



Stanford eCorner

Questions to Ask a Creative Organization

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Sutton shares what he believes is the single most important diagnostic question to ask within a creative organization: What happens if there is failure? He also believes that there is no real way to determine which ideas are good and which will fail.



Transcript

So what does one have in a creative culture? There's a lot of ideas on your list. The single most important sort of diagnostic I would use if you want a creative culture is 'What happens when people fail?' If failures are okay, that's probably the single, most important one. Now the other question you ask is, well, I don't know the answer to and at this point I don't believe anybody knows the answer to, which is trying to figure out which new creative ideas are good versus bad. I've actually had a couple of doctorals who are trying to figure out what works so these things called gate systems. The only people who will make really strong arguments of gate system's work are people who either sell them for management firms or in organizations whose jobs depend on them. If you actually start trying to find evidence about ways to reduce the failure at innovation, it's very hard to find ways that actually work. Otherwise, you won't have companies like Kleiner Perkins in excel having such high failure rates and such high failure rates in new product introduction. And in fact, that most companies die. It just wouldn't happen. But there is one thing you can do and it is one of the weird ideas.

There's an argument that once you find something, what you should do... So all these stuff in trying to decide what to do and then you pick like one thing. The argument is that at that point, you should delude yourself in everybody else into believing somebody's successful because there's thing called the self-fulfilling prophecy that actually turns out that that works. It also increases the probability to throw good money after bad. It's got a negative underbelly. But if you can figure out the magical way to figure out which products, which start-ups, which new ideas are going to be successful and which aren't, I want to talk to you because my bet at this point is it's nearly a random process. Sometimes, help having prestigious backers, having money, all that sort of stuff helps. Having belief... But actually, figuring out which ideas are right or wrong is very tough.