



External Innovation and Learning Businesses

Leading Learning Podcast Transcript for Episode 368

Celisa Steele: [00:00:00] Innovation is not only a set of activities but also an organizational mindset, and learning businesses are uniquely positioned to help foster external innovation in the field, industry, or profession they serve.

Celisa Steele: [00:00:18] I'm Celisa Steele.

Jeff Cobb: [00:00:19] I'm Jeff Cobb, and this is the Leading Learning Podcast.

Celisa Steele: [00:00:27] Innovation is crucial to the continued success of any organization, and that's arguably truer for learning businesses than it is for many other types of organizations because of their focus on external learners and the field, industry, or profession that those learners serve.

Jeff Cobb: [00:00:45] In this episode, number 368, we want to unpack that assertion while also breaking innovation down. Because, after all, innovation isn't monolithic and uniform. You probably wouldn't see so much writing and speaking about it if it were. Rather, innovation is variable and nuanced, and that's what we want to dig into today, with an eye specifically to external innovation in the context of learning businesses.

Celisa Steele: [00:01:13] Probably a good place to start is to attempt a definition of innovation.

Jeff Cobb: [00:01:19] I know where you're going to go with this.

Celisa Steele: [00:01:20] I'm going to go to its etymological root. And buried there in the root is this idea of newness—of creating something new or doing something in a new way.

Jeff Cobb: [00:01:31] In a business context, innovation involves conceiving, developing, delivering, and scaling new products, services, processes, and business models for your customers. So, in short, there's a lot in innovation to be talked about.

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Celisa Steele: [00:01:49] Right. Even in that short explanation, innovation involves conceiving, developing, delivering, and scaling new products, services, processes, and business models. There's a lot packed into that. There's a who—customers. There's a what—products and services. There's some how around processes and business models. And then there's also a focus on both imagination and ideation—the conceiving—but then there's also an emphasis on execution—developing, delivering, and scaling.

Jeff Cobb: [00:02:22] I think that imagine/ideation piece often gets a lot of focus. It's the stuff that sounds sexy when you're talking about innovation. But that execution piece is so important. It often involves change management and embedding the change, which is like moving knowledge and skills from working memory if we're talking in our learning theory terms. Working memory can be limited and endangered for the life of that new knowledge and skill—moving it from there into long-term memory, where it can be maintained and become part of the operations and culture of an organization and also the people an organization is trying to serve.

Celisa Steele: [00:03:05] Now, there are many flavors of innovation. I think we can call out a few of the different spectra that you might think about innovation running along. So there is incremental innovation on one end, and then there is more transformational innovation. On the incremental end, it might be tweaking an existing process or product and improving it, but it's at that smaller-scale, smaller-step level. At the transformational level, it's an entirely new approach to developing something or an entirely new product or service that you're imagining and innovating with.

Jeff Cobb: [00:03:42] In that incremental realm, we talked of predictions for this year, or where we saw things trending right now in the learning business, about innovation around the edges. There's a lot that can be done with what we already have, to tweak it, improve it, and take it to new places. There's possibly less opportunity for transformational, but that doesn't mean that the opportunity is not there. You just got to dig deeper for it and find those transformational opportunities. That's one flavor of innovation, that incremental-to-transformational spectrum. Another is simply fast to slow. In the Silicon Valley tech world, there's this whole mantra around move fast and break things. I think that was the Facebook culture. That was definitely talking about fast innovation.

Celisa Steele: [00:04:33] That's fire, aim, ready.

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Jeff Cobb: [00:04:36] Yes, whatever that old saying is.

Celisa Steele: [00:04:38] I think I got it quite wrong, but ready, fire, aim.

Jeff Cobb: [00:04:41] Obviously, that has its upsides if you're really trying to lead a market and get out there with the most innovative stuff. We see a lot of that going on with AI right now. It's a little scary with something like AI how fast innovation may happen there. But, of course, most of what happened with AI was extremely slow. It's been happening for decades now, and we just hit a tipping point with it. Innovation may be a very slow and methodical process as well. It's embedded into the culture and continues to happen over time. I think a company like Apple probably thinks of themselves in both camps. They've really got that slow innovation embedded into the culture, so they're going to do some of that incremental stuff well. But, then, obviously, they've had those big tipping points where big innovations have really rocked the market.

Celisa Steele: [00:05:30] I think, in that fast area, that's where we tend to hear about or think about things like first mover advantage. There's this potential advantage that, if you can move quickly and innovate quickly, you're going to be the first one doing whatever X is, and therefore that's going to give you some competitive advantage. That's the argument anyway.

Jeff Cobb: [00:05:48] That points to the next flavor or the next spectrum of innovation.

Celisa Steele: [00:05:53] Yes, we wanted to talk about a spectrum that runs from reactionary to proactive. On the reactionary, this is where you are responding to some sort of stimuli or condition that exists. And then, on the proactive end, you're doing more to think about what could change or what might change in the future and laying some groundwork to innovate in that new context that might come to be. I think COVID is a great example of this, where there was a lot of innovation that happened because of the pandemic. For many organizations, though, it was relatively reactionary.

Jeff Cobb: [00:06:32] Definitely.

Celisa Steele: [00:06:32] They suddenly couldn't do things the way they had. Business as usual didn't work, so they had to innovate. But it was in a reactionary state. They were responding to this pandemic that had popped up.

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Jeff Cobb: [00:06:44] We've talked a lot about market-focused versus product-focused in the past. And market-focused tends to be reacting and responding to what you're hearing and seeing in the market, whereas proactive tends to be creating the products that are leading the market in the direction you want them to go. Both have their upsides and downsides. It's not a judgment on one being better than the other, but knowing what your strategy is and what your plan is is important.

Celisa Steele: [00:07:14] And then, of course, another flavor—and this is one we really want to spend a significant chunk of our time today on—is just this idea that innovation can be more internal, or it can be more external. With internal innovation, the change is really in your learning business. It might be a change to your organizational chart or the way that your teams are structured, or it might mean a new production process to improve efficiency around creating some of your products or services.

Jeff Cobb: [00:07:47] Then external innovation is going to be improvements to products or services, for example, that directly impact your customers. It might be that new product line. It may even be a new way of thinking that you're putting out there for your customers to embrace as part of how they do business. But, in general, you're thinking about not what's going on *within* your learning business but what's going on out there in that field, industry, and profession that you're serving, and how are you innovating in that larger context that you're serving?

Celisa Steele: [00:08:22] All organizations can have internal and external innovation. I think, for learning businesses, we see an especially deep opportunity around external innovation because, yes, all organizations are going to typically have products or services. But, given the nature of the products and services that a learning business offers, they already have that external focus and that commitment to a particular profession, industry, or field. And so really thinking about, okay, how do we help the people who are working in that field or industry get better, which is then going to, of course, improve that field and then improve society at large?

Jeff Cobb: [00:09:04] How are we potentially going to create change for the better and help to actually pave the way to the future that we're seeing emerge in that field, profession, and industry? This is a big part of what we're talking about when we talk about the whole concept of leading learning, which obviously is central to everything here. The podcast is based on that term, and it's that idea that you are helping to foster learning that's not just about maintaining the status quo but is about evolution and adaptation within your field or industry. I think it's a really important concept to have in mind because it's very easy to get mired in—"mired" is

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maybe too strong a word—but to be too wed to the established body of knowledge, skills, and practices that your educational programming is probably designed to support and maintain. That's really a conservative approach to education in the little *c* sense of the word. It's a good thing, but how do you think more progressively about where that field, industry, and profession need to go? And how are you developing learning experiences that are leading the way, that are helping to drive that necessary change?

Jeff Cobb: [00:10:22] As someone who listens to the Leading Learning Podcast, you should know about the Leading Learning newsletter, which you can subscribe to at leadinglearning.com/inbox. The newsletter is inbox intelligence for learning businesses and helps you understand the latest technology, marketing, and learning trends and grow your learning business. Best of all, it's a free resource. As a subscriber, you'll get Leading Links, our monthly curated collection of resources to help you grow the reach, revenue, and impact of your learning business; the podcast digest, a monthly summary of podcast episodes released during the previous month; plus periodic announcements highlighting Leading Learning Webinars and other educational opportunities designed to benefit learning business professionals. Subscribe, for free, at leadinglearning.com/inbox. And, if you're already subscribed, point a colleague to leadinglearning.com/inbox.

Celisa Steele: [00:11:23] Of course, these different spectra of innovation that we've talked about—incremental to transformational, fast to slow, reactionary to proactive, internal to external—aren't mutually exclusive. In fact, I think very often one type of innovation can drive another. I think it's very easy to imagine situations in which external innovation is going to drive some internal innovation as well, in a virtuous cycle. As you have that vision of where the field, profession, or industry you serve needs to go, that may have implications for how you structure your staff or how you build your products, for example.

Jeff Cobb: [00:12:01] We always see a lot of virtuous cycles in our work. I think we've referenced that in many situations. But here, in particular, innovation really points to change. Change is going to happen as a result of innovation. And learning and change are just so closely connected. Typically, learning leads to change, whether that's in skills, knowledge, behavior, or attitude, and change almost always requires learning adaptation in order to fully take advantage of the change and, for that matter, to survive the change.

Celisa Steele: [00:12:32] We often talk about learning businesses having a role to play in improving whatever field, industry, or profession that they focus on. That's something we talk about a lot. We've already touched on it today. The idea here is, just to unpack that a little bit

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more, that the better the learners are, the better off the stakeholders they touch are going to be. So, if we just take an example of something like a nurse, if your learning business helps make her a better nurse, then that's going to help the hospital that employs her. It's going to help the patients that she sees. It's going to help the family and friends of those patients. And it may even help the patients' employers, for example. You have this ever-widening ring of impact that happens, like those circles on water when you cast a stone.

Jeff Cobb: [00:13:20] Definitely. We're always thinking about how are we going to have that positive impact on the learner? I think most learning businesses are thinking, by extension, how does that impact the learners' employer? But it goes well beyond that into the broader organization and into society at large. As learning businesses, even though nearly every learning business has to be at least sustainable and usually has to generate a profit or at least a net positive revenue, there's a mission aspect to all of this, and a big part of that is how are we ultimately improving society through our work?

Celisa Steele: [00:13:55] I think that learning as a process, not an event—that's another thing we like to return to frequently here—I think that's very consonant with innovation because innovation, when it is humming along, involves ongoing investment. It's not something that you can sit down and decide on a Friday afternoon, okay, we're going to do some innovation. It's something that you really do have to bake into your culture and have these ongoing supports for innovation.

Jeff Cobb: [00:14:27] I think at the core of that is really thinking about yourself as a catalyst of innovation and being intentional about that. We should note that, in the back of our minds, part of what spurred us to have this particular episode, this conversation right now, is that ASAE (the American Society of Association Executives), their research foundation, recently put out a report called *Becoming an Effective Innovation Catalyst*. And that focuses on the opportunity that associations have to support external innovation, which they call that "industry-focused innovation." Of course, many associations have learning businesses, but what the report covers would apply to any learning business. I think it really would apply to just about any organization. They're talking about some very bread-and-butter aspects of innovation and how to make that a part of what your organization does.

Celisa Steele: [00:15:27] Right. That report looks at how associations might help their industry, profession, or discipline effectively manage change and become more resilient to disruptors. In particular, they were looking at things like COVID and the social justice movement that was reinvigorated with the killing of George Floyd. If your learning business is embedded in an

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association, and if you haven't checked out that report from the ASAE Research Foundation, we encourage you to take a look at that. But, for now, let's talk a little bit about how external innovation happens. The main points we want to make are that innovation is not only a set of activities; it is also an organizational mindset.

Jeff Cobb: [00:16:15] It really does have to be something that you, as an organization, recognize as a priority and that you're committed to being intentional about. We talked about reactive versus proactive a little bit earlier here, and you always want to be in a position to be able to react effectively to whatever's going on in the environment. But I think, if you're being intentional about innovation, you are going to have at least some ways in which you are being proactive about that, you're being strategic about that, and you are thinking about yourself as leading learning in that market, that industry, and that profession that you're serving.

Celisa Steele: [00:16:52] I think that part of having that focus—being intentional about innovation—gets to your culture. And so, for us and in the case of learning businesses, that means you need to have a strong learning culture.

Jeff Cobb: [00:17:08] Again, that's internally. Within your organization, everybody has to be committed to learning and developing their capabilities to be effective learners. But it's also part of how you think about the audience, the field, the profession, and the market that you serve. We've had past writings and episodes around this idea of learning culture and, along with that, learning ecosystem—being a facilitator of the culture in the broader audience you're serving, and being a facilitator. I think ASAE actually uses the word *orchestrator* of learning ecosystem in the field, profession, or industry that you're serving.

Celisa Steele: [00:17:47] I would say, too, that the kinds of activities defined in the Market Insight Matrix would also support external innovation. We've talked in a past episode about the Market Insight Matrix and how to use that tool. But as a quick recap, essentially, you're listening, tracking, and asking. And so, if you're doing those kinds of things, that's going to help you be, yes, reactive in the case of what you might be hearing and listening to, but it's also going to offer you the opportunity to be proactive as well.

Jeff Cobb: [00:18:18] I'd say that's true of all of the different types of tools that we offer, even something like the Value Ramp or the Product Value Profile. Again, you're being intentional. You're looking at what you've got, and then you're thinking beyond that for the opportunities that might be there. So, as part of that internal culture, being in the habit of—whether you're using the tools we've created and suggested or you're using other tools—but being in the habit

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of having those kinds of analytic conversations around what you already have and what's going on in the environment that you're working in.

Celisa Steele: [00:18:54] Right. And so listening, tracking, and asking are really important, but, critically, you then have to do something with what you learn from that listening, that tracking, and that asking. You already mentioned being analytical. You definitely have to analyze. And that often means categorizing, which reminds me of a recent episode that we've had around taxonomy where Stephanie Lemieux was talking about that. Because getting clear on what language are you hearing repeatedly—as you're doing that listening, tracking, and asking—may give you some really important insight.

Jeff Cobb: [00:19:28] It also means getting in the habit of doing things like creating minimum viable products, or MVPs—that's come up a number of times in many conversations we've had—doing prototyping. We're doing a lot more work now in the Tagoras consulting business around creating prototypes that we're testing out in the market to get feedback on. So it gives you that data-informed approach to innovation. But just being willing to float things out there, to try things, creating a new event, doing something like launching a podcast, just getting out there and being willing to take some calculated risks because innovation just generally requires that.

Celisa Steele: [00:20:09] You mentioned creating an event as an option. And I think related to that idea, one thing we should stress is that, because of their tendency to focus on that particular profession, industry, or field, learning businesses are often really good conveners. They can bring together diverse stakeholders that have a shared commonality that they all care about, and that ability to convene is a really, really valuable asset when it comes to innovation and, particularly, external innovation.

Jeff Cobb: [00:20:43] I think part of convening, too, or part of that outreach that learning businesses often have, can be with partners. There's a lot of opportunity for partner-driven work in an area like innovation because you're often getting into areas where you don't necessarily have the core skills and expertise, but you're seeing the need out there. You're seeing the emerging challenge or opportunity, and capitalizing on relationships with partners can be one of the ways that you're able to take action around innovation.

Celisa Steele: [00:21:15] At the far end of that taking action with others is the example of Grand Challenges. We've had some past episodes where we've talked about Grand Challenges with Seth Kahan and with Marla Weston of the American Nurses Association. I think you talked

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with someone from the XPRIZE. There's this idea of there can be hairy problems, the more intractable kind of problems, big-picture problems—climate change and mental health—where any single organization isn't going to be able to solve it readily. But, by convening others and uniting around a particular issue, a lot can be done. And learning businesses are well positioned to be one of those players, to even be that partner that does the convening work.

Jeff Cobb: [00:22:03] I think the final point to make here is that we've been talking about partners, and we've been talking about convening. A big reason for those things is that innovation tends to benefit from a diversity of perspectives. I think there's always this idea of the lone inventor, the Thomas Edison or somebody, a light-bulb-going-off-type thing, as the driver of innovation. And, certainly, there's a role for that in innovation. But, usually, even when there's that light bulb moment for that single person, it's because they've been in dialog with so many other people and have had so many perspectives that have informed their thinking. So being able to orchestrate those perspectives—we know diversity of perspectives is important in learning experiences in general, and there's certainly a lot of overlap between innovation and learning.

Celisa Steele: [00:22:52] We've talked a little bit about what innovation is. We've talked about different flavors of innovation. We've talked about what it takes to be able to innovate. I think now we should talk a little bit about the value of innovation. I think one of the things that I would like to put out there is that I don't think that the value or the direct result of innovation is always going to be clear from the get-go. In fact, I think they probably shouldn't be clear from the get-go. If you have too tight a focus on what you're hoping to get out of any innovation-related endeavor, then I think it could actually limit what might come out of it. And so I think this gets back to what we touched on a little bit before, that innovation, like learning, is a process, not an event. So it shouldn't be too tightly focused on "Let's get a new product" or "Let's get a new, improved production process out there." It really needs to be more about "Let's do that listening, and let's find out what we need to do that is going to help us either react or proactively move the needle in the industry, field, or profession that we serve."

Jeff Cobb: [00:24:01] Yes, I think it's a process. It's an emergent process because we've stressed listening, asking, things like that along the way here. And, like you're saying, if you're too set on what the outcome is supposed to be, then it's probably not innovation in the first place if you already know the outcome. You do have to be open to what emerges, and you have to set yourself up. The same thing with learning. In learning, it's often much clearer what you're trying to learn and where you're trying to get. But, if you're not open to learning and to what can emerge in the process, you're not going to get the full benefit out of it. I think just being

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intentional about innovation, making it part of your culture, and really embedding it in what you do, day in and day out, yes, hopefully, you're going to achieve those concrete goals out of it, but just doing that is going to open up so many opportunities and, I think, so many areas that can help to improve your business. So just really make innovation a part of the culture.

Celisa Steele: [00:25:10] Innovation is not only a set of activities but also an organizational mindset, and learning businesses are uniquely positioned to help foster external innovation in the field, industry, or profession they serve.

Jeff Cobb: [00:25:23] At leadinglearning.com/episode368, you'll find show notes, a full transcript, other resources, and options for subscribing to the podcast, if you're not already subscribed.

Celisa Steele: [00:25:34] We'd be grateful if you would take a minute to rate us on Apple Podcasts or wherever you listen, especially if you enjoy the show. Jeff and I personally appreciate reviews and ratings, and they help the podcast show up when people search for content on leading a learning business.

Jeff Cobb: [00:25:49] And please spread the word about Leading Learning. You can do that in a one-on-one note or conversation with a colleague, or you can do it through social media. In the show notes at leadinglearning.com/episode368, you'll find links to connect with us on Twitter, LinkedIn, and Facebook.

Celisa Steele: [00:26:05] Thanks again, and see you next time on the Leading Learning Podcast.

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