



## Stanford eCorner

### Culture Archetypes: Innovation Culture

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Video URL: <http://ecorner.stanford.edu/videos/1856/Culture-Archetypes-Innovation-Culture>

Andy Friere, Co-founder and CEO of Axialent, describes the innovation culture archetype, one of the five basic cultural archetypes into which organizations fall: 1) Achievement, 2) Innovation, 3) One-team, 4) People-first or 5) Customer-focused. Specifically, Friere suggests that innovation cultures focus on experimenting and learning from mistakes to create new products and businesses. Friere describes the behaviors, symbols and processes that build this type of culture as well as the actions that destroy it.



#### Transcript

Going to an innovative culture, I'm moving really fast. Experimenting. Very large Fortune 50 company wants to become innovative, and the typical phrase from the CEO is, "That's the stupidest idea I've ever seen. I couldn't think of a worse idea than that one." Killed the innovation. People say, "I'm not even going to say what I think. If I just say it, and they don't like it, they're going to kill me. So I'd rather stay under the radar. I'm not going to think out of the box. I'm not going to take risks." If you want to be an innovative culture, you need to think that out of ten ideas, nine will fail, one will go well, and you need to encourage that. And when things go wrong, you need to sit down and say, "This is fantastic.

What can we learn from these nine failed projects that will allow us to increase from 1 to 1.5 in the next series of test attempts?" So that is really a culture of innovation. So experience is valued, resources are assigned to think tanks, development, rituals associated with learning are common, post-implementation learning sessions. And there's a lot of rigorous measurement and focus on how to improve. So a lot of continuous improvement process. What needs to happen? Well, basically, the value is curiosity. I'm so amazed, because I wrote this down before Michael Dell started to talk. And he started talking about innovation and client-centric, which is, I think, are two of his main assets. He said, "Curiosity is one of the things that drives me." And then learning. So courage, openness, pursuit of excellence and curiosity are the values that basically an innovative culture expresses in the way people work. The typical mental model, mindset of an innovative culture is, "If it isn't broken, break it anyway." While an achievement culture is, "If it's not broken, don't break it, don't fix it.

Just let it be as it is." And the deal breaker is risk aversion. If you're not willing to take risks, and you have an environment where you're going to punish people that make mistakes, don't even try being innovative. Just focus on being great performers, and that's it. And then shoot for the stars. I mean Wence is a fantastic example of.. He's going to talk tonight and bring all his wisdom to all of us. He's been an amazing innovator. That's really what he does best. He does a lot of other things not that good, but that is really what you're really good at. You don't have a mike, so you cannot reply.

Don't worry. But really, innovative, thinking big. Saying, "We're not here to count the pennies. We're here to change the world." Well, that's Wence's mentality, and that has been his mentality in every single project he pursued. I mean, he's now trying to change the world of payments. When you ask him, "What are you up to?" "Well, I'm trying to change the world of payments." That's really.. those are the kinds of things he would say. You're like, "What? So you want to issue a new credit card?" "No, I'm going to.. I want to create a.." Can I say something about that? Or is it..? "I want to create a new device that is going to change the way payments are made in the world." I'm like, "Okay, well that's interesting." That's an example of the

opposite to penny-pinching mentality.