

## My 2007 talk on Innovation....

**M**ore and more firms are coming to realize the ability to innovate is a survival issue. If you agree, you need to hear my new talk to learn why this is so and what has changed. My seminar, [Practical Innovation](#), discusses how to get results from innovation.

The target audience is Upper Management, Innovation Teams, and Middle Managers responsible for new product development and strategy. I've been doing this for a long time, but this talk is all new. For the first time I have approaches that will work no matter where you are in "innovation space." The feedback from the test sessions I've presented to senior managers is very positive.

If you are interested in developing your organization's innovation potential and performance, this interactive program will show how and help you get started. If you're not, it will tell you why you should be. The time required is one hour, and open Q&A is provided. Please contact us for more information and see <http://www.trudelgroup.com/Talk2006.pdf> for an overview.

## Recent Learnings...

**O**ne of the reasons I love to travel and give talks to audiences is the opportunity to meet intelligent people and learn new things. There is much wisdom out there. It's largely untapped, and generally not what one would learn from the media or academia.

### Broken Government

It should be no surprise that the approval ratings of Congress are at historic lows, about mid-20 percentile by most polls. <http://www.pollingreport.com/CongJob.htm> Iraq gets the news, but basic concerns include corruption, bungling, fiscal irresponsibility, and a focus on blame over results.

We recently stayed with a 105-year-old friend in Oklahoma who shared a book by a friend that gives some unique insights about why Congress' self-serving actions so resemble Enron's. Inside the beltway it's about getting reelected, not problem solving or the nation's best interests.

The author, Tom A. Coburn, a Medical Doctor and business owner, served three terms in Congress and then adhered to the self-imposed term limits he'd agreed to, writing this book after he'd declined to run again. His book has the ring of truth. (He's now back, and in the Senate.)

What Coburn says matches my experience during the "Patent Wars," including the practice of voting on key legislation before Members of Congress even had an opportunity to **read** the bills. <http://www.trudelgroup.com/pwars.htm> Both parties are guilty of abusing process to enhance their power.

Information: This book, [Breach of Trust](#), is of interest no matter what your party or political stripe. It has a five-star rating on Amazon. [http://www.amazon.com/gp/product//0785262202/ref=cm\\_rv\\_thx\\_view/105-9344904-5794823](http://www.amazon.com/gp/product//0785262202/ref=cm_rv_thx_view/105-9344904-5794823)

## Secret Bastions of Innovation

A good learning came when I gave my innovation talk for a research institute in Mesa Arizona, the Cognitive Engineering Research Institute ([CERI](#)). <http://www.cerici.org/>

This was a “Back to the Future” experience. In the 1960s, innovation was mostly found in the defense sector. After Vietnam, it moved into the commercial products, creating many years of double-digit economic growth. That ended when Globalization, rewritten Intellectual Property Law (favoring incumbents over innovators), financial manipulation, and crony capitalism led to the “Tech Wreck” which collapsed the whole stock market. We’re still dealing with the aftermath.

Action: Under the radar there’s a shift to “small, innovative, and flexible.” Small groups are moving back to our roots of creating wealth through innovation: building compelling products that change the world. Good CEOs and rising firms no longer obsess with “going public.” CERI is a hopeful example: a blend of small private business and government sponsored research.

## The Future

Are firms willing to invest and take risk? Some are, but not many. A few deem innovation a survival issue, but, for most, the focus is on “sustainability” and “not putting a foot wrong.” It’s especially ironic that the accounting firms who allowed the recent disasters now have record billings.

Detroit is the poster child for a widespread malaise. **Q:** “What’s wrong with Detroit’s leaders?” **A:** “They are ‘businessmen,’ perfectly fine at leading a company in steady decline, but not the type of leaders who could lead an inspired resurrection. That’s why they are always cutting costs and never bringing out inspired products.” (*Forbes*, December 25, 2006, pg 70.)

Change is slow, but it’s coming. I think the percentage of business leaders who deem innovation a survival issue bottomed and is the way back up, but that’s not yet true of the support infrastructure. The organizations that sponsor paid seminars are still focused on “sustainability,” on cost cutting and incremental process. My guess is innovation will come too late for Detroit, but that’s not the point. Even mighty Microsoft is showing problems when it comes to innovation.

Bottom line: There is a lot of pent-up cash out there, but only the leaders who deem innovation a survival issue are investing in resurrection. Meaningful action is limited to selected firms.

## Energy Innovation....

**T**he most pressing technological issue Western nations now face is that of energy independence. This is both an economic and a national security issue. How it is handled will largely determine our future prosperity, security, place in the world, and lifestyle.

Next time you are sitting at the pump waiting for the damages, consider that oil imports are now the largest portion of America's trade deficit. Less obvious is how this impacts our national security. For every dollar we spend on oil from the Gulf, we pay two to three times more to maintain military forces poised to intervene and protect our strategic interests. The top eight non-Gulf oil prospects are almost as bad – places like Nigeria and Venezuela – and not one is stable.

Protecting oil uses oil. When a 70-ton Abrams tank rolls to protect us, it's getting 0.3-0.6 MPG and is followed by several tankers. When the Army deploys, 70% of the tonnage moved is fuel.

There is a compelling case that *existing technology* and private sector innovation, properly applied, could fix this. Many are skeptical, but prestigious groups like the Silicon Valley Venture Capital Community and the Rocky Mountain Institute are making the same arguments that I've been raising. This is a big win if we can pull it off, much like the long-ago response of the West to *Sputnik* that eventually ended the Cold War and led to personal computers and the Internet.

On November 1 the inauguration of the National Bureau for Energy Solutions (NBES) was announced from its Headquarters in San Diego. The press release said, in part, NBES,

***“... would engage in a consumer awareness program to increase the use of appealing energy-efficient vehicles, promote greater use of alternate fuels, and research the expanding use of atomic power for energy purposes.”***

Because of the importance of energy to our lives, I've agreed to serve as a Vice Chairman of NBES. I am also working loosely with a group in Colorado that has similar interests. For more information about NBES, please contact:

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**If it was easy everyone would be doing it, but help is available....**

**T**o succeed at innovation you need to partner with seasoned outside help. “Rarely do managers of strategic experiments return for an encore,” and hence, “few people, if any, within your organization can guide you from their direct experience.” [[Ten Rules for Strategic Innovators](#), page xxvii] If that isn't an opportunity for a seasoned innovation consultant, I don't know what is. ***If you agree innovation is a survival issue, please give us a call.***

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"Energy will be one of the defining issues of this century. One thing is clear: the era of easy oil is over."

David J. O'Reilly, CEO and Chairman,  
Chevron Corporation

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