

JEFF DeGRAFF



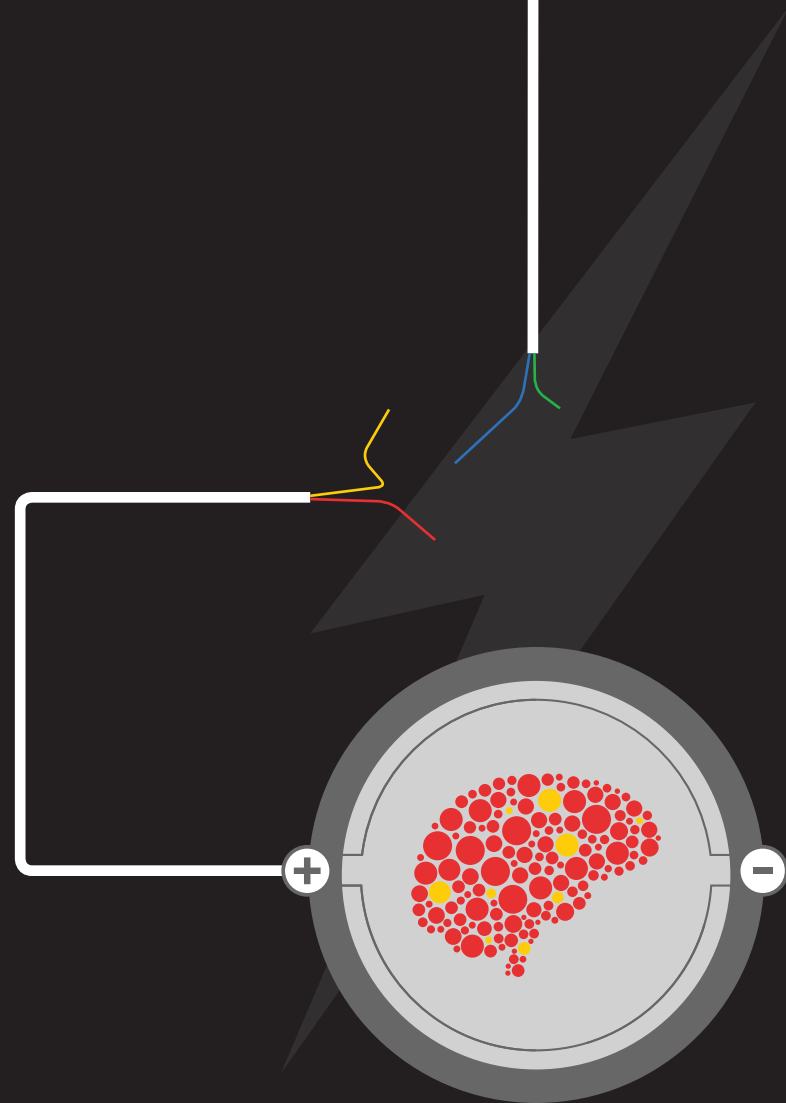
THE JEFF DeGRAFF INNOVATION LIBRARY

In some practical ways our world is still illuminated by the Scottish Enlightenment that brought us such goodies as electromagnetism, capitalism, and single malt whisky. The modern incarnation of Caledonian resourcefulness and skepticism may well be that inventive investigator, Angus MacGyver, and those purveyors of spontaneous hamburgery, McDonald's. Each represents an important mindset required to make innovation happen.

YET, WHEN SEQUENCED IN THE WRONG ORDER THEY BRING ABOUT THE CHAOS



OF RULE BREAKERS



& THE OPPRESSION OF RULE MAKERS.



For the better part of a decade, nerdy secret agent Angus MacGyver would escape the most precarious of situations with boundless creativity, acts of derring-do, and the occasional rubber band. The TV drama would culminate at the moment when he recognized that everything he needed to escape with the goods was right in front of him the entire time: A misplaced paper clip, tweezers on the vanity, or an old discarded umbrella. MacGyver had a gift for seeing the extraordinary in the ordinary—the ability to visualize the potential in the unassuming present to transport us to the alluring future—a decidedly experimental competency or vanity.

THE MACGYVER MIND IS MOST USEFUL IN THE FORWARD POSITION OF INNOVATION.

This is where exploratory or experimental activities are performed—unlocking the secrets of nature, creating new solutions, speculating new markets, etc. Think of it like those investors who always seem to get in on the next big thing before the rest of us. They spot possibilities first because they are looking for them.



HOW TO SPOT A MACGYVER MIND INNOVATOR

- Visionary dreamers
- Clever
- Optimistic
- Enthusiastic
- Quick on their feet
- Expressive
- Big-picture thinkers



THE DOWNSIDE OF MACGYVER MIND INNOVATOR

- Unrealistic vision
- Poor methodology
- Lack of discipline



PREFERRED MACGYVER MIND WORKPLACE

- Stimulating projects
- Flexible hours
- Free from everyday constraints
- New initiatives
- Independent work streams
- Diverse workforce



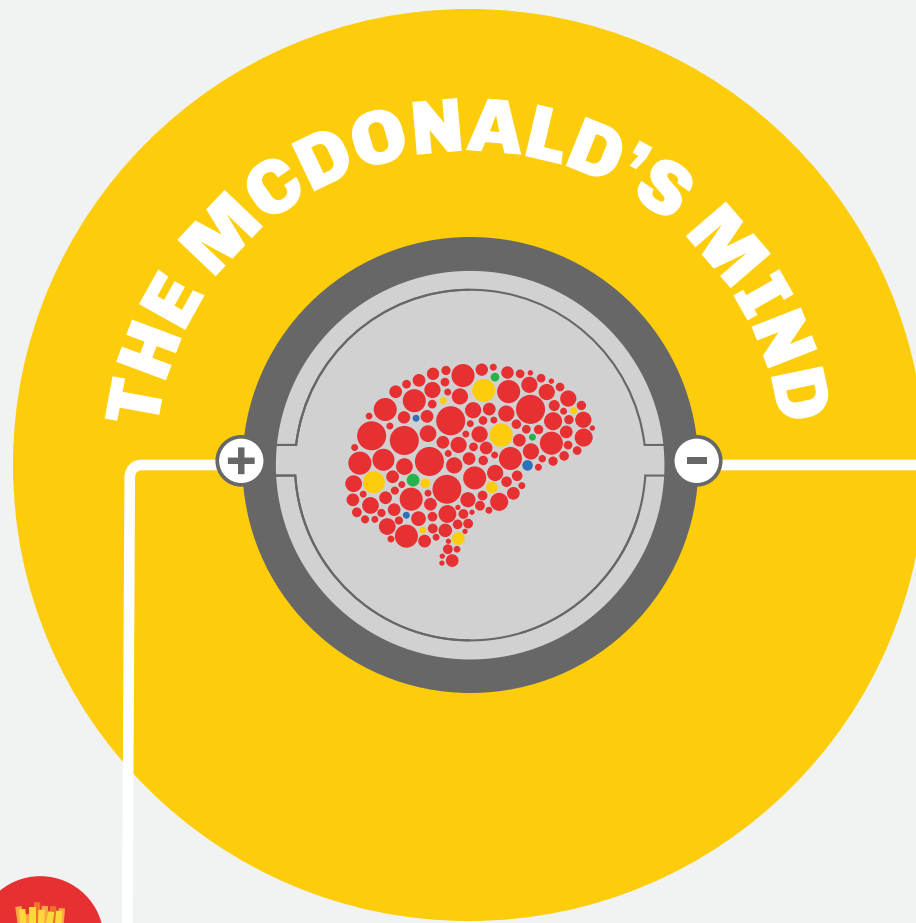
MACGYVER MIND QUESTIONS

- Is this idea a breakthrough?
- Does this idea move us toward the future?
- Will this idea allow us to experiment as we go along?

THE MACGYVER MIND TAKES A **RULE BREAKER** PERSPECTIVE.



What is gained from this outlook is a highly speculative and experimental approach to innovation. The downside is that it brings a high degree of risk and is typically not scalable because the wild variations are difficult to replicate. The MacGyver Mind taken too far brings chaos.



The golden arches magically appear wherever we are ready to be seduced by the bewitching smell of yummy fries and all beef patties simmering on the grill. Sure there are the dietary controversies and the American imperialist complaints, but any company of this scope and scale makes for an easy target. What is remarkable is that the McDonald's menu and experience is basically the same whether you are in India or Indiana.

While at first this may seem like the antithesis of innovation, it is innovative in its ability to make incremental innovation happen in a very big way. Feeding 1% of the world's population daily requires thinking through some complex challenges systemically—supply chain, quality control, food preparation and delivery, and the like. Each change of the menu requires extensive solutions that will work in tens of thousands of restaurants located in over half of all the countries in the world. Move too quickly or too radically, and the system fails in a business where failure is not an option.

THE MCDONALD'S MIND IS MOST EFFECTIVE IN THE AFT POSITION OF INNOVATION.

This is where new ideas are deconstructed and systemically reconstructed so that they can be manufactured and made operational everywhere—process improvements, maximizing revenue, minimizing errors, etc. Think of it like those travelers who always seem to know when and where to buy their airline tickets at a fraction of what you paid. They broke down the data, studied the details, and meticulously managed their game plan. They may have even developed a systematic way of repeating the process that they only share with their close friends and family.



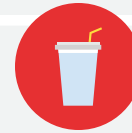
HOW TO SPOT A MCDONALD'S MIND INNOVATOR

- Pragmatic
- Methodical
- Scientific or technical
- By the book
- Problem solver
- Objective
- Persistent



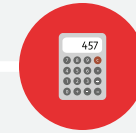
THE DOWNSIDE OF MCDONALD'S MIND INNOVATOR

- Solution fixedness
- Negative attitude toward creativity
- Rigid right ways and wrong ways of thinking



PREFERRED MCDONALD'S MIND WORKPLACE

- Clear roles and responsibilities
- Logical objectives
- Processes
- Standards and regulations
- Ordered and structured work



MCDONALD'S MIND QUESTIONS

- Can we afford this idea?
- Can we really implement this idea?
- Does this idea comply with critical standards?

THE MCDONALD'S MIND TAKES A **RULE MAKER** PERSPECTIVE.



The upside of this outlook is that the systematic and process approach to innovation makes it relatively easy to repeat. The downside is that in an effort to control complexity, it typically reduces variation and the more breakthrough innovations that such diversity produces. It's doubtful that MacGyver would be employee of the month at McDonald's. The McDonald's Mind taken too far brings a static bureaucracy.



Over time MacGyver becomes McDonald's and vice versa. Consider the case of Apple—rule breaker of the computer industry in the 1970's, rule maker in the 1980's, rule breaker again after failing in the 1990's, and back to rule maker as the industry incumbent for the last decade. Philosophers like Hegel and economists like Schumpeter have characterized this repeating cycle as the rhythm of progress.

THE TRANSITION BETWEEN THE MACGYVER MIND AND MCDONALD'S MIND IS THE REAL CHALLENGE TO SUSTAINING INNOVATION OVER TIME.

This isn't just a matter of style—I'm this type and you're that other type, so here is how we should interact. This is a matter of substance. Consider how the MacGyver Mind produces radical variation which is the antithesis of quality standards. The McDonald's Mind focuses on efficiency which eliminates the deviation necessary for breakthrough products and new market speculation. Each mindset produces a direct assault on the value propositions of the other.

SO WHAT SHOULD AN INNOVATOR OF SOUND MIND KEEP IN MIND?

① **ONE SIZE NEVER FITS ALL:**

The MacGyver Mind is great for starting things and McDonald's Mind for finishing them. See them both as essential parts of the innovation process.

② **ALIGNMENT IS OVERRATED:**

Constructive conflict is good for innovation. Keep pushing until the hybrid solutions appear.

③ **EVERY STRENGTH BRINGS A WEAKNESS:**

We all have limits. If you have a MacGyver Mind, partner with someone with a McDonald's Mind, and vice versa.

④ **START AT THE END AND WORK BACKWARDS:**

Each mindset has a time and a place where it produces value or destroys it. Know your situation and what you hope to produce, and engage the appropriate mindset.

How you innovate is what you innovate: Don't expect your MacGyver Minds to conform to your labyrinthine obstacle course of phases, gates, and hurdle rates. Conversely, don't expect your McDonald's Minds to improvise their way through a disjointed array of thought experiments, mock-ups, and finger painting.

Although innovation only remains as such for a moment in time, time has a curious way of repeating itself. As that other splendid highlander J.M. Barrie put it in *Peter Pan*, "All of this has happened before, and it will all happen again."

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