

SIX THINKING HATS AND INNOVATIVE MINDSET AS A COMPETITIVE ADVANTAGE FOR AN ORGANIZATION

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Introduction

A competitive advantage is what makes an entity's goods or services superior to all of a customer's other choices. The term is commonly used for businesses. By the way, the term innovation is difficult to explain or define. To innovate means to cause something to exist, to bring into being, to originate, to give rise to or to compose. The product of an innovative process can be an object, an action, or an idea which is new, original, unexpected, or imaginative (Barak, 2004).

The main challenge for an organization is to achieve competitive advantage through acts of innovation. Management guru Porter further states that using new technologies and doing things differently is necessary to achieve the competitive advantage.

According to Murat et al. (2010), the aim is to adapt to innovation, adapt to the ever-changing rules, and compete against the competitors. With this feature, it can be concluded that innovation is a powerful strategic management tool. In the competitive environment of the world, it becomes increasingly difficult to survive by imitating the work and products of others. By the way, it is possible for an organization to meet consumer needs more effectively, to evaluate strategic market opportunities with their strengths and to be ahead of the competition with innovation (Satı and Işık, 2011).

2. Aim of The Research

In this study, the aim is to demonstrate that innovation and innovative mindset is necessary to gain competitive advantage for an organization by providing successfully applied case examples.

By this mean, the following section which is section three involve corporate culture and continuous effort for innovation and some of the best companies which think innovation is a must for better competitiveness.

Then, at section four, a methodology which is called six thinking hats by Edward De Bono is suggested for innovative climate.

3. Corporate Culture and Continuous Innovation

Continuous Innovation has become a necessity for companies to remain competitive. Although corporate culture is the most important factor in

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terms of Continuous Innovation, many factors are effective in determining the innovation rate in a firm. (Nacinovic et al., 2009)

As can be seen from here, the corporate culture is a factor that will stimulate and stimulate innovation. However, one question that should be asked is how corporate culture and rewarding mechanisms should be linked, so that innovation can be triggered and developed in that firm.

Creation of the corporate culture that promotes innovation starts with reward systems because the desired behaviors are rewarded and employees are motivated to repeat such behaviors. Innovative organizations masterly manage the subtleties of reward and punishment (Tushman and Nadler, 1986). For example, a program such as sharing profits from innovation can make innovation permanent (Lau and Ngo, 2004).

Some of the companies that attach importance to innovation make efforts to involve their employees in this process. For example; the internal website, which can be used by Amazon's own employees, has an open-access virtual idea box where all employees can offer small or big contributions.

Another example is Westin Hotels. Westin Hotels award 5 employees, who make the best contribution to innovation, with an exotic holiday gift of 5 days in each season.

Nestlé is another company which utilizes innovation continuously. Nestlé was born in the 1850s as a dairy producer suitable for the Alpine agriculture and livestock culture, and grew rapidly with milk products and chocolate. Nestlé started to invest in different food products over time.

The most innovative product of the group came in the early 1900s. Nestlé created her own coffee Nescafé, putting fresh seed coffee into a new format. While all the food businesses in the world came to the brink of sinking with World War II, Nescafé, which spread rapidly in the US Army, was the invention that sustained the group in the toughest conditions.

Nestlé's inventor role in the world of coffee is not limited to Nescafé, who has a generic name today. Another invention of the group is Nespresso, which has a unified name.

The most elite espresso taste in every part of the world that expresses the birth of the brand, today is quite unpretentious. The story begins in 1976 when Eric Favre, a Nestlé employee, invented the capsule system. The idea of encapsulated coffee at that time does not attract interest and the project was not getting much success. However, the acquisition of the sub-company by Jean-Paul Gaillard, a successful businessman in 1988, has changed the color of the business. Jean-Paul quickly made this new business model popular with its marketing intelligence. In 1990, the famous coffee machine manufacturer Turmix produced the first Nespresso

capsule device. As long as they were quickly involved in giants such as Krups, Alessi, Philips and Siemens.

In 1996, Nespresso was granted a patent by developing a special capsule system. The following years have been the period when the brand is rapidly rising and gradually has become a culture.

Coffee is not the business model Nespresso brand is built on top of a unique business idea: first sell the coffee machine to the consumer, make them used to the coffee taste. Then, make a life-long relationship with your customer to buy capsules and periodically keep your products fresh.

What about Nike? The company has become a technology-oriented company that has gained more than \$ 34 billion annually from its outlook of a business that offers sports products to the market through its continuous investment in innovative nature and culture. At this point, Nike has successfully adapted new innovations to its own ecosystem and has developed its own innovations. Since 2009, Nike has doubled the number of patents, leaving out Adidas and even Ford and Pfizer.

Nike has recently developed a collaboration with Hewlett Packard for better evaluation of resources. Hewlett Packard will provide the company with 3-D printer support for the development of high quality athletic shoes with Nike.

Similarly, Nike produces another 71 percent of the material it uses in sports products by using recycled materials. This gave the company the opportunity to develop its total turnover by 64 percent.

Nike wants to continue its operations with 100 percent renewable energy sources until 2025 under the target of zero waste and to increase the use of resources. In this respect, the company works on projects that focus on experimental daylight systems and facilities, solar panels and wind turbines. Nike also reduced the number of cuts made in its shoes thanks to the Flyknit model, which has a new unique single-upper part.

As a result, the exemplary firm Nike gains a competitive advantage with continuous innovation by thinking out of the box. (<https://proov.io/blog/enterprise-insights-nike-stays-innovative/>)

3.1 Open Innovation

Today, innovation has begun to shift from the approach within the boundaries of the business to the approach outside the business. Consumers' desire to be included in every stage from production to distribution and the fact that businesses focus on satisfying the consumer at the highest level in the competitive environment have accelerated the transition to open innovation.

With the open innovation approach, companies can also obtain sources of innovation from external sources such as university-industry collaborations, research laboratories, consultancy and the internet (Yigit and Aras, 2012). Again in this respect, companies cooperate with customers, competitors, academicians and other companies outside their business areas for new sources of information and markets (Grotnes, 2009). The collaboration between companies ensures the reduction of high risks in creating new products (Vanhaverbeke and Cloudt, 2006).

In order for open innovation to be successful and to maintain its long-term success, structures and mechanisms to be developed in such an organizational climate are necessary as well as the development of an organizational climate in line with this approach (Kaynak and Maden, 2012).

Articles on open innovation agree that company leaders should support innovative people (Elmquist et al, 2009).

Today, many companies have integrated open innovation into company missions and continue their activities within the framework of this approach. Some of the companies that adopt open innovation are given below:

Peugeot: The company's website emphasizes the importance it places on open innovation. Peugeot states the attitude of their companies on open innovation in their websites:

"It is essential to be open to a successful innovation. It is also very important to identify the technological developments that will pave the way for designing the vehicle of the future. Peugeot believes that the only way to go forward is open innovation and organizes its activities within the framework of this approach." (<http://www.psa-peugeot-citroen.com/en/automotive-innovation/cartomorrow/open-innovation>)

Consistent with this approach, Peugeot organized a design competition called Open Design in 2005 and exhibited the most admired designs coming from the customers in automotive organizations. The company also benefited from these ideas in the development of new models. (Kaynak and Maden, 2012)

Lego: Lego brainstorming is a classic example of open innovation. Lego has allowed his customers to design, and by utilizing the creativity, imagination, and intelligence of the community, Lego reversed his downward trend in the era of digitization.

One of Lego's initiatives is Lego Design by Me. This is the service that allows users to design their own Lego models, upload them to the company's website and order them. However, users can also design their own boxes. This app offers a completely personalized experience.

Crowdsourcing, the approach that Lego makes use of, is a tool of open innovation.

3.2 Types of Innovation In Terms Of Customer Utility

In this context, an innovation that can increase customer benefits can occur in three different types:

Incremental innovation,
Radical innovation and
Groundbreaking innovation.

3.2.1 Incremental Innovations

Incremental innovations include modification, clarification, enhancement and expansion of existing products, processes, services and production and distribution activities. The majority of innovations fall into this category. Some examples of incremental innovations:

- Many versions of Sony's Walkman are different from the original model, but all models released later are built on a common platform with a number of innovations.
- Most automobile models offer small improvements every year, providing significant benefits in terms of safety, efficiency and comfort. (Gaynor, 2002).

3.2.2 Radical Innovations

Radical innovation consists of introducing new products or services that are developing or introducing new core business areas or new sectors, leading to significant changes throughout the industry and creating new values. Examples of radical innovation:

- ATM machines, which make it possible to reach some funds from almost anywhere in the world with a suitable plastic card, have significantly transformed the banking business, although not entirely.

Before the emergence of Automatic Teller Machine (ATM), people had to go to bank for even simple transactions such as cash withdrawal and funds transfer, and suffered from unexpected waiting time.

On the side of banks, they always found it costly to handle each of the routine transaction manually.

By extracting the core functions which essentially perform the transactions in the course of service delivery and then standardizing them, ATM offers a radical solution to solve the contradiction of “customers had to be present in person at bank in order to withdraw cash, customers should not be present because of extreme inconvenience”.

In fact, the use of credit card as one of the important payment modes and the recent introduction of internet banking services all the way follow the same innovation pattern, that is, extracting the functions performing the transactions out of physical banks and make them happen as close as possible to customers.

Moreover, the adding of customer self-service concept into the delivery system of banking services also lowers the transaction cost for the bank. (Zhang, et al, 2003)

3.2.3 Groundbreaking Innovations

Groundbreaking innovations are the developments that catch people unprepared. These are rarely occurring events that arise from insights in science or engineering. These are called as groundbreaking innovation, because they make things that most people don't realize are possible. Groundbreaking innovations create something new or meet a previously undiscovered requirement. Groundbreaking innovations often have uses and effects far beyond their intended purpose. These type of innovations can start new sectors or transform existing sectors. Groundbreaking innovations are sometimes called "destructive innovation." An example for groundbreaking innovation:

- The first EARS laser printer was manufactured by Xerox. This laser printer could print 60 copies per minute with 600 dots per inch. No one has ever done or imagined anything like this before!

4. Six Thinking Hats

Edward De Bono, in his book Six Thinking Hats, one of the bestseller books, emphasized that each of these hats contains different types of thinking and that deciding when to wear these hats encourages innovative thinking as the conduct of an orchestra conductor shows. (De Bono, 2017)



Figure 1. Six Thinking Hats

4.1 White Hat

White hat shows the mode of thinking when the target is looking at the desired data and information. White is neutral and objective. Provides clear information and numerical proofs.

Thinking of white hats is an easy way to ask for an objective and objective demonstration of facts and figures (Koray, 2005).

The person wearing the white hat gives answers to the questions based on facts and avoids comments. "Let's put arguments and bids aside and look at the database," it means.

4.2 Red Hat

Red Hat shows the mode of thinking about emotions, challenges and instincts (Mann, 2004).

The red hat allows the thinking person to express his feelings about a particular subject in exactly the way he wants. Red evokes anger, passion and emotion. The red hat gives an emotional point of view and proposes emotional ideas. According to this; it is the opposite of objective and objective knowledge. While defending his thoughts, he does not require justification or justification. It is about irrational aspects of thinking, because it moves with emotions and intuitions.

4.3 Black Hat

Black Hat indicates the mode of thought related to attention and judgment and looks logically at the negative aspects of a problem. It is often defined as the devil's advocate in mode of thought. It's the hat of judgment and prudence. A very precious hat.

In no way is a hat worthless or negative. It's not a hat-fight or a flaw in everything. A black hat is used to draw attention to why a proposal does not comply with the facts, current experiences, the system used or the policy being followed. The black hat must always be logical.

4.4 Yellow Hat

Yellow hat shows the mode of thinking about exploring the benefits and applicability of a particular situation, and logically looks at the positive aspects of the situation. Yellow hat as opposed to the black hat is interested in positive evaluations. Whereas, black hat is interested in negative aspects of a problem.

In the yellow hat, positive thinking, optimism, focusing on benefits, constructive thinking prevails. Wearing this hat, an advantage over the subject is created.

4.5 Green Hat

Green hat shows the way of thinking about the production of new ideas, creative and in lateral 'thinking. It is the hat of creativity, alternatives, suggestions, interesting, provocations and changes. So this hat acts as an idea-generating tool and provides time and space for creative thinking. Question about the green hat are given below:

How about we follow plan A?

Why don't we brainstorm?

Consider how this solution will work in practice?

4.6 Blue Hat

Blue hat shows the mode of thinking about the general control and organization of thinking processes. Blue represents serenity and is also the color of the sky above all else. The blue hat deals with the regulation and control of the thinking process. It also deals with the use of other hats.

Cool and condition has the thoughts of trying to find results by analyzing. "When I wear my blue hat, I feel that we need to think more with green hats at this point."

The main theme of the above-mentioned six-hat thinking method is that it offers the in role-playing. Since the individual's self-defense instinct is the main barrier to thinking; hats without hesitation provides speaking in other cases can't be thought and said.

In addition, six-hat thinking allows the individual to address a particular subject from six different points by routing his / her attention from one point to another on a regular basis. (Bono, 2002)

The reason why hats are colored is that this is because colors make it easier to visualize a number of things in the individual's imagination.

The symbolic structure formed by six different hats offers a convenient method that can be easily used to ask a person (including ourselves) to look at the event from a different angle.

Moreover, with this method, one may be asked to think positively or negatively, be creative or give an emotional response. Colors are linked to the function of each hat.

Laura Donahue from Nestle says about the Six Thinking Hat Technique that "The six hats are a simple, yet powerful tool that can be learned in a short time, can be used immediately, and gives lasting results. Six hats have helped our product development group to quickly generate ideas, evaluate them efficiently, and effectively implement action plans."

5. Conclusion and Discussion

In this research, companies such as Nike, Nestle, Lego, Peugeot and Amozon have been taken as case examples which apply innovation and gain competitive advantage.

As shown in these examples, these companies apply innovation in a continuous effort and do their best to increase the customer value. Of course, these efforts help companies to increase their market shares and survive better in this very competitive environment.

In the study, a technique which is known as six thinking hat has been also discussed. This technique may also induce innovative thinking and help companies solves problems or conflicts preventing the innovation.

The outcomes reached and gained by innovative companies demonstrate that similar innovative solutions can be found within the borders of other companies.

In conclusion, we can suggest that any type of collaborations, investing some funds into research and development every year, government supports and inducements may stimulate and help for an innovative climate for companies.

By the way, to sustain the innovation continuously, a reward policy within the company should be prepared and applied. So, a type of innovation which is either a product innovation, a process innovation, a marketing innovation or an organizational innovation may be easily obtained.

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