



## Innovation Runner

# INNOVATION IS MADE BY TAKING RISKS

INTERVIEW WITH GIGI WANG, INDUSTRY  
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With a collection of electric guitars and a piano behind her, Gigi Wang answers to our questions from her home in San Francisco where she is Industry Fellow & Faculty at the Sutardja Center for Entrepreneurship & Technology, at the University of Berkeley for study and development of entrepreneurial activity and technological innovation. We talked with her about the main characteristics of innovation and how to create environments that promote its development in the company. **COULD YOU TELL US A LITTLE MORE ABOUT YOUR COMMITMENT TO INNOVATION? WHERE DOES IT COME FROM?**

From the desire to create solutions that bring value and make a difference. As a child, I had no particular interest in scientific subjects until I realized that they could be tools

to create solutions to problems in society, and I decided to study engineering. In the manufacturing industry, for example, these solutions can materialize in

equipment and machinery that save time for those who work there and safeguard them from tedious, repetitive

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or tiring tasks so that workers can engage in activities with greater added value. I find it fascinating to

discover new solutions that make life easier.

For example, when traveling around the world, language barriers have always created great difficulties for me to call a taxi: Uber has found an easy way overcome this obstacle using already existing technology like location tracking, brilliant! Another major influence was to see my father, before I finished university,

quit his job as a chemical researcher to start his own business. My father took a big risk to start something new from scratch, and I was fascinated by it. I think one of the most important things when we approach innovation is the attitude to take risks.

#### WHAT DOES INNOVATION MEAN TO YOU?

First of all, we need to distinguish between innovation and creativity. Creativity is design for example, creating something beautiful to create something beautiful: this is creativity. But innovation **takes creativity one step further. To innovate means to create something new, a product, a solution or a process, to satisfy an urgent need. In this way, something is created that generates value and helps to improve society.** Anyone can invent something beautiful or fun, but innovation satisfies a need through a product / service that dispenses value.

#### WHICH IS THE BEST WAY TO MANAGE THE INNOVATION PROCESS WITHIN A COMPANY?

I don't think there is "the best way" to manage innovation, rather I think the best way is **to understand the context in which we start, its growth potential, which is based on resources and people, the amount of risks that managers are willing to run. At one point in my career, I worked as an engineer in a petroleum refinery where you had to be very careful when innovating, because it might be dangerous and cause injuries to factory workers. But to innovate, companies need to take risks in order to advance and learn. So taking calculated risks where you understand both the benefits and liabilities is a smart strategy.** From this point of view, online is a great accelerator and testing laboratory: online you can change your strategy as many times as you want, everything is very fast and with a

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relatively very little negative impact, so if you are wrong, you can move on to next attempt.

#### CAN YOU GIVE US SOME EXAMPLES OF INNOVATION? ARE THERE ANY COMPANIES THAT HAVE PARTICULARLY IMPRESSED YOU FOR THEIR APPROACH OR THEIR PROJECTS TO INNOVATION?

A few days ago, I was in New York and the shower in the hotel where I was staying, had a hole in the door. I remember thinking it was really weird, what was a hole in the shower door doing? Then I realized that the hole made it possible to open the shower water so that it would heat up, without having to open the door and get all wet. Brilliant! This is an example of what I mean by "really understanding what the customer needs". **Thinking with a design mindset means understanding the processes underlying the customers' experience,** what are their problems and

needs, and finding a solution that can satisfy them. One company I consulted for and that I really liked their way to innovate is SAP. There, for example, they are very focused on design, they have an entire department dedicated to design and even their way of thinking is oriented towards design, always focusing on the customer, his needs and the challenges to satisfy these needs. Sometimes something goes wrong, but just wrong they can improve. SAP even has a program that allows employees to share their ideas for creating new products. Every year, executives choose the Top 10 ideas and develop them, and some of those ideas really become products. I believe that the greatest value of SAP lies in this shared innovation capacity. Some ideas may turn out to be flops, but others turned out to be absolutely successful.

#### CAN A WORKPLACE BOOST AND SUPPORT INNOVATION? HOW?

**I believe that the incentive to innovate must start from the top of the company.** The head should impose a certain mentality. I also believe that the right approach to encourage innovation is to allow risk-taking. I read a book about the success of Amazon where they allow themselves to take risks every day.

On the right, a view of the Sutardja Center.





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Half of the ideas turn out to be failures, but the rest prove to be really good. One of them is Amazon Prime which has made Amazon one of the best players in its sector. The ability to order anything from Amazon with free delivery has led to greater than 100 million people signing up for the subscription in the United States. **Workplaces should understand what their customers' real needs are and ask themselves what value is needed to solve these needs.** Finding the right solution can create great value in society, which companies can then monetize. But innovation takes time and attention. In many companies, employees are working late on day to day activities, and maybe they even take their work home, ending up really exhausted. Thus, they will never be able to think about new ideas and experiment in order to innovate. In this respect, Google is a great innovator: the Mountain View company allows, indeed requires, its resources to take a certain amount of time during the week to think about new ideas, so that they can develop new innovative products and services.

**ARE THERE ANY DIFFERENCES IN THE APPROACH TO INNOVATION DEPENDING ON WHETHER THE LEADER IS THE MANAGER OF A**

**MULTINATIONAL OR OF A FAMILY BUSINESS?**

There is a difference! **Most of the innovative companies that I've worked with are multi-nationals.** In a successful multinational company, **everything is managed by numbers: management more often invests time and resources to test new products and ideas and, if it fails, moves on to the next project.** And it is this attitude that contributes to creating value and innovation. But I also consulted for a **family business in Brazil**, a company with 70 years of history during which they produced the same products and offered the same services until they realized they needed to innovate and inaugurate a new series of products and services. So they asked me to organize a trip for management to learn about innovation, about 50% of which were family members. During one dinner conversation, we discussed the importance of taking risks to innovate. One of the younger executives, said that they older family members did not even want to talk about their failures, so they didn't learn from them. As a younger member, he didn't want to disagree and seem to be disrespectful. In the end, everyone understood the importance of taking risks and making mistakes in order to

learn and improve. In a successful multinational company, everything is managed by numbers: management more often invests time and resources to test new products and ideas and, if it fails, moves on to the next project. And it is this attitude that contributes to creating value and innovation.

**HOW HAS THE RELATIONSHIP BETWEEN INNOVATION AND TECHNOLOGY CHANGED?**

Since Silicon Valley so is oriented to technology, **we ended up believing that innovation starts from technology, but that is not entirely correct.** Innovation starts from a business approach, starts from a need. **You have to ask yourself where the problem is, and then use technology to solve that problem,** rather than inventing something new that perhaps serves no purpose. If we think about Uber, they have been winning by putting together already existing technologies like smartphones and GPS, to create something totally new that solved a problem of their target customers. Uber has not created any new technologies.

**FINALLY, WHAT IS THE BEST ADVICE YOU CAN GIVE TO ENTREPRENEURS?**

Many companies have their own traditional way of doing things and are afraid of changes or perhaps believe they have no money or resources to change. I wish I could tell them that **it is possible to innovate in small steps, taking minimal risks.** You don't have to change everything immediately, for example, you can start with a single program or department, to understand if the change works or not. And you have to afford to take risks. Most importantly, it is always essential to focus on customers and understand what their real problems are. Finally, let's not forget about the **attitude towards improvement,** we must understand that it is always necessary to continue learning and trying new things to improve and grow.