

Chapter 5 (in *INside INnovation: Looking from the Inside Out*)

Catalyst-Strategies: A Study in Small Business and Organic Innovation

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ABOUT THE BOOK:

As the driving force for value creation, innovation is the key imperative to survive in the current challenging business environment. This book is focused on the human qualities that drive innovation. It contains case studies and personal innovator reflections which provide powerful lessons about the drivers of success, turning creative ideas into innovative ideas, the *what* and *why* leading to the *how* diverse human resources are applied to create innovative designs, processes and products.

Section I, innovation themes, and Section II, case studies, set the stage for Section III, an inside look at three diverse, internationally successful innovators and what drives them. These are the stories of a collaborative community builder (in Australia), a solid-stage physicist (in Romania and Spain), and an architect/coach/artist (in Belarus), all three of whom are authors as well. To add to the emerging insights, Section IV explores the Most Innovative Knowledge Enterprise (MIKE) international awards and study program, providing the criteria as a benchmarking opportunity for your organization.

As the economic innovation imperative increases at the center of the knowledge economy with its hyper competition drive, the search deepens and widens for new ways to think differently. *INside INnovation* cuts a wide swath through new territory with the inside out perspective and insights. This moves way beyond a paradigm shift, truly gearing the reader for putting on a different thinking cap, to look within and embrace the powerful personal resources available to each of us to create and innovate.

A FEW WORDS FROM OTHERS:

'INside INnovation' is a compelling exploration into the multifaceted world of innovation. With a diverse array of articles that vary from narrative storytelling to research-based analysis, this book covers perspectives from individuals, companies, public organizations, and even entire nations. Each article, unique in its approach, becomes an integral piece of a larger puzzle. Dr. Moria Levy, CEO, ROM Global (Israel)

This is a must-read book for anyone whose job responsibilities include even a sliver of innovation management. Arindam Bose, Director of Dyadic International, Inc.; US National Academy of Engineering

This book is a masterpiece ... It strongly makes the point that "inside innovation" and "innovation from the outside" are additive rather than alternative approaches for organizations to enhance their competitiveness through innovation. Prof. Dr. Surinder Batra, Former Dean (Academics), Institute of Management Technology, Ghaziabad (India)

This book is a lively flame and vibrant call to learning and intelligent adaptation, benefiting oneself and the society one lives in, constantly in motion. Prof. Dr. Massimo Pregolato, University of Pavia (Italy)



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[*Excerpted from the concluding chapter*] There are 15 chapter authors and 4 reflection contributors, who are not co-authors of the chapters but whose thought and reflections add value to the content focus of the chapter ... The youngest chapter author is 49 and the oldest is 80, representing 914 years of living, 584 of which have been dedicated to professional experience. While all of these authors are previously published, 9 of this group are book authors. Collectively, they have written and/or edited 109 books across a variety of knowledge domains, and, quite literally, produced 77 chapters in academic books, 663 journal articles, 2,380 research studies, 680 analytical reports and industry case studies, 11 virtual toolkits, 16 patented inventions, and hundreds of conference paper. This learning is largely reflected in *INside INnovation: Looking from the Inside Out*.

CHAPTER 5

Catalyst-Strategies**A Study in Small Business and Organic Innovation**

Jim Burke,

*Founder, DeepDive Foresight, USA***ABSTRACT**

This case study looks at innovation in a small business based more on qualitative innovation and metrics and less on conventional quantitative measures. Catalyst-Strategies (Cat-Strat) has an innovation framework that relies on client interaction and evolution of discrete services that have qualitative and meaningful impact, rather than incremental improvements. While their bespoke approach and distance from execution can result in lessons and metrics lost, my research indicates that Cat-Strat reliance on qualitative factors is not without rigor, does not ignore profit, and can provide the company meaningful improvements in processes, client relationships and services delivered. Rather, Cat-Strat has a dedication to their values which allows them to be selective in accepting clients.

Key Words: relationship services, engagement innovation, vulnerability, human dimension qualification, abundance metaphors, patience innovation, disengaging and distancing practices, IP innovation, intuitive innovation, permission innovation, beyond symptom.

PRE-LAUNCH AND LAUNCH INNOVATION

The power and weakness of big business innovation captivate us. We follow their adventures and are amazed or irritated by their successes and influences. Some claim that business innovation will shape geopolitical stability and instability, and controlling innovation is critical to the “...future of free societies, open markets, democratic government, and the broader world order” (Schmidt, 2023, p. 41). In reality, small and medium businesses and their innovation efforts are the real force, with some 400 million globally operating in limited scale, 50-250 employees (*Small and Medium Size Enterprises*, n.d.). Small businesses drive the main street economies. Their diversity and distribution make it hard to capture and integrate lessons learned. Unless a small business scales up, their experiences are lightly reported and even less

frequently shared. This is particularly the case of boutique businesses, small companies that have unique approaches to services and products and that have relatively short lives. Roughly two-thirds of private businesses in the United States, according to Bureau of Labor Statistics, will not survive past ten years (Beaupre, N.D.). The case study that follows looks at a small business, one that by age is successful. Some 22 years past, Sue James and Craig James created Catalyst-Strategies, better known as Cat-Strat. Their story is one of innovation borne out of a tradition of challenging business practices. This case study is intended to show how their approach to innovation is key to their effectiveness.

Sue and Craig were successful sales professionals and leaders in a large information technology services corporation, steadily advancing in their careers when an unexpected corporate restructuring altered their career trajectories. Facing job disruption and contemplating options, Sue reminded Craig of his recurring idea to become an independent entrepreneur. Craig wasn't even conscious of this idea until Sue's reminder that rebirthed the concept. That seemingly fleeting and inconsequential thought was a small change in their conditions that led to the decision to create their own business. It also started a pattern of their collaboration in the business where they relied on each other to see things from different perspectives including an innovation practice of looking with a beginner's mind, actively rebelling against filtering ideas too soon.

In a pre-launch strategy that Craig charitably describes as "laughable," they approached two friends for perspective and advice. The friends, one at a non-profit, the other a for-profit, enthusiastically supported their consulting start-up idea and suggested they could be Cat-Strat's first clients, delivering business and management consulting in sales strategy and planning. The first step was successful, and Sue and Craig got their first client payment check before they had a business checking account. They were able, however, to start Cat-Strat debt-free.

This set a pattern for the next 22 years of innovation: ask a what-if question, like *what if we sold sales services consulting?* and listen for the answers, sometimes in the context of *what does the Universe think?* and if positive, act quickly, with agility and flexibility, adjusting, correcting, and adapting. Part of this came from their conscious shift from corporate mindsets to a boutique, more personal approach. Their detailed strategic plan was organic, internal and continually adaptive to emerging client needs and business conditions. The innovation model called for close attention to their internal business practices, constantly asking themselves *what is emerging in the business and non-profit communities, how are we evolving in practices, and how can we maintain an organic model that allows natural growth in the*

company? The Cat-Strat organic innovation model invites them to ask questions like this more recent reflection: How might we apply the lessons and conditions of biomimicry to our business and coaching services?

Working with their initial clients—both of whom wanted to grow and scale up—to deliver strategic planning services helped inform Cat-Strat’s own more informal internal planning. This borrowing from delivered services fostered a focus that has been constant for over two decades—what is our “why?” It was not—and is not—to merely make money, although they knew they had to meet minimum expenses; it was not to buy “stuff,” but to deliver services of personal and business value in a human dimension. Their criteria are similar to those of Daniel Lamarre, former President and Chief Executive Officer and current Vice Chair of Cirque du Soleil who asks of every project: “(1) Is it a creative challenge? (2) Do our partners share our values? (3) Can we make a profit? and (4) Are our partners socially engaged?” (Lamarre & Keegan, 2022, pp. 116-120). Lamarre even goes so far as to claim “without creativity, there is no business” (Lamarre & Keegan, 2022, p. xxii). Craig and Sue agree that profit is essential, but not the most important factor.

Set in these early values was the recognition that their “secret sauce” would include deeper relationships with clients and their growing portfolio of services came from co-creating with clients in a collaborative framework. They would not define detailed deliverables and outcomes before they completed a client needs analysis. This included questions like: *What new needs does the client have? What needs need to be strengthened? What needs has the client outgrown?* Cat-Strat essentially was doing design thinking well before it became ubiquitous in small and large organizations. The costs to Cat-Strat of creating custom marketing and delivery, however, was a decided lack of longer-term business strategy.

Their metrics were simple, but not simplistic: create enough revenue to pay the bills and do things clients found useful to meet client goals. In consulting, these can be quantified by the client, while for coaching clients the goals can be qualitative. One of their first efforts after their starter clients was a “connections” venture, drawing together a disparate group of community leaders—professional, non-professional, for-profit, non-profit, artists—who wanted to connect among themselves and with the local government. No one was paid monetarily, but stakeholders donated services, supplies and venues, coming together in sometimes serendipitous ways. One innovation was to eliminate the roles and titles of participants, allowing people to gather and share stories and knowledge as peers. This carried no quantitative metric and Cat-Strat success was “measured” by seeing how participants from various organizations overcame reluctance to share and eventually created partnerships

(with assumed metrics of their own that they did not share with Cat-Strat). While Sue and Craig are quick to say this was not coaching, there were seeds of their coaching offerings, innovatively creating safe spaces to exchange ideas in an open, listening framework. The answers would come from within and emerge in an embryonic fashion. The participants withheld criticism, allowing ideas to get legs and connections. That idea growth was a direct reflection of Cat-Strat's ability to reassure and empower free thinking unlike more traditional discussions with quantitative metrics, guardrails and organizational silos.

A creative tactic was to randomly pair participants with dissimilar occupations and to lightly facilitate discussions. One such pairing led to a collaboration between an artist and a water utility manager who were able to see hidden connections in their two professions. This represented what would become a continuing theme in Cat-Strat innovations—finding wildly divergent dots that would connect unpredictably to create coherent, useful insights, generally in co-creation with clients and stakeholders. This served to move the relationships well beyond transactions and helped to build stronger collaboration. Such success seems to follow Gina Rometty's, former head of IBM, advice to “cooperate, don't isolate” (Rometty, 2023).

Reflective Observation: Cat-Strat from the start dedicated their practices to open collaboration between the two principals, Craig and Sue, encouraging deliberately provocative analyses and practicing the beginner's mind, while actively resisting premature verdicts. This included the way they cross-questioned each other, relying on sometimes hypothetical questions to a variety of friends, colleagues, and clients and comparing the answers to their knowledge of emerging business conditions. They characterized this as asking: “What does the Universe think?”

This unconventional approach allowed them to dig deep into their *why?* and to focus on value before profits. They realized that it was essential to be able to pay for expenses and the deeper purpose was one of service, delivering personal and business value in a human dimension. This enabled them to be creative in the ways they interacted with clients; for example, declining to describe deliverables and outcomes until they deeply understood client needs.

Cat-Strat's sense of equity in partnership extended to client relations and one early, useful novelty eliminated stakeholder roles and titles, facilitating more openness in storytelling and knowledge sharing. This represented a continuing theme in Cat-Strat innovations—finding wildly divergent dots that would connect in surprising ways to create creative, coherent, and useful insights, generally in cooperation with clients and stakeholders.

Insight: The Cat-Strat story includes unconventional creativity for conventional clients, emerging from an innovation approach that relies on contrarian views, challenges to conventional business practices, while not ignoring client desires for traditional metrics, and a willingness to customize approaches and solutions for each customer.

CONTINUING OPERATIONS INNOVATION

Ironically, as their operational structure matured, building deeper relationships also highlighted the dangers of “caring too much.” A wise counselor suggested that they could not care more than the client. Cat-Strat learned to practice “creative engagement,” demonstrating their care while maintaining clear ownership of execution in the client’s hands. They focus on what they do best: organically observe, make initial conclusions, adjust, learn, adapt, apply lessons learned. It gives a sense of linearity but the organic approach, which focuses on system services integration, enables a power to allow emergent insights and actionable ideas to be seen across the client’s enterprise, reducing surprise while increasing effectiveness.

The shortfall was a softer quality control process and, since emergence cannot be forced, awareness of deficiencies might take longer to appear. However, ultimately this approach was more effective because the sources and effects were more easily tracked.

The lessons gleaned from their initial launch included an awareness that they likely would always be launching, continually learning, occasionally being surprised by clients and themselves. These observations were not discrete innovation, while they did establish the critical environment in which the business was being refreshed with each client, preventing stagnation of process. Indeed, it is highly unlikely that either Sue or Craig would claim, “But we have always done it this way!” Embracing that philosophy keeps them fresh, with the recognition that custom tailoring always takes more time, attention, and, like a good bespoke outfit, extensive adjustment.

Part of the adjustment to flexible, adaptive practices, includes a challenge to evaluate and learn. It would be tempting to standardize delivery approaches and measure the effects, but they feared that it might dilute their offerings. Instead, they watch for success to emerge, in whatever form it might take. Waiting calls for patience that is best possible in a trusting relationship with the client. Cat-Strat does have a consistent confidence in being able to deliver meaningful results, based on their history of effective partnership engagements and in their thorough client vetting which increases the chances of success.

Their client qualification anticipates, often on a gut feel, how likely they will be able to build trusting relationships with the potential client? Is the client willing to co-create understanding and solutions rather than being spoon-fed pre-processed answers? Is Cat-Strat capable of enabling the client to improve?

Because of this trust, they were able to experiment, without calling them experiments, in small ways, following their model of **observe—adapt—act—observe**. Their custom approach did make attractive scaling up with increased staff who could add to the customization. This was during a time when they felt pressure to grow. Initial innovations included subcontractors, but the results did not meet their standards.

They eventually recognized that their values and the services they could tailor and deliver was, for them, best achieved in their smaller business. Their values continued to inform their business model and personal desires: freedom (at first, they were less conscious of the freedom Cat-Strat provided), integrity, trust, connection, love, kindness, fulfillment, vibrance, variety, energy and fun. Craig emphasizes that “love” is not a four-letter word in business. Cat-Strat values are more than postings on the wall and that reality can complicate business processes. Their Ideal Client Profile (ICP), for example, considers more soulful factors rare in business. SalesIntel’s guidance for creating an ICP, for example, includes no spiritual or soulful factors (Shannon, 2022).

Getting to the human, soulful factors can take effort and time. One of Cat-Strat’s early customers was a web development firm that was stuck in their sales cycle, deep in their sales analysis, and unable to make meaningful revenue progress. The sales players in the company could not seem to align to close proposals.

The situation seemed to be a straight-forward business-sales problem at the sales level, but Cat-Strat believed it was more complex and motivated the firm to first look at their organizational structure. It soon became apparent that the problem was a more human, soulful issue. The CEO could not let go of managing the sales process. Cat-Strat worked with the CEO to create an understanding of the implications of mistrusting the sales force. Eventually the CEO loosened control and learned to believe in the sales force. In the next year, sales doubled in half the time. This experience reinforced their belief that business problems could not always be solved in the narrow context of business but called for deeply human awareness and understanding. For this, there were no metrics.

Cat-Strat’s intuitive, gut-feel approach has led to criticism outside their client base, and Craig and Sue wear the disapproval well, yet understand why some have said, “These people are nuts.” The latter values became more

important as they realized that their business model allowed them to work to make the world a better place on their own terms and with their own metrics.

One advanced materials client followed a business model that focused on materials sales to manufacturers, a process that called for sophisticated hazardous materials (HazMat) processes and controls. With Cat-Strat's cooperative innovation approach, the company understood that they could sell the HazMat services through a distinct business line. This created a new source of revenue for the company. Cat-Strat was not privy to the level of success in the new line, but their planned multi-month engagement with the company grew to a multi-year effort to support other areas of the company.

The values and their dedication to improvement matches their innovation, read in-part non-traditional thinking. They eschew expectations when they start working with clients and meet them “where they are” without judgment. They co-create with clients a value proposition that includes trust and connection, with a proposed return on investment (ROI) that includes a “psychic” or psychological satisfaction return. This innovation works only because their hand-picked clients are open to Cat-Strat values, either as a model or in actual practice. Nonetheless, the client, and not Cat-Strat, ultimately determines the ROI value.

This approach does not ignore the reality of profit—without profit they cannot survive. Craig likes to half-joke that their important metrics are 29 years of successful marriage, including 22 years in a successful business. This includes a track record of always meeting their expenses and never being pulled into litigation. They recognize that quantitative and qualitative metrics can compete with each other, and they prefer to recognize the fundamental metric—cover business and personal expenses while allowing their clients to use their metrics, quantitative and qualitative.

This highlights a major inflection point in Cat-Strat's innovation, when they moved from relatively comfortable, tried and proven sales strategy and planning management consulting to much less predictable and more qualitative engagements with clients on less tangible and more difficult to measure issues and questions.

Being more qualitative uncovered a new challenge—how to identify operational constraints when defining and delivering intangible services. The limits touched, for example, client resource allocations—how and what does a client allocate for “trust?” Or the concept of business satisfaction—what does it mean beyond spread-sheet analysis? They defined the questions and answers in different ways for different clients, but always in collaboration. One client wanted increased revenues and with Cat-Strat consulting were able to double

revenue in half the expected time. Even the actions to do that were based on qualitative recommendations to create a new CEO role and a restructured sales cycle.

Clients want their pain symptoms relieved and, because they have trusting relationships, Cat-Strat can lead clients to see their needs, not only their wants, inherent in their problem. This calls for a delicate hand because few customers desire to be told what they need to do. The solution Craig and Sue developed was to use a coaching model that motivated clients to look from a different, internal perspective that highlighted needs in less threatening ways. At the same time, this non-direction frustrated some clients. This needs-wants paradox was a critical innovation. They don't start with a bolt-on existing solution (e.g., here is a couple pounds of strategic planning and some scenario work) but aim to bake in the co-created solutions starting with client fundamentals.

They invited clients to share their vulnerabilities, a goal made easier because Craig and Sue model and share their own vulnerabilities. They have been open in their emotions and as clients realize Sue and Craig actually care for them this often leads to client tears. Try to put that in an ROI spreadsheet! This allows them to create a new language of interaction that facilitates the services design and delivery. Over the years they have developed an intuitive sense for those clients who would be open to more emotionally daring efforts. While not a specific goal, going beyond transaction consulting also helps to sustain relationships with clients whether they stay with their companies or move to new opportunities.

Cat-Strat experienced an innovative perceptual breakthrough when they realized internal perceptions and metrics on their side were not singularly distinct, but of four entities: (1) Cat-Strat the business, (2) Craig and Sue the couple, (3) and (4) Craig and Sue, the individuals. The breakthrough allowed them to see that they had four filters or lenses, perhaps even constraints, to evaluate any proposed service strategy or deliverable. The partner-couple lens is especially important in forecasting future options. We will look at the implications for the future in the next section. For current customers, it allows Cat-Strat multiple avenues to stretch client perspectives and to take them farther out than the client expects.

They appreciate agile practices, even though it is rare that services involve traditional sprints, and they adhere without saying explicitly to the Agile 2 principle of reflection before change (Berg et al., 2021). Craig and Sue characterize this as think slow, think fast, ensuring they first have permission to engage and adapt. The innovative twist is how they work to ensure clients give themselves permission to trust themselves. This “permissioned delivery” for Cat-Strat and the clients flows out of relationship building and their

willingness to wear different hats (e.g., consultant, coach, planner, critic), listen and elicit client thoughts, and observe, record and play back in a way that “clears the fog” and provides independent views of client operations. At the same time, clients begin to discern their own powers to innovate and become better leaders. While Sue and Craig claim relationship building is the “secret sauce,” their perspectives, observations, and abilities to detect and nurture emerging client awareness are critical.

When working with clients who trust them, Cat-Strat can raise unrelated, even seemingly less relevant details, and ask questions that are at the time uncertain and unanswerable. These include things like farther-term stakeholder needs and attitudes and possible actions and even macro implications related to global risks. With client trust, Sue and Craig invite clients to create a “magic space” for innovative thought and asking questions like: If you had a magic wand, what would you change? If you could time travel, what would your ideal world look like? Let’s simulate that this world exists, how would you operate? Like scenario planning, the idea of doing this is not to identify answers, but to open up a space safe for questions and nascent implications.

Sometimes a client will resist and demand Cat-Strat focus on the immediate and obvious problems. While this can put Cat-Strat in an adversarial position, usually the trust-based relationship enables more fundamental and difficult conversations that focus on the causes, not merely the symptoms. Sometimes clients will ask for more “practical services.” This generally motivates a conversation about ways seemingly impractical intangibles can affect corporate performance.

A more tangible example is Cat-Strat’s work for a client in identifying a problem the client did not realize they had. The client knew the company was experiencing operational and revenue problems, but did not know why. Cat-Strat’s tactic was to forgo a traditional survey and to engage employees, including the Chief Financial Officer, in dialogue with a goal to create narrative, rather than focus on rights and wrongs. The narrative focused on the culture and general operations. With that as foundation, Sue and Craig dug deeper and broader and identified a fact that startled the leadership—their turnover rate (in an industry without high turnover) was extraordinary by any metric—155%. The client accepted the results and intended to correct the situation. Cat-Strat did not take part in the correction phase, but the turn-over rate, thanks to the analysis, was reduced to a more manageable number.

This is innovation by simultaneously paying attention to the organizational core and the edges and projecting how small changes at the edge can lead to big changes at the core. Innovation of this type doesn’t always clarify matters

for the client, and sometimes Cat-Strat is careful to deliver insights that sometime ironically adds to the client's fog. The innovation is to not overwhelm them but to discern how much fog a client can endure and how many fog lights are needed to give them a clearer vision of the situation.

Cat-Strat aims for clarity of client conditions, recognizing that understanding comes in bits and pieces that they subject to multiple analysis lenses (e.g., social, financial, cultural, operational). One added tool is scenario analysis that provides multiple insights into the client's situation, frequently followed by "coaching consulting." Wisdom lives in the fog and teasing it out calls for some Cat-Strat sensitivity and almost gentleness, combined with explicit freedom for the client. Perhaps we could call this *patience innovation*. This can look like a linear process, but it is decidedly non-linear in unpredictable ways. Some clients are quite uneasy with the uncertainty that doesn't include explicit cause and effect and want a more formulaic approach. The key to patience innovation is facilitating the client to see and trust solutions that emerge.

The paradox in relationship consulting is knowing when and where to stop. While engaging closely with the client, Sue and Craig have a firm rule not to engage in execution. If they don't follow this rule, they believe they run the risk of being too close to client operations and likely biased with a high probability of diluting independence and effectiveness. They choose to maintain a professional distance and "care so much that they don't care," realizing too that they, as Cat-Strat, can't want success more than the client.

This distancing gives them the ability to be more experimental at times, even taking risks with a client, just like a fresh venture trying new service offerings. Craig and Sue frequently say they have 22 years of taking risks and acting like a start-up. Despite that they were and are careful to watch revenue and expenses and have remained debt-free in their 22-year history, a metric they intend to maintain.

Reflective Observation: The business and personal increasingly became aligned and the values Sue and Craig embraced guided their business and personal practices: freedom, integrity, trust, connection, love, kindness, fulfillment, vibrance, variety, energy and fun. Their business philosophy continually refreshes the company, while custom tailoring involves more time, attention, and adjustment. Sue and Craig realized that they used four filters to judge activities, thinking in terms of four entities (four us's): (1) Cat-Strat the business, (2) Craig and Sue the couple, (3) and (4) Craig and Sue, the individuals. The partner-couple lens is especially important in forecasting future options.

They found each client situation was fresh, inviting them to tailor their services and delivery to meet the unique needs of their clients. Sue and Craig sometimes found it tempting to rely on preset tactics but did not want to run the risk of diluting their offerings. Instead, they watch for success to emerge, in whatever form it might take. Similarly, they meet clients “where they are” without presumptions.

Client relationships called for trust in a different way, where Cat-Strat works with clients to create self-trust by the client. This internal trust and the relationships that Sue and Craig build give them the latitude to experiment, without calling them experiments, in small ways, following their model of **observe—adapt—act—observe**. Sue and Craig leverage trust to invite clients to think more broadly, to imagine a “magic space” for innovative thought and what-if questions. Helping to facilitate this was a coaching model that motivated clients to look from a different, internal perspective to identify needs without intimidation.

Sue and Craig emphasize relationships but have a firm rule not to engage in execution, believing that if they do engage in implementation, they run the risk of being too close and likely biased with a high probability of diluting independence and effectiveness.

One metric that Craig and Sue recognize they have not quantified, but increasingly is important to them and their clients is work-life balance. It is difficult to quantify, despite attempts at work-life balance formulae (e.g., Whitener, 2017), mainly because it is so personal. Craig and Sue believe in having a client load that allows them to be spontaneous and to engage in personal activities in an afternoon break, in the sense that recreation includes re-creating interest, energy, and enthusiasm. Craig shared a story of taking time to walk with a friend in the forest. As they crossed a stream, Craig reflected that there are creatures who only live a few hours, with no awareness of night *and* day. Listening to Craig, I got the sense this non-business reality would find its way into Cat-Strat coaching if not consulting. Craig’s and Sue’s attitudes reflect another unquantifiable, curiosity. They are curious people and one of their implied metrics is to be able to follow their curiosity, be it forest walks or client consulting.

Their unique approach has an effect on client selection. Cat-Strat does not actively track this metric, but Craig and Sue declined to work with about ten potential clients in the past year. Previously, they believed the number to be somewhere around five, indicating that more potential clients who don’t fit Cat-Strat criteria are approaching them and that Cat-Strat can be selective in choosing who they collaborate with.

Insight: Cat-Strat practices a consulting paradox of building intimate client relationships while remaining detached from the execution, practicing “creative engagement,” and working hard to deliver high-value tools and recommendations while encouraging clear client ownership of performance. Actively using the four lenses invites Craig and Sue to assess opportunities, understand client conditions, and create custom solutions more thoroughly. The multiple views also give them greater flexibility in reliance on qualitative metrics.

FUTURE OPERATIONS INNOVATION

Craig and Sue have not spent much time identifying and analyzing their assumptions for their company’s futures, instead focusing on client premises that align with their values. Those core beliefs and deeper dives with clients try to go beneath the premises for fundamental meanings. This serves to better box the client’s “why” that can identify internal dissonance, pain points, and possible traction for system changes, but means that each engagement is more bespoke. The advantage is that custom solutions can be better fitted to clients as opposed to a standard model that requires client adaptation.

Like assumptions, Cat-Strat similarly is casual about intellectual property (IP) that could inform their future offerings. Craig has a digital approach, jotting notes for an electronic folder; Sue has a hybrid approach with analogue and electronic notes. Both are unstructured and seldom mined. Some ideas are tagged. The value of the folders includes possible ideas for innovation, while the act of creating and filing an idea has a certain value, almost like creating dots that can later be connected in brainstorming sessions or thought experiments. They would like to mine the folders but have no structure or plan to do so. This decidedly nonchalant approach towards IP is not uncommon and shortfalls in “identification of intellectual assets” and “knowledge mapping and competitive intelligence” are routine in many research centers (Solleiro et al, N.D., p. 7-8). Similarly, two frequent barriers to comprehensive innovation are the “lack of a forum for the capture of ideas,” (16%), and the “innovation strategy is indistinct” (10%) (Detterfelt et al 2008, p.7).

The tools and portfolio of services might change, and, in fact, they do expect some modifications to services in the near term, an inflection point in future services, that will enhance their effectiveness, but not their scale. The expectation is that the change will lead to some turmoil, if not trauma, and their financial and intangible performance may dip for a while as the new approach adapts and adjusts to the marketplace. They expect to experience stimulation and anxiety, but eventual effectiveness, success, and financial returns on a continuing upward trajectory.

They don't yet have a clear vision for the changes and from one perspective the sense of the changes they do have sound much like a linear extrapolation of the present, with relatively benign radical change, an approach not uncommon in small businesses (Vishnevskiy et al., 2015). They do want to be flexible and to practice what they call PHILORG: passion, honesty, ideation, love, open-minded, relationship-based, growing. Growing doesn't mean scaling up to a larger entity but growing in awareness and depth of services.

This approach is more ethereal, not in the sense of being not of this world, but delicately robust. Sharing their caring is a delicate process—too early and it is rebuffed; too late and it might be scorned; at the right time it can be an emotional event, delicate and powerful. Entering that space, even being willing to enter that space, is not of the traditional business world, thus, it may not be in “this world.” At the same time, being robust implies a tenacity to address the delicate, the unmeasurable, in creative ways that take “I care” to deeper levels.

The “tools” of ethereal also are different. Craig and Sue are well versed in the process of sales—leads, Customer Relationship Management (CRM), ICP, etc.—and demonstrate some satisfaction that the tool set is varied, predictable, effective, and comfortable (setting aside, of course, fear of rejection and all the emotions of a 500-pound phone). Moving those tools into the ethereal space can cause some dissonance without perspective and purpose. That is not to deny the value of sales tools, but to recognize they have different utility. Perhaps the touch point in what Cat-Strat characterizes as relationships may be the intersection of ethereal and business. It is not relationship management (as in CRM) or even emotional selling, but more the emotions of being human, aside from the business needs. Those activities of humanness are better recognized and nurtured in the ethereal until they are strong enough to operate, without fear or embarrassment, in the business world.

The result will be, and has been, “dissonance” services—how to enable clients to balance work, quotas, and soul. They plan to continue to tackle the dissonance because of their unique delivery approach coupled with relationship services.

The “four us's” will continue to play primary roles with their values in any plans for their future. They want to use all their senses to discern their future as it emerges. This, by their own admission, sounds quasi-spiritual, intrinsic, spontaneous, vulnerable, tender and painful. Craig and Sue nonetheless fervently embrace those potentials.

Like the irony of the cobbler's children going barefoot, the detailed and loving attention delivered to clients is seldom mirrored in Cat-Strat self-reflection and forward-focused planning, especially when thinking about

innovation, arc of the company as it evolved from sales strategy and planning to more traditional strategic planning, to leadership development, to increased coaching services. The evolution wasn't as much driven by fiscal pressures or opportunities, but by the recognition they could be more effective in delivering services that addressed *the heart of client needs*. Even today, Cat-Strat has clients that they essentially subsidize with much lower rates and are directly aligned with their highest values. Their ROI, once they meet their basic needs and expenses, is being able to have a deep sense of satisfaction that they have delivered meaningful services.

Reflective Observation: Future operations insights in part identify some soft spots in Cat-Strat operations. Cat-Strat, for example, is rather casual about capturing and leveraging intellectual property that could inform their future offerings. They know, however, that their future will require some change in operations as they adjust to a new operating style. They do want to be flexible and to practice what they call PHILORG: passion, honesty, ideation, love, open-minded, relationship-based, growing. Their broad sense of mission and openness to innovation creates “dissonance” services that aim to enable clients to balance work, quotas, and soul.

Cat-Strat accomplishments over the past 22 years include financial stability based on consistent client satisfaction. Sue and Craig maintained their commitment to service and small size which allowed them flexibility, freedom and fun. They learned to trust their instincts and intuition that led them to see each consultation as an invitation to consider the business issues, followed by the organizational considerations, and eventually the human factors that were often masked by the first two categories of business and organization. They accomplished an approach that enabled clients to accept invitations into a safe space where they would be listened to without judgment. At the same time, Cat-Strat provokes clients to look for the other perspective, the other side of the coin, that might offer actionable insights.

Insight: They learned how to be innovative without a large research and development budget and in the absence of stage gates or similar tools. Their unique approach to innovation might look incremental, but it is more episodic, producing profound insights that can be transformational, e.g., enabling clients to learn to trust themselves and to have faith that increased efficiency in the absence of the human element is often counterproductive.

SUMMARY

The study considers roughly three phases of a small Ohio-based business named Catalyst-Strategies (Cat-Strat) and identifies a number of their unique approaches to boutique innovation, starting with an intuitive technique for client qualification and then building and delivering relationship services. How Cat-Strat interacts with clients goes well beyond transactions and includes engagement innovation that relies on trust and vulnerability, but also disengaging and distancing practices to ensure objectivity and independence. These tactics are more effective because of performance innovations, including permission services, which ensure client buy-in to the Cat-Strat services delivery framework. They rely on intuition as one of their tools, applying it in ways similar to award-winning innovator Phil McKinney: “use intuition in decisions when the situation is complex, abstract, or uncertain, when the decision-maker needs a “sixth sense” to interpret specific cues, or when speed is of the essence.” (McKinney, 2023).

This is an innovation case of engaging clients to innovate business processes that enable business clients to grow and become more profitable and personal clients to better integrate their personal and professional lives. It is organic to the extent that Cat-Strat catalyzes the innovation process within the client’s organization and aligns planned improvements with the customer’s requirements and business objectives.

The company has evolved in services delivered over the past two decades by organically moving from standard sales strategy and planning consulting to a leadership development coaching consultancy model that is more adaptive and flexible. Cat-Strat has a longevity commitment mindset which emphasizes the longer view and, while tools and delivered services may change, the values, virtues and principles remain a steady guide.

The soft spot in Cat-Strat’s approach is a decided lack of specificity for future evolution, which seems to assume linear extrapolation, but that is not atypical for small businesses.

Craig and Sue feel, even after 22 years, that they are always arriving, and the latest arrival will help them inform and shape their future. They hear a call for healthy intuition, attention to metaphors of abundance, and difficult conversations of their own. From the birth of Cat-Strat, many have suggested it was premature and likewise questioned their business model. Several predicted its early demise while others wondered about their business sanity. Twenty-two years later, they have evaded all the dire predictions on their terms and in authentic congruence with their values and applying liberal amounts of innovation and perseverance in a way that sometimes looks unbalanced to

outsiders. Cat-Strat at their base reflects a commitment mindset, a commitment to their values that saturates their innovation process, ensuring they are true to their “why” in developing and delivering their services.

Overall Insight: Cat-Strat at their base reflects a commitment mindset, a commitment to their values that saturates their innovation process, ensuring they are true to their “why” in developing and delivering their services, and tracking the metrics they deem most meaningful.

Questions for Reflection

- Who are the stakeholders in this story?
- How did Cat-Strat, Craig and Sue change over 22 years?
- What are the benefits and dangers of their reliance on qualitative metrics?
- What are the pitfalls and advantages of permission-based services?
- Do existing values and principles offer enough for long-term planning?
- What are the constraints of the “four-us’s”? Are they internal or external?
- How would you collaborate with Cat-Strat for your business? Why?
- If Cat-Strat were your client, how would you advise them?

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About the Author

Jim Burke is the Founder and Foresight Writer at DeepDive Foresight. He has long been passionate about creativity and innovation, always searching for ways to improve. This trait that did not always endear him to his leaders and colleagues who often were more “realistic.” From them Jim learned that without teammates to temper, engage, improve, and move into action the brightest idea was worthless. His thirst for creativity is matched only by curiosity and those are the themes that carried throughout his many careers. His active Air Force military career included contrasts: criminal investigations, assignments involving missiles and airplanes, policy analysis, system acquisition, advanced technologies, and technical assessments. Along the way, he became interested in looking at how the world might be different in the future and worked in the world of foresight for many years. This carried him into a post-Air Force career as a consultant and professional futurist for U.S. Federal clients, global companies and

non-U.S. governments. Jim wrapped up his consulting career with a Federal contractor, focusing on business development pursuits of large procurements and creating innovative proposals to meet client needs.

Jim appreciated contrarian views and approaches and was intrigued, long before planning on this chapter, by the way Craig and Sue operated in direct and indirect business endeavors, e.g., their blogging and cross participation in videos and YouTube channels. In these efforts Jim was impressed how open they were in sharing their IP. When he was invited to write a chapter on innovation, Jim saw an opportunity to share the story of Cat-Strat, highlight a contrarian way to do business, and offer lessons for small business entrepreneurs who wanted to see and understand qualitative metrics that complement large business quantitative measure.

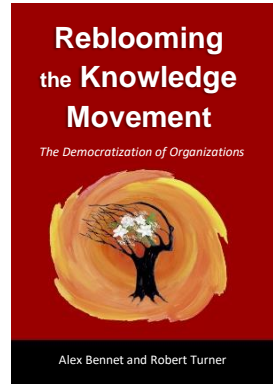
He is a former Chair and President of several non-profits aimed at ecology and clean energy. Jim regularly leads and teaches groups and organizations in ways to look at and understand the future. He harbors illusions about being humorous, a condition regularly denied, with kindness, by most family members. His granddaughter, however, has not fallen prey to the criticism. Jim is going through yet-another career transition, finding himself in liminal spaces, seemingly headed towards becoming a different kind of writer, however that unfolds. He is working on a book about foresight and product portfolio management, looking at the connections of spirituality and uncertainty, and dabbling in poetry. These fun efforts involve collaboration with folks much smarter than he, which has been a consistent practice during his multiple careers.

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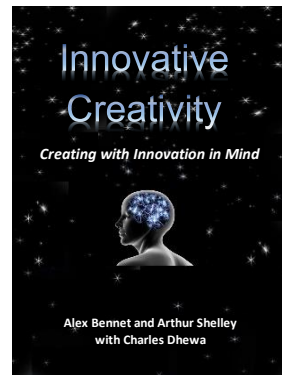
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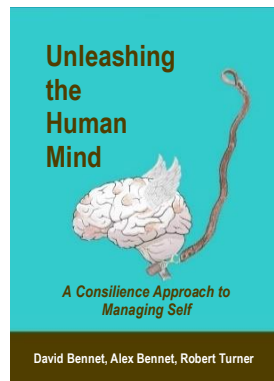
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