The Innovation ‘Blind Spot’ That Keeps Winners From Winning More

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David Henkin helps organizations and individuals innovate and grow.

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Even the most successful companies can lose their edge if complacency, legacy thinking and organizational inertia prevent them from adapting and innovating.

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Everyone wants to be a winner. Whether on the soccer field or in business, we all want to be successful. In sports, that typically means getting to hoist a trophy at the end of a season or tournament. In business, “winning” is less winner-take-all, and more about being able to establish yourself as a successful innovator who can grow a thriving business.

Success is often celebrated as the ultimate proof of good decision-making. Ironically, it can also become the greatest obstacle to future success. History is filled with organizations that mastered one era only to struggle in the next, not because they lacked talent, capital or customers, but because they developed an innovation blind spot. They became exceptionally good at optimizing yesterday's winning formula while overlooking tomorrow's opportunities.

The organizations that continue winning decade after decade are not necessarily more intelligent than their competitors. They simply see innovation differently. Rather than viewing it as an occasional initiative, they treat it as an operating system, a disciplined way of observing change, challenging assumptions and continuously reinventing themselves before circumstances force them to do so.

The Number One Enemy: Complacency

Complacency easily stands out as the biggest pitfall facing winners. Past success often becomes tomorrow's biggest obstacle simply because it can tempt you to “coast”, rather than continuing the practices that helped you succeed in the first place.

Complacency causes leaders to stop innovating and miss out on key market trends (especially when it comes to technology), which can make it surprisingly easy for others who have not yet experienced that success to pass them by.

Incredibly, Kodak's research team actually developed a digital camera in the 1970s. But the company did not want to shift the status quo away from its legacy film and cameras. This complacency and failure to adapt as technology changed eventually led to the company declaring bankruptcy.

Contrast this with the example profiled in the Jerusalem Post of billionaire Mai Vu Minh, Chairman of SATAS Group and SAPA Thale Group. Minh has avoided complacency by constantly diversifying his investment portfolios and sustainability initiatives. Investing in areas across finance, technology and real estate, as well as diverse sustainability initiatives in areas such as urban development and renewable energy, requires constant reinvention, rather than remaining focused on past successes.

The Dangers Of Legacy Thinking

Legacy thinking is one of the most dangerous (and common) side effects of complacency. Daniel Burrus of Burrus Research rightfully compares legacy thinking to legacy technology: "thinking, strategies and other actions that are outdated and no longer serve you to the extent that they once had."

With legacy technology, software or operating systems that were once considered groundbreaking and revolutionary are no longer sufficient or effective. One need only look at the type of video game graphics that were considered groundbreaking in the 2000s and compare them to today to see how drastically things can change.

The AI age has sped up this transition even more. Not only is legacy technology becoming obsolete at a faster rate than ever, but the new ways of doing business introduced by AI have also made legacy thinking more dangerous than ever.

Principles and strategies that were once best practices now need to account for how AI is changing everyday workflows and processes. Reluctance to embrace, or at least consider, different ways of thinking and acting can cause former winners to quickly get left behind by those who are willing to innovate with technology.

Countering Organizational Inertia

The biggest risk associated with legacy thinking is that it tends to affect the entire organization from the top-down. When leaders build a culture that is cemented in its ways, very few within the organization will be willing to change or innovate. Even when someone recognizes that a change is needed, they might hesitate to do anything about it because they either like the current status quo or they are afraid of the pushback they might receive from others.

Because of this, countering organizational inertia needs to start at the top. For example, when Satya Nadella became CEO of Microsoft in 2014, he recognized several inertia issues within the company that were leading it down the wrong path. A toxic competitive culture and a failure to latch onto mobile and cloud computing were causing it to fall behind.

The results were telling. Nadella changed the company culture to emphasize collaboration and learning, as well as to value learning from failures when trying new things. Shifting Microsoft from "knowing it all to learning it all" enabled the company to become a major player in cloud computing. This has since led Microsoft to be one of the leaders in the AI space, as well.

Nadella succeeded because he demonstrated the dangers and missed opportunities of continuing with the company's then-current inertia. Notably, the new cultural model was developed over two years, allowing momentum to build gradually as the shift went through fine-tuning.

Winners who keep winning are willing to take a critical look at their current inertia, admit to its weaknesses and then begin enacting a plan to change direction. They understand that to continue innovating, they may need to radically reinvent their culture or processes.

Winning More Requires Seeing More

Organizations seeking sustained innovation should begin with several practical commitments:

- Schedule recurring “assumption audits” that identify beliefs no longer supported by evidence.
- Reward learning velocity, not just execution.
- Build cross-functional innovation teams that include diverse perspectives.
- Allocate dedicated funding for experimentation alongside operational budgets.
- Measure future readiness with the same discipline used to measure quarterly performance.
- Encourage leaders to spend meaningful time with startups, universities, customers and industries outside their own.

Individuals can develop similar habits by reading broadly, cultivating diverse professional networks, experimenting with emerging technologies and deliberately seeking viewpoints that challenge their own thinking.

Innovation has never been merely about creativity. It has always been about perception. The organizations that continue winning are not simply better at inventing. They are better at noticing.

While superior technology and large budgets are great, they are not the guarantee of success. The greatest competitive advantage is the discipline to continually question what everyone else, including themselves, has come to accept as obvious.

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