, it has been wonderful speaking with you and I look forward to speaking again with you.

Gijs Van Wulfen: Well, thank you, Nick, because I like to make you a compliment too. I think it's a great initiative then that I hope you will have a very successful innovation and creativity from this year and many years to come.

Nick Skillicorn: Thank you very much, Gijs.

Gijs Van Wulfen: My pleasure.