

Is it Dumb to Try to Stay Innovative?

I was talking to someone this morning about big companies like IBM, Oracle, GM, etc. and how they get stagnant, bureaucratic, and fail to innovate with time and success.

Everyone wants to figure out how to prevent this calcification. But should we?

People mature. Adults aren't like kids. They don't have kid bodies or kid minds. They don't take kid risks and see the world through kid eyes. They have history and experience. They have grown and changed and learned. Sure, they can learn bad stuff and grow in bad ways. Yes, it's worth trying to keep some childlike wonder.

But adults with histories who act like wide-eyed kids are not healthy.

Maybe organizations are the same. Maybe innovation is a kid thing. Maybe a company with millions of customers and billions in revenue constantly pivoting and brainstorming and re-positioning would be sorta wrong. Maybe the well-functioning older, large firm is one that continues to deliver consistent value to a large market with healthy margins until they get too old and die.

Remember, companies are made of people, but when firms die people don't. They reorganize and reassemble and reconfigure and the core value prop of the company to its customers gets replaced by another business or disaggregated to many.

Maybe this isn't a bad thing.

Of course if I'm the head of a mature multi-billion dollar company, I'm sure I'll feel the tug of innovation and chafe at boring bureaucracy. But maybe that'd be a sign I should leave and start something new, rather than try to force a corporate Benjamin Button.

I'm not really sure. I've never been as much a fan of reform and resistance as new creation. Whatever the balance, I don't think it should be accepted uncritically that all firms ought to always act young and innovative.