



Executive Book Summaries[®]

6Ps of Essential Innovation

Create the Culture and Capabilities of a Resilient Innovation Organization

by **Michael McCathren**



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THE SUMMARY IN BRIEF

We do not know what tomorrow has in store for our businesses and organizations. The world is changing too rapidly for traditional “future-proofing” to be effective. The key to true resilience lies in preparedness, and the most prepared organizations are those built around innovation. But what does it mean to become an innovation organization?

In *6Ps of Essential Innovation: Create the Culture and Capabilities of a Resilient Innovation Organization*, Michael McCathren, Senior Principal of Innovation at Chick-fil-A, lays out a practical framework for embedding innovation into the core of an organization. Drawing on over 30 years of cross-functional leadership experience, McCathren introduces six foundational elements: Perception, People, Philosophy, Process, Place, and Permanence, that collectively form the cultural and operational DNA of resilient companies.

Through research, real-world case studies, and actionable exercises, McCathren shows how to foster a culture where innovation can thrive. He also highlights the two “super-skills” that all transformative innovation leaders must master: challenging the status quo and identifying emerging opportunities. This book provides a hands-on blueprint for leaders who want to build organizations that are not just reactive, but proactively shaped for the future.

IN THIS EXECUTIVE BOOK SUMMARY:

- Details the six essential building blocks of an innovation-ready culture.
- Explains how to identify and address innovation blind spots in your organization.
- Helps leaders gain the necessary strategies to lead innovation through structure, not just spontaneity.
- Shares exercises that translate theory into practice across your teams.
- Helps organizations build long-term resilience through a culture of continuous adaptation.

Introduction

There is no more “future-proofing.” The future is happening too fast. There is only preparedness.

We do not know what tomorrow has in store for our businesses and our organizations. The key to organizational resilience is to be adaptable and flexible with any disruption that may come our way.

In 2021, Deloitte published its 2021 Global Resilience Report, which surveyed 2,260 CXOs in twenty-one countries. Deloitte found that companies with a few core attributes are better positioned to overcome disruptions and help usher in a “better normal.”

Prepared was the attribute that topped the list.

Next on the list were Adaptable, Collaborative, and Trustworthy.

I noticed that “prepared” however, was not clearly defined in terms of actionable steps leaders could take to make their organizations more resilient. It made sense in my mind that these attributes represent variables in an equation the sum of which is **Preparedness**.

Prepared = Adaptable + Collaborative + Trustworthy

The secret to becoming a prepared organization is to be an innovation organization. Becoming an innovation organization will help ensure its resilience.

Section One: 6 Ps of Essential Innovation

1. Perception

As individuals, we have to be able to step outside of our contexts from which we operate routinely and acquire a less-biased vantage point on who we are and why we do what we do. The same is true for organizations, but in a more dramatic way. The collective perception of the members of an organization fuels its common beliefs, which drive individual behaviors, which ultimately defines the culture of the organization itself.

Creating a culture that is effectively and sustainably innovative begins with changing how individuals throughout all levels of the organization *perceive* innovation—how it is defined, how it works, and what it does.

INNOVATION PERCEPTION ASSESSMENT

The Innovation Perception Assessment (available at www.essential-innovation.com) aims to establish a baseline for where

your organization is today in terms of being innovative, as perceived by your staff. The scoring is compiled across four pillars:

1. Senior Leadership Pillar: Examines how staff view the innovation behaviors of departmental and senior leaders.

2. Staff Pillar: Provides staff with the opportunity to evaluate the degree to which they believe they are empowered and equipped to innovate.

3. Culture Pillar: Evaluates the extent to which beliefs and behaviors of a healthy innovation culture are present in the organization.

4. Sustainability Pillar: Examines the role that innovation plays in exploring and planning future growth opportunities.

Each pillar represents areas of your organization that are critical to creating and sustaining an innovation organization.

2. People

For years, there has been debate whether sustainable value-add innovation is the result of a faultless innovation process or talented, highly creative **people**. The most common conclusion is that it takes both, to varying degrees, depending on the business or operating model.

At the highest level, evolving into an innovation organization involves flipping the traditional management model on its head and creating a culture that unleashes the power of its people to creatively solve problems more autonomously.

Leaders of the future will be required to lead with an innovation mindset, not a process mindset. This perspective requires a particular set of skills that anyone can acquire, but it requires intentionality, diligence, and practice.

INNOVATION SKILLS

Questioning

Future leaders will seek the right questions rather than the right answers.

Observing

Multiplicity of perspectives will provide future leaders with deeper understanding, which leads to wisdom.

Networking

Future leaders will possess the ability to activate higher-than-average innovation thinking through networks of people who represent multiple diverse perspectives, thus elevating the power of their innovation mindset.

The only way to overcome this counterproductive fear of failure is to shift the narrative away from failure to *unexpected outcomes*. Unlike failures, unexpected outcomes refine good ideas and transform them into great solutions.

Experimenting

Future leaders will understand that experiments are not judged in terms of successes or failures, but on the merits of how well they searched for and eliminated “unexpected outcomes.”

SHIFT THE FAILURE NARRATIVE

Building on the experimentation skill mentioned previously, it is necessary to address the fear of failing that is associated with experimentation. A culture of innovation will not take root in an environment where the fear of failure is stronger than the desire to adapt, collaborate, and trust one another.

The only way to overcome this counterproductive fear of failure is to shift the narrative away from failure to unexpected outcomes. Unlike failures, unexpected outcomes refine good ideas and transform them into great solutions.

THE INCLUSIVE LEADER AND INNOVATION

Bernadette Dillon and Juliet Bourke, client director and partner, respectively, in Human Capital consulting at Deloitte, advise that diversity of thinking is a critical ingredient for effective collaboration.

Far from being guided by hunches and feelings, or leaving success to chance, inclusive leaders adopt a disciplined approach to diversity of thinking, paying close attention to team composition and the decision-making processes employed.

Bourke describes six traits of inclusive leadership: Commitment, Courage, Cognizance of bias, Curiosity, Cultural intelligence, and Collaboration.

ONE MORE THING ON PEOPLE

An organization does not become an innovation organization by simply creating an innovation process. Leadership must be intentional about creating an innovation culture and lay a foundation of Humility. Humility leads to Trust. Trust leads to bold, wild, fantastic conversations in safe environments where new ideas can flourish.

3. Philosophy

The third P of Essential Innovation, **Philosophy**, is a critical next step in creating a culture of innovation before

moving into the process Ps four, five, and six. Taking this step assumes you have already adopted the second step, **People** behaviors, because there are essential questions that must be answered about the culture of innovation before innovation as a capability can be activated.

Many organizations wrestle at length with the Philosophy step. The work can be difficult, but the outcome is of utmost importance because it sets the trajectory for everything else that follows.

Philosophy is the study of fundamental questions concerning:

- Reason
- Beliefs
- Mind
- Knowledge
- Language
- Value

We will look at each of these through the lens of creating a culture of innovation.

REASON

Making sense of things and practices.

Your Innovation Purpose Statement explains the reason innovation exists at your organization. It will play a key role in launching the practice of innovation across your entire organization. It will help everyone make sense of why innovation is important to the growth of your company. Consider the Innovation Purpose Statement in three sections:

1. Long-term value or impact
2. An emotional connection
3. A catalyst for new areas of growth

BELIEFS

Rationale for believing what the organization thinks is or should be true.

FORMING “WE BELIEVE” STATEMENTS

A “We Believe” statement is like the core values of your organization—it articulates what your organization believes about work, customers, staff, the community, the environment, fairness, diversity and inclusion, care, etc. These values help explain where your company stands philosophically regarding essential topics.

MIND

Relating to the body. Th innovation team: who we are.

The **Mind** component of Philosophy is a double-click on the Purpose and “We Believe” statements. It explains how the innovation team defines itself and its role(s), and how it relates to the rest of the corporate body.

The roles and responsibilities of the innovation team should also be clearly defined in a “Who We Are” statement. Having these roles clearly mapped out and defined make it clear how the innovation team serves the greater organization.

CENTRALIZED OR DECENTRALIZED INNOVATION MODEL

As mentioned earlier, someone must be responsible for creating an innovation organization. This dedicated person or team is essential whether centralized or decentralized is the preferred model. Practically, the distinction between the two models is in how innovation and ideas flow within and around the organization.

The model that is best for your organization may largely depend on how it is organized. For example, if your management structure is more hierarchical with vertical levels of management and few decision makers, a Centralized model may be the best fit. If your management structure is flatter, less hierarchical and decision rights are distributed throughout the organization, a Decentralized model may work best.

I encourage you to consider the Decentralized model first. It is the model that contributes the most culturally to an innovation organization.

KNOWLEDGE

Awareness, comprehension, recognition, and mastery.

FORMING THE INNOVATION PROCESS

It’s important to begin the Innovation Process by determining the degree to which innovation becomes an integral part of ongoing training and education in your organization. Many

organizations deal with this component as an afterthought and then find it difficult to gain buy-in and funding late in the process, when resources and support are needed most.

If your organization desires to become an innovation organization and to achieve meaningful innovative outcomes, then there are two areas of innovation your staff must comprehend:

- Education—awareness and understanding of innovation principles and process
- Application—effectively setting innovation principles and processes into practice

LANGUAGE

Commonality and agreement.

FORMING A COMMON LANGUAGE

A common language is the foundation of every culture. Your organization is no different, and an innovation culture is especially dependent on a shared language. The process of innovation has many moving parts and without a common language binding these parts to the greater whole in consistent ways, the application of innovation principles and processes become diluted as everyone begins to do the work of innovation in increasingly disconnected and individualistic ways.

VALUE

Assigning worth and judging usefulness.

FORMING INNOVATION METRICS

Innovation is much more than brainstorming for ideas. It is an investment of time and energy that should be measured against other work on which the same time and energy might have been better spent. Assigning a value to innovation can be a challenging endeavor.

Characteristics of Innovation Metrics

As with any data used to measure business decisions, innovation metrics must have the following characteristics:

- **Quantifiable** –There is something about the value of every innovation that can be calculated, from new product sales and profit margins to efficiency gains in time, quality, or costs, to employee satisfaction and engagement, to name a few.
- **Verifiable** –The data must be valid and accurate, and the same formulas must be used consistently.

Just as it is with people, the process is easier to trust the more you know about it. This process is not just something you do—it is how you think about what you do.

- **Understandable** – Make the information easy to access and consume.
 - ◇ Include the baseline, trend line, and goal
 - ◇ Provide a clear legend and defined units of measure
 - ◇ Proactively provide explanations for commonly asked questions

4. Process

We will present a **process** for making innovation happen in your organization. Before we discuss each step of the innovation process, we must address the importance of teaming.

Without successfully aligning the project team prior to entering the innovation process, the outcome will likely take longer and will not deliver the value it could have had team alignment occurred first.

Alignment consists of several elements including shared purpose, norms (communication expectations, meeting attendance, conflict resolution, etc.), role clarity, decision rights, dependencies, timeframes, milestone deliverables, and so on. Teaming is an essential process within a process.

ORIGIN AND BENEFITS OF THE INNOVATION PROCESS

With a strong team formed and ready to apply its innovation process, let us first explore the nucleus of any innovation process: design thinking. The Interaction Design Foundation defines design thinking thusly:

“Design Thinking is a design methodology that provides a solution-based approach to solving problems. It’s beneficial in tackling complex problems that are ill-defined or unknown, by understanding the human needs involved, by re-framing the problem in human-centric ways, by creating many ideas in brainstorming sessions, and by adopting a hands-on approach in prototyping and testing. The five stages of Design Thinking, according to the Hasso-Plattner Institute of Design at Stanford (d.school), are as follows: Empathize, Define (the problem), Ideate, Prototype, and Test.”

It is important to acknowledge these foundation stages so that you can create an innovation process that best fits

your organization while remaining true to the principles of design thinking.

THINKING TYPES AND THE INNOVATION PROCESS

You will notice in my discussion of each stage I include the correlating thinking type. There are four different thinking types that correlate to each step of the innovation process:

- Investigator
- Inventor
- Investor
- Implementer

It will be important to understand the thinking types of the project team to ensure that the team is not weighted toward any one particular thinking type.

The most effective innovation teams are those consisting of a balance among the four thinking types.

AUDIENCE AT THE CORE

Everything that happens in the innovation process begins with knowing your audience (or consumer or customer—the terms are interchangeable and refer to the group of people for whom you are designing innovation.) Regardless of what you call them, it’s critical that you define your audience narrowly enough that its members all share a common need to be met or a problem to be solved.

After prioritizing all the audiences relative to each other, select one audience that represents the *largest group with the highest level of significance*. That audience becomes the First Most Important Audience (fMIA).

STAGE ONE: DISCOVER

Once you have selected your fMIA, the project moves into the Discover Stage. The first task in this stage is to develop Discovery and/or Opportunity Statements. This approach is acutely audience-centric: you will determine who your fMIA is and discover the root cause of their most pressing Need, Pain, or Obstacle (NPO), and produce a Discovery Statement.

STAGE TWO: DESIGN

Using the Root Cause from the Discover Stage as the aiming point, you are ready to think about solutions. This stage is not a one-hour brainstorm meeting. It requires intentional planning by the leader and a commitment by the participants to be fully engaged in an event that is a departure from their everyday routine and mindset.

The participants must have a *focused divergence mindset*—every thought should be expressed, no matter how wild, silly, or far-fetched it may seem, while not straying from solving the Root Cause.

STAGE THREE: DEVELOP

The Develop Stage is perhaps the most exciting because it is where you begin to see the idea from Stage Two: Design come to life and observe how it might solve the most important NPO for our fMIA from Stage One: Discover. Before actively developing a prototype of the idea however, you need to have completed the Prototype Readiness Checklist.

STAGE FOUR: DEPLOY

The Deploy Stage is where you begin the handoff of the idea and reach a formal end to the innovation project. Many game-changing, impactful ideas fall apart at this point. The handoff can be a long process depending on who is receiving it and the nature of the environment in which the handoff occurs. A poor handoff has immense consequences.

Just as it is with people, the process is easier to trust the more you know about it. This process is not just something you do—it is how you think about what you do. Remember, the two most important questions you can ask yourself after, “who does what?” are “am I doing the right thing?” and “am I doing things right?”

The innovation process provides answers to both. Create it, teach it, trust it!

5. Place

Of all six Ps, **Place** is perhaps the most overlooked and undervalued. Your organization has a place for everything. The props from projects past are probably still stored somewhere, because that is their place. Everyone has a place to work, gather, practice, think, and so on. Place matters. Priorities that do not have a place to call their own are not priorities. Innovation is chief among all the priorities that needs its own space. Innovation as a culture and a capability may be foreign to many of your staff. They need a place to go where

they can explore what innovation means and experience what it is like to do innovation and see how it works.

Nothing says more about a company's commitment to be an innovation organization than the lack of an innovation space.

6. Permanence

A culture of innovation cannot be established then ignored. Like a vegetable garden, it takes a great deal of preparation. Room and space must be dedicated to it where adequate sunlight and water are easily available. The soil must be fertile and prepared to accept the seeds. Someone must be responsible for planting the seeds and caring for them as they begin to grow. Maintenance must begin at the start.

The same is true for nurturing a culture of innovation. Do not allow your hard work of establishing a culture of innovation to be laid waste by neglect. Focused management of a thriving culture of innovation falls into three activities: Accountability, Education, and Communication.

Section Two: Secret Essentials

7. Questioning Authority

Innovations throughout history began with a question. From nautical navigation to Netflix, someone at some point asked a single question, which led to more. It is tempting to simply not ask the difficult, more provocative questions, because they are the most difficult to answer. Yet it is sometimes the most difficult questions that lead to breakthrough answers.

If we are going to be great innovators who can model the innovator's mindset and eventually create an innovation organization, we must kill the part of us that feels dutifully obligated to always have the right answers and revive that part of our minds that asks questions. We must become authorities on asking great questions—we must become **Questioning Authorities**.

8. Finding Future Growth

How do you bridge the gap between the present day and the future? Does your organization dedicate time and attention to a method of looking into future micro and macro trends and devising appropriate plans? How much time do you or your leaders devote to future planning?

WHY WE CAN'T GET PAST THE PRESENT

The biggest challenge in identifying future disruptions and opportunities are the necessary priorities having to do with

managing the present. But our tendency to focus on the present is more than just our work being anchored to annual goals, quarterly reports, and monthly project updates.

There are inherent cognitive biases that confine our thinking to the here and now and prevent us from seeing long-term opportunities and disruptions:

- **Bounded Rationality** is our instinct to solve problems based solely on the information that we have immediately at hand.
- **Automaticity** is the ingrained habits borne of doing the same things over and over again.
- **Sunk Cost Fallacy** compels us to keep wasting money on losing propositions because we have spent so much on them already.
- **Hyperbolic Discounting** is our tendency to choose a smaller reward that we will receive sooner over a larger reward that we will receive later.
- **Normalcy Bias** inclines us to overrate the likelihood of things continuing to go as they always have and to discount the possibility of them going horribly wrong.
- **Confirmation Bias** leads us to interpret data in a way that supports our pre-existing expectations.

Beyond maintaining awareness of our proclivity for these biases and of their power on us, building cognitive diversity can enhance our vision of the future and help us to progress toward future-oriented decision making.

DEFINING TREND ECOSYSTEMS

Trendspotting and future casting are often misunderstood. Many times, we focus on the hype that a trend generates through all the various media channels and overlook the numerous details that make up its ecosystem.

None of these trends can exist in a vacuum. Each one requires an ecosystem to support, maintain and scale it.

WHERE TO LOOK FOR SIGNALS: INNOVATION NETWORK

The mistake many organizations make regarding inventing the future is that they believe they must do it themselves through internal resources.

Strategic partnerships are the key to future innovations.

By utilizing the Innovation Network Map, you can identify potential members of your network who will create rich conversations around your organization's table that could lead to new relationships and transformational innovation.

Be a connector, not a protector. Gather the right people and examine interesting topics. Allow them to interact and innovate together, and you will benefit from it. Your job is to develop and manage the process for their frequent convergence and to ensure open collaboration which could lead to a future yet unimagined.

There is no one silver bullet approach that will work for every organization. What is most important is not how you do it, but that you do it.

Every organization, for-profit, not-for-profit, and government agency needs someone on the team who can articulate a vision from a "what if" perspective and point to valuable new growth opportunities in a more far-off future. Maybe that someone is you!



Michael McCathren, author of *6Ps of Essential Innovation*, is a strategic innovation expert with over 30 years of experience across operations, supply chain, finance, strategic planning, and marketing. He leads Enterprise Innovation within the Innovation & New Ventures group at Chick-fil-A, where his team helps turn ideas into business value. Michael also teaches Innovation Management as an adjunct professor at the University of Georgia's Terry College of Business and holds a Master of Science in Innovation from Northeastern University. He is a curious, creative problem solver devoted to his faith, family, and exploring the world by motorcycle or on camping trips with his wife, Dena.

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