



When resources are constrained, the key to growth is pairing an analytic left-brain thinker with an imaginative right-brain partner.

Innovation in Turbulent Times

by Darrell K. Rigby, Kara Gruver, and James Allen

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Innovation in Turbulent Times

The Idea in Brief

Too few businesses have creative, right-brain types in leadership positions. That leaves innovation especially vulnerable to unwise cost cutting during hard times. Decisions about slashing versus retaining projects are made by analytic, left-brain leaders unsuited to evaluating innovation portfolios.

The fashion industry is worth emulating:

- Its businesses are “both-brain,” run by pairs of powerful executives with complementary—creative and analytic—styles.
- They are structured to support left-brain–right-brain partnerships; hiring at all levels seeks a mix of cognitive styles.
- Innovation becomes a way of business life, not a marginal activity.

Both-brain pairs have been found elsewhere: Apple CEO Steve Jobs and COO Tim Cook; Procter & Gamble’s chief of global design, Claudia Kotchka, and CEO A.G. Lafley; high-tech engineer Bill Hewlett and business leader David Packard. Such partnerships could help innovation thrive in your business.

The Idea in Practice

Traditional, left-brain-dominant business leaders typically can’t tell the difference between good and bad innovations. Nor do they appreciate the skills needed to build and sustain a culture of creativity and constant reinvention. A leadership duo that unites right-brain creative skills and left-brain management skills offers the best way of ingraining innovation in a business, making it valued in all economic climates.

But there’s more to the formula than throwing two people together. What makes for a superlative “both-brain” team? In many ways such a partnership is “truly like a marriage,” says Gucci Group CEO Robert Polet. “It has ups and downs, and you have disagreement, [but] with a common purpose and within a common framework.”

The authors have studied a number of creative-commercial partnerships, both successful and unsuccessful, and identified seven characteristics common to success:

- **Awareness of strengths and weaknesses.** Partners realistically assess what they do well and where they need help. They often joke openly about their own shortcomings to help others see the value of partnership.
- **Complementary cognitive skills.** Partners seek those who balance their own working styles and decision-making approaches. They learn to draw on each other’s capabilities to the proper degree and at the right times.
- **Trust.** Partners trust each other and are willing to put each other’s interests ahead of their own.
- **Raw intelligence.** Partners bring insightful observations and good judgment to the team’s decisions.
- **Relevant knowledge.** Partners bring experience that applies directly to the challenges they face.
- **Strong communication channels.** Partners speak to each other frequently and directly. They often work in the same or adjacent spaces.
- **Motivation.** Partners are highly committed to the success of the business and each other.

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Innovation is a messy process—hard to measure and hard to manage. Most people recognize it only when it generates a surge in growth. When revenues and earnings decline during a recession, executives often conclude that their innovation efforts just aren't worth it. Maybe innovation isn't so important after all, they think. Maybe our teams have lost their touch. Better to focus on the tried and true than to waste money on untested ideas.

The contrary view, of course, is that innovation is both a vaccine against market slowdowns and an elixir that rejuvenates growth. Imagine how much better off General Motors might be today if the company had matched the pace of innovation set by Honda or Toyota. Imagine how much worse off Apple would be had it not created the iPod, iTunes, and the iPhone. But when times are hard, companies grow disillusioned with their innovation efforts for a reason: Those efforts weren't very effective to begin with. Innovation isn't integral to the workings of many organizations. The creativity that leads to game-

changing ideas is missing or stifled. Why would any company gamble on a process that seems risky and unpredictable even in good times?

In talking with executives about innovation, we often point to the fashion industry as a model. Every successful fashion company essentially reinvents its product line and thus its brand every season. It repeatedly brings out products that consumers didn't know they needed, often sparking such high demand that the previous year's fashions are suddenly obsolete. A fashion company that fails to innovate at this pace faces certain death. Understanding that, fashion companies have refined an organizational model that ensures a constant stream of innovation whatever the state of the economy.

At the top of virtually every fashion brand is a distinctive kind of partnership. One partner, usually called the creative director, is an imaginative, right-brain individual who spins out new ideas every day and seems able to channel the future wants and needs of the company's

target customers. The other partner, the brand manager or brand CEO, is invariably left-brain and adept at business, someone comfortable with decisions based on hard-nosed analysis. In keeping with this right-brain–left-brain shorthand, we refer to such companies as “both-brain.” They successfully generate and commercialize creative new concepts year in and year out. (See the sidebar “Hemispheric Conditions.”) When nonfashion executives pause and reflect, they often realize that similar partnerships were behind many innovations in their own companies or industries.

The world’s most innovative companies often operate under some variation of a both-brain partnership. In technology the creative partner might be a brilliant engineer like Bill Hewlett and the business executive a savvy manager like David Packard. In the auto industry the team might be a “car guy” like Hal Sperlich—a major creative force behind both the original Ford Mustang and the first Chrysler minivan—and a management wizard like Lee Iacocca. The former track coach Bill Bowerman developed Nike’s running shoes; his partner, Phil Knight, handled manufacturing, finance, and sales. Howard Schultz conceived the iconic Starbucks coffee-house format, and CEO Orin Smith oversaw the chain’s rapid growth. Apple may have the best-known both-brain partnership. CEO Steve Jobs has always acted as the creative director and has helped to shape everything from product design and user interfaces to the customer experience at Apple’s stores. COO Tim Cook has long handled the day-to-day running of the business. (It remains to be seen, of course, how Apple will fare given Jobs’s current leave of absence.)

No industry has gone further than fashion, however, to incorporate both-brain partnerships in its organizational model. Of course it makes no sense for other kinds of companies to copy the fashion template exactly. But Procter & Gamble, Pixar, and BMW are among those that have borrowed heavily from fashion’s approach and enjoyed remarkable results.

The Fashion Model

Fashion companies understand one fundamental truth about human beings, a truth overlooked by all the organizations that try to teach their left-brain accountants and analysts

to be more creative: Creativity is a distinct personality trait. Many people have very little of it, accomplished though they may be in other areas, and they won’t learn it from corporate creativity programs. Other people are inordinately creative, both by nature and by long training. They are right-brain dominant. Innovation comes as naturally to them as music did to Mozart, and like Mozart, they have cultivated their skills over the years. The first lesson from fashion is this: If you don’t have highly creative people in positions of real authority, you won’t get innovation. Most companies in other industries ignore this lesson.

It isn’t just innovation in the usual sense of products and patents that fashion companies pursue. Their creative people typically imagine a whole picture and see every innovation as a part that has to fit that whole. They are less concerned with perfecting any one component than with creating a brand statement that enhances the entire customer experience. At Gucci Group, for example, creative directors concern themselves with anything that affects the customer—the look and feel of retail stores, the typography of ads, and the quality of postsale service as well as the design of new products. Not every facet of the brand has to meet the narrow profit-and-loss test that many nonfashion companies require of their innovations. Gucci may only break even on its latest runway apparel, but those designs generate excitement among shoppers, who feel that they are sharing in the glamour of high fashion when they buy a Gucci item. Similarly, Starbucks doesn’t maximize sales per square foot in its cafés (heresy to many competitors), because it allows—even encourages—customers to linger for hours over a cup or two of coffee. Yet that innovative, homelike environment is precisely what distinguishes the chain from other coffee shops in the eyes of the customer.

Conventional companies look at innovation differently, and wrongly. Without creative people in top positions, they typically focus on innovations that can be divided and conquered rather than those that must be integrated and harmonized. They break their innovations into smaller and smaller components and then pass them from function to function to be optimized in sequence. The logic is simple: Improving the most important pieces of the most important processes will create the best results. But breakthrough innovation doesn’t work that

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way. What if a movie studio hired the best actors, scriptwriters, cinematographers, and so on, but neglected to engage a director? The manufacturers of several portable music players tout technical specifications that are apparently superior to those of Apple's iPod. Yet they continue to lose sales and profits to Apple, because the iPod offers an overall experience—including shopping, training, downloading, listening, and servicing—that the others have not yet matched. Little wonder that many companies may increase their patent portfolios yet grow disillusioned with their innovation efforts.

What is required to harness this kind of creativity and apply it to the needs of a business? Creative people can't do it alone: They're likely to fall in love with an idea and never know when to quit. But conventional businesspeople can't do it alone either; they rarely even know where to start. And a true both-brain individual—a Leonardo da Vinci, say, who is equally adept at artistic and analytic pursuits—is exceedingly rare. So innovation requires teamwork. Fashion companies have learned to establish and maintain effective partnerships between creative people and numbers-oriented people. They structure the business so that the partners can run it effectively, and they ensure that each is clear about what decisions are his or hers to make. These companies have also learned to foster right-brain–left-brain collaboration at every level, and so continue to attract the kind of talent on which their survival depends.

People: building effective partnerships. To

anyone outside the fashion industry, it's astonishing how commonly designers team up with talented business executives. Until 2003 Calvin Klein's business alter ego was Barry Schwartz. The pair grew up together in the same New York City neighborhood and had been partners since the beginning of the Calvin Klein label. Marc Jacobs, the creative director of Louis Vuitton and Marc Jacobs International, relies on his longtime partner, Robert Duffy, to manage the business. "Marc Jacobs is not Marc Jacobs," he told *Fortune* magazine. "Marc Jacobs is Marc Jacobs and Robert Duffy, or Robert Duffy and Marc Jacobs, whichever way you want to put it." Yves Saint Laurent partnered with Pierre Bergé, Miuccia Prada with Patrizio Bertelli, Valentino Garavani with Giancarlo Giammetti.

Most of these well-known teams date back years. But a partnership may not work out, or one of the duo may move on, so creating new partnerships is among a leader's chief tasks. Soon after the Unilever veteran Robert Polet became the chief executive of Gucci Group, in 2004, he replaced the CEO of the flagship brand and eliminated two of the three creative directorships attached to it. His new appointments were controversial. Mark Lee, who had been heading the money-losing Yves Saint Laurent brand, became the Gucci brand's CEO. Frida Giannini, in her early thirties at the time, became its sole creative director. Innovation flourished, and the Gucci brand's revenues grew by 46% during the four years of the partnership (Lee has since decided to leave Gucci).

Hemispheric Conditions

So-called left-brain or right-brain capabilities don't always reside purely in the eponymous regions of the cerebral cortex. But most of us have strongly preferred approaches for drawing on our brains to solve problems, and few of us are extraordinarily skilled at drawing on all regions of the brain.

Roger Sperry earned the Nobel Prize for Medicine in 1981 for his work with epileptic patients whose corpora callosa—the bundles of nerves connecting their left and right hemispheres—had been severed. When the two hemispheres could no longer communicate with each other, their differences became more obvious.

For most people, the left hemisphere is better at processing language, logic, numbers, sequential ordering, and linear functions. It does well in mathematics, reading, planning, scheduling, and organizing. The right brain specializes in nonverbal ideation and holistic synthesizing. It is better at handling images, music, colors, and patterns. Right-brain processing happens quickly, in nonsequential fashion.

Almost nothing in people's heads is processed solely by one hemisphere; both contribute to nearly everything. But they do so in different ways, and people's cognitive preferences exhibit significant differences. That may

stem from a kind of bodily winner-take-all phenomenon. "We use the best of what we have," explains the psychologist Robert Ornstein, a professor at Stanford and the chairman of the Institute for the Study of Human Knowledge. "The left and right hands aren't completely different in writing ability, but a right-hander would never use the left if she didn't have to. So even if one hemisphere is only 20 percent better than the other, there will be a big difference in how it's used in normal practice." Just as there are right-handers and left-handers, most people tend to think in ways that we can reasonably characterize as right brain and left brain.

Building a strong partnership isn't simply a matter of throwing two individuals together, of course. "It's truly like a marriage," Polet told *Time* magazine in 2006. "It has ups and downs, and you have disagreement, [but] with a common purpose and within a common framework." Polet may be understating the contentiousness that often characterizes these relationships. Some—like some marriages—don't work at all. (Think of Steve Jobs and his earlier partner at Apple, John Sculley.) Many others are punctuated by shouting matches,

temporary separations, and similar signs of intense discord. Marc Jacobs sometimes infuriated Robert Duffy. The Pixar director Brad Bird and the producer John Walker are "famous for fighting openly," Bird has been quoted as saying, "because he's got to get it done and I've got to make it as good as it can be before it gets done."

Some of the tension between partners is productive. ("Our movies aren't cheap, but the money gets on the screen because we're open in our conflict," says Bird, the Oscar-winning director of *The Incredibles* and *Ratatouille*.) And some of it is destructive, dooming the relationship. The executive who oversees a brand should have finely honed matchmaking skills—but should also be ready to order a divorce when required.

You can improve the chances that a partnership will work. Here's how:

Define a partnership-friendly structure.

What should the partners be in charge of? The scale and scope of an innovation unit depend on both the company and the industry. Robert Polet's arrival at Gucci Group followed the departure of the famously successful designer-executive team of Tom Ford and Domenico De Sole. Ford had served as creative director for all the group's brands, including Yves Saint Laurent and Bottega Veneta. Polet thought this centralized structure stretched Ford's creative genius too thin. "The business model—I call it one size fits all—hasn't worked for all the brands," he said in 2004. "They have the same target consumer, the same retail strategy, and a central creative direction I'm not sure has worked well for all." Polet made each brand a unit of innovation, established a creative-commercial partnership at the top of it, and asked the partners to focus on the needs of a distinct group of consumers.

Such decentralization usually deepens insights into customer opportunities and competitor vulnerabilities and allows greater creative freedom. It's vital, however, to have an organizational structure that balances the benefits of decentralization with the efficiency of centralization. Otherwise a company will go through repeated cycles of spawning lots of local innovations to keep growing revenues in good times and then reversing course to achieve efficiencies in downturns. Danone's dairy division found that balance recently by shifting more innovation responsibilities from

Paired for Innovation

LEFT BRAIN

- Rational, logical, linear
- Sequential analytic processing
- Language, grammar, verbal
- Literal
- Objective
- Time-sensitive
- Accuracy

RIGHT BRAIN

- Imaginative, intuitive, whimsical
- Holistic framing, pattern synthesis
- Visualization, pictures, gestures
- Perceptual, metaphorical
- Subjective
- Time-free
- Ambiguity, paradox

HEWLETT-PACKARD

DAVID PACKARD

BILL HEWLETT

Both trained as engineers, but Packard became the executive leader and Hewlett supplied the engineering spark.

PARFUMS CHANEL

PIERRE WERTHEIMER

COCO CHANEL

Perfume legend Coco Chanel teamed up with Wertheimer to provide business discipline to her fledgling enterprise.

PIXAR

JOHN WALKER

BRAD BIRD

Creative tension between the producer Walker and the director Bird sharpens the resulting movies.

Many companies allow left-brain analytic types to approve ideas at various stages of the innovation process. This is a cardinal error.

regional offices to a centralized team made up of both creative and commercial people. The regional groups had developed several great products, including the popular “probiotic” drink Actimel. But Danone’s new-product portfolio came to contain too many regional products with limited scale and poor financial returns. The centralized team conducted global research to assess opportunities and make the necessary trade-offs. It was able to invest enough marketing dollars to turn Actimel into one of the company’s fastest-growing global brands.

Executives at conventional companies often hamper innovation by failing to distinguish between innovation units and capability platforms. Innovation units are profit centers—similar to business units. They may be defined by brands, product lines, customer segments, geographic regions, or other boundaries. Their work involves choosing which customers to serve, which products and services to offer, which competitors to challenge, and which capabilities to draw upon. What they have in common is that the innovation buck stops there. The units’ leaders have to balance creative aspirations with commercial realities, which is why a partnership at this level is so important.

Capability platforms, on the other hand, are cost centers. They build competencies that innovation units can share. Shared platforms create economies of scale, allowing a company to make investments that individual businesses could not afford and to take risks that smaller units could not tolerate. Like innovation units, capability platforms should also be sources of competitive advantage. In a fashion house they might include distribution and logistics facilities, color and fabric libraries, and advertising-media purchasing services. A company should create capability platforms only when its innovation units will choose to “buy” from them rather than to develop the capabilities independently or acquire them from outsiders. Innovation units own their final results, so they must also own as many capability-sourcing decisions as possible. Protectionist policies that force them to use substandard corporate resources hamper innovation.

Establish roles and decision rights. Some years ago two psychologists at Cornell University wrote an article titled “Unskilled and Unaware of It: How Difficulties in Recognizing

One’s Own Incompetence Lead to Inflated Self-Assessments.” The title alone captures a pitfall for left-brainers: Unskilled at coming up with breakthrough innovations, they may nevertheless believe they are good at evaluating them. They are usually wrong. Joseph Stalin allegedly denounced a Dmitri Shostakovich composition as “chaos instead of music,” banning for almost 30 years a work by the man many music critics have called the most talented Soviet composer of his generation.

Many companies nevertheless give left-brain analytic types an opportunity to approve ideas at various stages of the innovation process. This is a cardinal error. Uncreative people have an annoying tendency to kill good ideas, encourage bad ones, and—if they don’t see something they like—demand multiple rounds of “improvements.” They add time, cost, and frustration to the innovation process even in a boom. In a downturn the effect is magnified. Financial analysts are sent in to prune the new-product portfolio. Charged with reducing costs, they often clumsily break up whatever partnerships exist and get rid of the creative people who were essential to them.

A better approach, in any economic environment, is what Polet has called “freedom within the framework”—a well-defined division of responsibility that plays to both partners’ strengths. At Gucci the CEO and creative director of each of the group’s 10 businesses work together to craft a sentence that captures the essence of the brand. Then each brand’s CEO establishes the framework within which creative decisions will be made: objectives, methods for accomplishing them, budget constraints, and so on. He or she maps out a three-year plan showing the brand’s strategic direction and projected financial performance. During tough times the financial resources may be limited, but the CEO and the creative director decide together how to deal with those constraints.

Product development occurs within this context. Merchandisers working under the brand’s chief executive develop market grids showing customer segments, competitive products, and price ranges. If there’s an opening on the grid, it becomes the target for a new product: a handbag, say, for a specific niche, with a particular price point and a particular margin. Product specialists offer options for materials and manufacturing processes. The creative director

then takes over, with full freedom to create a product that meets those specifications. If trade-offs have to be made, the creative director calls the shots, so long as the specs aren't violated. The ultimate judge of the innovation is the marketplace, not a higher-ranking individual or committee within the organization.

Foster talent and nurture collaboration.

The partnerships at the top of fashion companies are the most visible. But both-brain organizations like Gucci understand the importance of replicating these partnerships at all levels of the company. They hire both right-brain and left-brain people. They make sure that both types have strong mentors and career paths that suit their aspirations. They seek to extend and capitalize on individuals' distinctive strengths rather than constantly struggling against deeply ingrained cognitive preferences. When the organizations find partnerships that work well, they create opportunities for those people to work together as frequently as possible.

The particulars, of course, will vary from one company to another. At Gucci the creative directors are responsible for hiring other creative people who, the directors believe, will live and breathe the values of a particular brand. Gucci's human resources director, Karen Lombardo, says she looks for competencies and personality traits that foster teamwork. Are job candidates comfortable with ambiguity? Can they accept the fact that they don't have control over the final product? Can they function well in an environment without detailed job descriptions? Gucci also runs a program to develop leaders on the commercial side. One of its goals is to make leaders more aware of different styles of thinking and communicating, including their own.

Chris Bangle, until 2009 the design head and de facto creative director at BMW, described his job as "balancing art and commerce"—which, he said, required that he "protect the creative team" and "safeguard the artistic process." That meant knowing his designers well enough to let them wrestle with the fuzzy front end in ways that improved ideas rather than killing them prematurely. It also meant knowing the right moment to intercede and shift the focus of product development from design to engineering, so that designers didn't "tweak and tinker forever." Bangle made a point of fighting to preserve

the integrity of designers' creations, thus gaining their trust, even though he might eventually decide to kill a particular concept. (See "The Ultimate Creativity Machine: How BMW Turns Art into Profit," HBR, January 2001).

Transferring the Model to Other Industries

Maintaining the balance in a creative-commercial partnership is always difficult. When Polet joined Gucci, he found a company with a strong design culture. What its people needed, he believed, was an equally powerful appreciation for the commercial aspects of the business.

He started the rebalancing process by setting ambitious targets for sales and earnings growth: The Gucci brand, which accounted for 60% of revenues and most of the group's operating profits, would double sales within seven years, and almost all the money-losing brands would turn profitable within three years. To reach these objectives, Polet moved the organization's focus away from personalities and toward the brands themselves. Its advertising messages abandoned heady runway fashions in favor of products that core customers actually bought. He spoke frequently about making the brand, not the talent, the star. He selected creative directors who shared his philosophy and were more passionate about the product than about potential celebrity. He stressed teamwork over one-man or one-woman shows, encouraging a "culture of interchange" among brands, geographies, and management levels. He established quarterly management committee meetings, annual leadership conferences for the top 200 managers, and a variety of experience-sharing meetings for other functional experts.

Polet also challenged the conventional wisdom that customer research was irrelevant to luxury goods; he commissioned an international focus group of 600 Gucci customers along with regular reviews of the customer feedback by Gucci executives. He encouraged his managers to learn from successful competitors—among them Zara, a Spanish apparel retailer that produces inexpensive interpretations of designer goods in cycles as short as two weeks rather than the traditional six to eight months. (The suggestion that an eight-month production cycle was unnecessarily long reportedly so angered one senior executive that he stormed out of the meeting.)

Uncreative people have an annoying tendency to kill good ideas, encourage bad ones, and demand multiple rounds of "improvements."

Though Polet's changes were often controversial, they worked. All but one of the brands met their three-year plans, several ahead of schedule. Results were so impressive that *Fortune* named Robert Polet Europe Businessman of the Year for 2007.

Can the rebalancing process work in the opposite direction—that is, can nonfashion companies boost their right-brain potential by learning fashion's lessons? The experience of Procter & Gamble under A.G. Lafley suggests that they can. Lafley became CEO of P&G in June 2000. From the beginning he believed that creativity was a missing ingredient in the company's innovation strategy. P&G's technical innovations lacked the design elements that create holistic, emotional experiences for consumers and build their passion for brands. Believing that design could become a game changer for the company, Lafley set out to shake up the culture by increasing the flow of creativity. He proclaimed, "P&G's ambition is to become a top design company as part of becoming the innovation leader in its industry."

In 2001 Lafley tapped Claudia Kotchka from the package design department to create P&G's first global design division. Kotchka reported directly to him, which sent a strong signal to the organization. The company hired about 150 midcareer designers over five years—another powerful signal. Lafley established a design advisory board, bringing in outside experts at least three times a year to examine and shape innovations. Kotchka and Lafley also launched Design Thinking, an initiative to teach new ways of listening, learning, visualizing, and prototyping. They redesigned corporate offices and other venues to open up work spaces and encourage collaboration. They built innovation centers around the world, replicating home and shopping environments to encourage cocreation insights with consumers and retail partners. Realizing that designers tend to "listen with their eyes," Lafley encouraged research that focused less on what customers said than on what drove their emotions, beliefs, and behaviors.

Inside a converted brewery on Cincinnati's Clay Street, P&G built an innovation design studio. Conference rooms there are filled with whiteboards, chalkboards, toys, and crayons. When a significant opportunity or challenge surfaces at P&G, team members from a variety of functions are released from their regular re-

sponsibilities for several weeks to immerse themselves in creative problem solving at Clay Street. Skilled facilitators train and guide the group. Experts from both inside and outside P&G are called in to provide opinions. The studio seeks to create "Eureka!" moments, and Lafley claims that every team that has gone to Clay Street has had one.

Under Lafley, P&G's organic growth has averaged 6%—twice the average for the categories in which it competes—and its stock reached record highs before the current downturn. Its cultural transformation has produced such positive results that *Chief Executive* magazine named Lafley CEO of the Year in 2006.

Both Polet and Lafley launched their transformation programs as new CEOs (Polet came from outside Gucci; Lafley had spent 23 years at P&G). They both set compelling and credible objectives, making it clear that the goal was to accelerate profitable growth as well as to increase creativity. Both focused on the need for greater collaboration and teamwork, increasing respect for the unique talents of all cognitive styles in the organization and emphasizing simultaneous cooperation rather than development processes that passed innovation decisions from one function to another. Both also strengthened mechanisms for listening to customers, though in somewhat different ways. And both started by building on legendary cultural strengths—Gucci's design talents and P&G's brand-management skills. The difference, of course, lay in the starting points of their organizations and, therefore, in the priorities and specific techniques each relied on. They used hiring, development, and talent management programs to rebalance their cultures—more left brain here, more right brain there.

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Any executive with half a brain knows that innovation is essential to success. The problem is that it takes both halves of a brain to make it happen—the imaginative, holistic right brain and the rational, analytic left brain.

Consider the wide range of activities that might be necessary to improve innovation significantly. Management might need better visioning skills to foster a culture of curiosity and greater risk taking—primarily right-brain activities. Left-brain analytic tools might be needed to steer innovation investments toward the most promising areas. The business might

need more creativity to generate ideas, but also analytics to constrain unprofitable projects. The right-brain design process might not be strong enough to transform intriguing ideas into practical products. Or the analytic left brains might need to fund the product pipeline to favor a different mix of large and small bets. Sometimes the products are fine but marketing needs to create stronger, more emotional bonds with customers, or engineers need to boost efficiency and profitability through improvements in cost or quality.

Both-brain organizations recognize that such changes won't necessarily happen all at once. They put together people with the necessary brain orientation in the right places and at the right times. Indeed, we frequently find both-brain principles flourishing and innovation thriving in some parts of an organization even as other parts languish. Many executives have struggled to recognize and replicate the patterns of success—a decidedly right-brain

task. But with both-brain hypotheses firmly in mind, you can apply left-brain scientific testing methods. One way to get started is to pick two or three business areas in which substantial innovations feel important and achievable, despite today's sluggish economy. Build creative-commercial partnerships with exceptional leaders, even if that means moving key team members around. Give them bold challenges and freedom within a framework. Create a strong capability platform or two. Then track the results, including innovation levels, customer behaviors, financial performance, and cultural health.

We suspect you'll say what Robert Polet told us: "I could never go back to the conventional way of doing business."

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