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Check out Frances' article – *Innovation, Creativity, and Improvement: Working the Right Lever to Prosperity* – in the March issue of the **Canadian Manager** magazine.

### Managing not Minimizing Risk

When you want to innovate, you increase risk. You can't do things differently and also expect everything to stay the same. Managers need to manage risk differently. Let me give you some suggestions.

A motto at 3M is – fail early, fail fast. Very different from an exhaustive analysis to get to the one right course and then working that decision to death, sometimes long after it's clear it was the wrong way to go.

At Shell, a group of scientists can grant R&D funding. They ask themselves: If the proposed project lives up to its claims, how much will Shell lose by **not** funding it? Rather than downside risk, they focus on upside opportunity.

Finally, out of every 10 projects funded by venture capitalists, 5 don't even make back their seed money. A couple break even and every once in a while, there is a huge success. This process spreads the risk out over many projects.

You may not be able to adopt all these approaches, but I urge you to get away from the commonly held view of lawyers, accountants, and auditors that the optimal amount of risk is zero. That may be true for an efficient organization but not for an innovative one.

*Frances*

Frances' book, ***Creating the Innovation Culture***, is now available in summarized format on CD and audiocassette. Contact Audio-Tech Business Book Summaries – 1-800-776-1910 (Chicago) or through their website: [www.audiotech.com](http://www.audiotech.com).

Frances Horibe, best selling author of ***Managing Knowledge Workers*** and ***Creating the Innovation Culture***, is an accomplished speaker and seminar leader. Look for Frances' columns or contact her directly at her website. [www.franceshoribe.com](http://www.franceshoribe.com)

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