



Innovation Doesn't Have to be Hard

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David Robertson, author of *Brick by Brick: How LEGO Rewrote the Rules of Innovation and Conquered the Global Toy Industry* ([July 2013 Gazette](#)), is an innovation expert. He has taught at Wharton, Harvard, and the Institute of Management Development and hosts a weekly radio show, Innovation Navigation. Robertson discovered that most books and classes on innovation use the clean-sheet approach, providing advice on how to develop radical ideas that change and disrupt an industry.

This approach has little relevance for people charged with optimizing the value of existing products in existing markets. Admired companies such as LEGO, Apple, Disney, CarMax, Gatorade, USAA and Victoria's Secret have successfully gained market share using what Robertson calls the **Third Way** to Innovate approach. The Third Way is not limited by binary thinking that says innovators have only two choices: innovate small or innovate big. In his new book, ***The Power of Little Ideas, A Low-Risk, High-Reward Approach to Innovation***, Robertson details the accessible **Third Way** approach.

• Expanding the Definition of Innovation

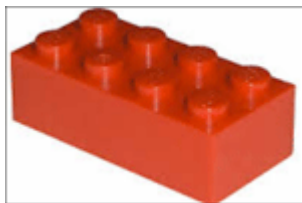


In the case studies used to illustrate this Third Way approach, innovation requires leaders to see their product **as a system of interrelated attributes that all complement a core product serving a defined market.**

Robertson strongly disagrees with the definition of innovation that's fairly common; that something is an innovation only when it's disruptive. This definition is too narrow and restrictive to be useful to most companies. Robertson prefers a broader definition. Innovation is a new match between a solution and a need that creates value.

In the case of the LEGO Group, they initially attempted disruptive innovation by first tripling the number of new products. When profits continued to decline, they expanded into new areas not directly tied to the LEGO brick such as building simulations and theme parks. On the threshold of financial disaster, they began using the Third Way approach. They focused on delivering a compelling story-based play experience, with boxed LEGO bricks at the core, and made sure every book, movie, game and event was carefully crafted around the toy line, making the boxes of plastic play pieces irresistible.

• Four Key Decisions Defining Third Way



In Third Way you don't spend time and money improving your product (the brick). Instead you innovate AROUND the product so your customers have better opportunities to do what you want them to do with your product.

LEGO's turn-around (and other case studies cited) was based on four key decisions;

1. What is our key product? (For LEGO, the brick.)
2. What is our business promise? (LEGO promised to make the play experience around a product line richer and more exciting.)
3. How will we innovate around our key product to enrich children's play experience?
4. How will we deliver our innovations? Which acquisitions, partnerships or internal talent do we need for tight control over

the products and services we launch?

• Learning More about Third Way



I have been fortunate to work with David Robertson for a number of years and have also trained him as a LEGO SERIOUS PLAY facilitator.

Our collaboration has led to a three-day master class in the Third Way approach. The class is a combination of theory, case studies and hands-on building using the LEGO SERIOUS PLAY method to practice answering the four key decisions for the participants' "back home" innovation challenges.

Sincerely,

[Check out the latest facilitator training schedule](#)

Sincerely,

Rasmussen Consulting specializes in using LEGO SERIOUS PLAY to effectively harvest an organization's collective intelligence to enhance strategic behavior for better and faster decision- making. We are based in Denmark with offices in US, Japan and Singapore. www.rasmussenconsulting.dk

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