# Bock’s Innovation Market Place: Resource Sheet

Introduction
Most innovations do not succeed in the market (Drucker 1965). Students of innovation and entrepreneurship often learn this lesson through hindsight. More often than not, however, examples are presented as quirks of historical context (e.g. the continued use of QWERTY keyboards) or strategic choice (e.g. the victory of VHS over Beta). In reality, the non-equifinality of innovation process carries more important lessons in both theory and practice. Students benefit from a participatory exercise, making the learning personal rather than dependent on familiarity with a given product success or failure. Nascent entrepreneurs learn that market forces drive apparently “imperfect” and unpredictable outcomes from the first stages of ideation.

This surprisingly simple activity effectively serves a broad range of student types and classroom sizes. Students physically engage in a marketplace of ideas to learn how and why some innovations succeed while others fail. One of the most powerful aspects of the exercise is that variation in student interest, knowledge, and capacity help to emphasize the unpredictable and potentially “unfair” nature of innovation selection.

## Discussion and Review: Discussion may be affected by student experience or field of interest (e.g. computer science, biotechnology) and subject knowledge should be encouraged. These key points may assist wider consideration of the issues.

Resource scarcity - Not all innovations can be supported; entrepreneurs must compete for scarce resources (Stevenson and Jarillo 1990), including limited time. While this rule is imposed by the instructor in the activity; it is important to have students discuss whether this is realistic (it probably is) and how it affects the behavior of the participants. Prompt: “Couldn’t we just implement all the ideas?”

Initial conditions. The outcome (winners) depend in part on initial conditions (Cooper et al 1994). Where students were sitting at the start of the activity might impact who they speak to or how many other students they speak to during the activity. Prompt: “Did it matter where you were at the start of the activity? Why?”

Path dependence. The outcome (winners) may be determined by the order in which interactions take place (Sydow et al 2009). For example, if the students with the two best ideas in the class happened to talk to each other first, it’s possible that one of them gave up their idea right at the start. Prompts: “Are we guaranteed that the top three ideas all survived to the end?” “Is the market for innovation like a sports tournament with seeded teams? Why or why not?”

Non-equifinality: Even given the same initial conditions and paths, it’s possible for outcomes to be affected by completely unrelated factors (Dew 2009). Prompt: “How could the marketplace be impacted by a student receiving an important text message?”

Opportunity recognition – Innovation and opportunities are influenced by prior experience (Shane 2000). The set of ideas generated is likely driven by the recent, personal experience of the participants. Prompt: “How many of you came up with an idea based on personal experience? How many of you came up with an idea from personal experience in the last month? Is that important to notice?”

Entrepreneurial agency. Innovation quality may be important, but survival may be determined by the characteristics of the innovator (McMullen and Shepherd 2006). Prompt: “Did it help to be a good communicator in this activity? Why? Is that likely to be a factor in the real world of innovation and entrepreneurship?”

Legitimacy effects. Sometimes ideas are selected because they are associated with people perceived to be successful or legitimate (Lounsbury and Glynn 2001). For example, some students might surrender their ideas to a student recognized as smart or successful in this or another course. “In your discussions, were you affected by knowing some students already?”

Network effects. The survival of ideas may be driven by whether the innovator can assembly and leverage a team, and how well the team networks in the target industry (Brüderl & Preisendörfer 1998; Harper 2008). In small classes such effects may be minimal. In large classes, some students might send out converts to rapidly expand the exposure of the idea. Prompt: “Did anyone split up their team to try to reach more people?”

Innovation affinity. Inventors may become emotionally attached to their own innovation very quickly, which may then inhibit rational or objective evaluation (George and Bock 2008). Prompt: “How many of you like your original idea? Did any of you stick with your original idea even when you thought someone else’s might be better? What do you think happens when someone has been working on their own idea for a long time?”

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