THE
ENTREPRENEURIAL + INNOVATION MINDSET

Evan Hu
evan@alavetta.com
twitter @evnhu
Marshmallow Tower Challenge

In 12 Minutes ... (instead of 18)
teams must build the tallest freestanding structure with the marshmallow on top
TOM WUJEC HAS RUN THIS SAME MARSHMALLOW EXPERIMENT HUNDREDS OF TIMES AND FOUND SOME INTERESTING PATTERNS
BUSINESS STUDENTS AND LAWYERS BUILT ABOUT HALF THE AVERAGE HEIGHT OF 20 INCHES

(COLLAPSED TOWERS REALLY BRING THE AVERAGE DOWN)
Engineers and architects did the best (and so they should)!

BUT here is the really interesting thing...
KINDERGARTEN KIDS USUALLY DO AS WELL AS ARCHITECTS AND ENGINEERS!
HUH?
BUSINESS STUDENTS AND LAWYERS WANT TO PLAN THEIR WAY TO AN OPTIMAL OUTCOME AND THEN EXECUTE ON THE PLAN.
INSTEAD OF WASTING TIME TRYING TO MAKE A PLAN OR ESTABLISH WHO IS IN CHARGE, KINDERGARTEN KIDS SIMPLY EXPERIMENT OVER AND OVER UNTIL THEY FIND A MODEL THAT WORKS.
ON VIRTUALLY EVERY MEASURE OF INNOVATION THEY CREATE TALLER AND MORE INTERESTING STRUCTURES.
UNDER CONDITIONS OF AMBIGUITY WHERE OUTCOMES ARE UNKNOWN MOST PEOPLE FALL BACK ON A PLANNING MINDSET.

A PLANNING MINDSET INCREASES YOUR CHANCES OF FAILURE BECAUSE YOU WASTE TIME DEVISING STRATEGIES INSTEAD OF TRYING OUT IDEAS.
AND INCENTIVES INCREASE THE CHANCES OF FAILURE!
Research shows that discovery skills distinguish the most innovative entrepreneurs from other executives (Dyer, Gregersen and Christensen)
QUESTIONING

ALLOWS INNOVATORS TO BREAK OUT OF THE STATUS QUO AND CONSIDER NEW POSSIBILITIES

ASK “WHY?” AND “WHY NOT?” AND “WHAT IF?”
THROUGH OBSERVING

INNOVATORS DETECT SMALL BEHAVIORAL DETAILS THAT SUGGEST NEW OR DIFFERENT WAYS OF DOING THINGS

GENCHI GENBUTSU
“GOING TO THE SPOT AND SEEING FOR YOURSELF”
IN EXPERIMENTING

THEY RELENTLESSLY TRY ON NEW EXPERIENCES AND EXPLORE THE WORLD

MOVE FROM OBSERVING TO CONSTRUCTING EXPERIENCES AND TRY TO PROVOKE UNORTHODOX RESPONSES TO SEE WHAT INSIGHTS EMERGE.
THROUGH NETWORKING

WITH INDIVIDUALS AND IDEAS FROM DIVERSE BACKGROUND
THEY GAIN RADICALLY DIFFERENT PERSPECTIVES

MAKE A CONSCIOUS EFFORT TO MEET PEOPLE FROM OTHER WALKS OF LIFE
ASSOCIATIONAL THINKING

THE FOUR PATTERNS OF ACTION TOGETHER HELP INNOVATORS ASSOCIATE TO CULTIVATE NEW INSIGHTS
Associational thinking:
the ability to make connections between seemingly unconnected things.
A calligraphy class inspired Steve Jobs' emphasis on typography on the revolutionary Macintosh.
DOING

questioning  
obracing  
experimenting  
networking  

© Alavetta 2017
ASSOCIATIONAL THINKING

associate to cultivate new insights
FLOW
the mental state of operation when you fully immersed in a feeling of energized focus, full involvement, and enjoyment in the process of the activity

“The best moments in our lives are not the passive, receptive, relaxing times… The best moments usually occur if a person’s body or mind is stretched to its limits in a voluntary effort to accomplish something difficult and worthwhile.”

Mihály Csíkszentmihályi
POSTCARD TO YOUR FUTURE SELF

For each of the four doing habits, write THREE things you will try:

• questioning
• observing
• experimenting
• networking
FAILURE
Fail faster to succeed sooner.

David Kelley, Ideo 1997

Fail early, fail noisily.

Eric Raymond, Art of Unix Programming 1999

Fail early, fail often, fail forward.

John Maxwell, Falling Forward 2007
Everybody has a plan until they get punched in the mouth

Mike Tyson
I have not failed, I've just found 10,000 ways that won't work.

- Thomas A. Edison
It’s not about failing

It’s about learning
Learn Early
Learn Often
Learn Cheap

Validate (or invalidate) your assumptions
Learn Early
Learn Often
Learn Cheap

Get out of the office
The three abilities relevant to creating a culture of innovation in the workplace

Learn to navigate ambiguity
Practice mindful observation
Experiment with your ideas
Hmm … it seems to be about MINDSET
Mindset

A mindset is a set of assumptions, methods and ideas held by an individual or exercised by a group.
“The brain can change itself. It is a plastic, living organ that can actually change its own structure and function, even into old age.”

“It can be stimulated by conscious habits of thought and action, by teaching the brain to “rewire itself.”

“Mental activity is not only the product of the brain but the shaper of it.”
FIXED MINDSET

With a fixed mindset, an individual or group believes something is fixed and has defined limitations.

A fixed mindset describes you as either smart or not, you are talented or you are not.
To require effort to improve is proof of lack of intelligence or talent.

Failure is shameful
GROWTH MINDSET

With a growth mindset, an individual or group believes that something is variable and fluid without limitations.

A growth mindset is the understanding that we can develop our abilities and intelligence; both grow over time due to learned behaviors, practiced improvement and actual experience.

Failure is gift
You are not STATIC

You can DEVELOP

**Motivation**
- Fixed: Appear smart
- Growth: Desire to learn

**Challenges**
- Fixed: Avoid
- Growth: Seek

**Obstacles**
- Fixed: Give up
- Growth: Persist

**Effort**
- Fixed: A fruitless waste
- Growth: The path to mastery

**Criticism**
- Fixed: Ignore and fear
- Growth: Learning opportunity
The Entrepreneurial + Innovation mindset is a growth mindset
THE LEAN STARTUP APPROACH
Build
Measure
Learn

turn **ideas into products**
**measure** how customers respond
and then **learn whether to pivot or persevere**
Build – Measure - Learn with a MINIMUM VIABLE PRODUCT

An **MVP** a version of a new product or service which allows your team to collect the maximum amount of validated learning about your hypothesis with the least effort.

Put your hypotheses to the test.
Build. Measure. Learn.

Pivot (or Persevere)

Learning Milestones

Innovation Accounting (evaluate progress)

Minimize TOTAL time of the MVP through loop

Hypothesis (Leap of Faith Assumptions)

Most learning for the least effort

“Genchi Gembustsu” (go see for yourself) “Get Out of the Building”

Build. Measure. Learn.
Build. Measure. Learn.


IDEAS

LEARN

BUILD

PRODUCT

MVP

IDEAS

LEARN

BUILD

PRODUCT

MVP

Hypothesis (Leap of Faith Assumptions)

Most learning for the least effort

Learning Milestones

Innovation Accounting (evaluate progress)

Pivot (or Persevere)

Minimize TOTAL time of the MVP through loop

“Genchi Gembutsu” (go see for yourself)
“Get Out of the Building”
Your resources are precious

Energy
Time
Money
Money
time

is more valuable than

money

While money can fluctuate up or down time only moves in one direction
Personal Energy

is the most precious of all

You only have a finite reservoir that you can draw from and must share with family and friends
Risk

decreases as your hypothesis are validated
Iterate until you find a sustainable and scalable model before you run out of resources: personal energy, time, money.
SPEED OF ITERATIONS BEATS QUALITY OF ITERATIONS
Big or Small
Business or Personal
Important or Not

21-Year-Old Raises Largest Seed Round In Silicon Valley
History $25 Million For Mysterious Payments App

$50
or
$5000
Purchase

Amazon Acquires Zappos for $850 Million
Learn Early
Learn Often
Learn Cheap

Pivot (or Persist)
In a Nutshell...
DOING
questioning
observing
experimenting
networking

Associational
Thinking

Fuel for Flow

Your resources are precious
Energy
Time
Money

Iterate
Learn Early
Learn Often
Learn Cheap

The Entrepreneurial + Innovation mindset
Growth mindset
Life can be much broader once you discover one simple fact

Everything around you that you call life was made up by people that were no smarter than you.
and you can change it influence it build your own things that other people can use
Once you learn that
you'll never be the same again
THE HARD THING
About
Easy Answers
HARD
THINGS

MAN’S
SEARCH
FOR
MEANING

THE
INNOVATOR’S
DILEMMA

CREATIVE
CONFIDENCE

flow
and the
psychology
of
discovery
and
invention

mihaly
csikszentmihalyi
Author of Flow