
APS1012 Management of Innovation – Final Team Projects, Winter 2010**The Seven Deadly Sins of an Innovator****Objective**

Consider the potential pitfalls of an innovator in the context of pride, envy, greed, lust, wrath, gluttony, and sloth. Show that a good innovator needs a small amount of each “sin” yet cannot go too far!

When applied towards success, the sins can be redefined as follows:

Pride -> self-belief

Envy -> competitive awareness

Greed -> desire for profit

Lust -> new challenges

Sloth -> streamlining

Wrath -> competition

Gluttony -> efficiency

Describe and exemplify each sin through a case study of an innovative company or product, then examine how the sins can compound and result in a major scandal or the corruption of a complete industry.

Summary

Each individual “sin” was illustrated through the following case studies:

Pride -> Pan Am and Baldwin Tech

Envy -> Microsoft Zune vs Apple Ipod

Greed -> Toyota

Lust -> Dubai crisis - building tall buildings and cities' lust for power

Sloth -> Toyota

Wrath -> The downfall of Sony

Gluttony -> The Horten Ho IX

The connection between innovation and the biblical concept of “seven sins” was made by G. Michael Maddock in his article “Sinnovation”. The degree to which these sins permeate a company or industry directly affects whether the innovation process is helped or hindered.

A certain amount of each quality is essential for innovation, but beyond a limit it becomes dangerous. The price for crossing this limit is that innovative thinking is impeded and a company veers toward failure in several possible ways. It is important to know where this line exists with each sin in order for a product or innovation to succeed. For example a company that shows strong faith in its products can produce profound innovations. However, having too much pride results in a stubborn refusal to update or innovate an existing product, ultimately hurting the company. Similarly, a company which lusts after a majority market share and status within the industry loses focus of the optimal way to achieve that status, namely innovating their products according to industry demands and trends. Obviously a careful balance must be struck for innovation to flourish.

The results of committing each individual sin can be seen in various industries and markets. In Dubai a lust to be leaders in architecture, transportation, trade and amusement led to an unstable expansion of the state resulting in a debt of billions. Sloth is seen at Toyota as manufacturing shortcuts and unaddressed problems led to 8.5 million cars being recalled, severely damaging the company's reputation for quality and safety.

The case studies show that each unchecked sin produces consequences that could be financially disastrous. In some cases lives are lost and entire companies are led to ruin. Once a company succumbs to a deadly sin it is very difficult to recover: Although various damage limitation tactics are described, few are guaranteed solutions and thus companies should be mindful of the adage “prevention is better than cure.”

Companies in the pharmaceutical industry often display several of the sins. We selected one company, Eli Lilly, for examination. Sloth resulted in Lilly taking shortcuts during drug testing, which led to the loss of several lives. Greed for profits drove Lilly to false advertising, bribery and withholding the side-effects of their drugs. The company lost several multi-million dollar lawsuits, profits were greatly offset and human lives were lost. Most of these consequences could have been avoided altogether if Eli Lilly had paid heed to the seven sins of innovation.

While the “Sinnovation” model presented by Maddock is packaged well, its reliance on just seven sins limits the number of issues it can address and this fact must be taken into account. The limitations of the “Sinnovation” framework are reviewed and explained.