Innovation 101: a guide for publishers

Lessons in how to foster innovation, with insights and examples from industry experts and tech entrepreneurs.
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About this guide

This guide has been put together by Zapnito. We’re a startup software platform for creating expert communities, and we work closely with several companies in the publishing industry (there’s more about us at the end).

We’ve collated input from our advisory group and our customers in the publishing sector to produce the guide. However, special acknowledgement goes to the following people, whose expert insight is the foundation of the content.

Mark Allin, entrepreneur and former CEO of John Wiley and Sons
Mark has worked in academic and professional media for over 25 years, both as an entrepreneur and in public companies. He previously held a number of senior positions at John Wiley, latterly as President and CEO. Among his current projects, Mark is a strategic advisor to Zapnito.

Grace Baynes, VP of Data and New Product Development, Open Research Group, Springer Nature
Grace is responsible for Springer Nature’s open research new product development and research data. She also oversees Springer Nature’s communities programme. Grace has spent over 15 years working in open research, joining open access publisher BMC in 2003, before moving to Nature Publishing Group and now Springer Nature.

Charles Thiede, CEO and Co-Founder, Zapnito
Charles founded Zapnito in 2013 after identifying that the expertise of well-known brands, particularly in publishing, was being drowned out by the ‘noise’ on social media. He developed a white-label software platform that allows brands to create niche expert communities that resonate with their specific audiences. Before founding Zapnito, Charles was CPO and Digital Systems Director at Nature Publishing Group.

Jon Beer, CTO and Co-Founder, Zapnito
Jon is a technical leader and hands-on CTO with 17 years’ experience implementing web technologies. Having founded Zapnito with Charles, Jon now leads the technical delivery of the Zapnito platform, ensuring continuous platform enhancements and developments are delivered for customers.
Introduction - innovate or perish?

Ever since the internet made accessing and reading content online a possibility, the publishing world has been in a constant state of flux. The technology and business models available now are unrecognisable from twenty years ago. The challenge for all publishers is to stay relevant. Innovation isn’t a choice. It’s a necessity.

It seems almost clichéd to be talking about the impact of the internet. Surely, one might ask, that’s been done to death at this point? Yet it’s impossible to discuss the topic of innovation in publishing without addressing it.

Before digital, the fundamental models and mediums of publishing had hardly changed for over 300 years. It was, in essence, a broadcast medium with little, if any, interaction between publishers and readers.

As a result of that, publishing success was really about content selection. Either you picked a best seller or you specialized in a particular subject. In terms of innovation, you might put a lot of marketing into a new format, like the paperback. Those things happened in isolation from the reader.

The digital revolution, whether you look at scientific publishing, educational, or consumer publishing is that now there is a direct connection and relationship between the reader and the publisher.

Whether that’s through online subscription, and therefore interaction, whether it’s personalisation, such as a student picking only the chapters they want from a book, or whether it’s a researcher who gets access to data, early views of papers, video and other content around the article. It’s all interactive.

“On a scale of 1 to 10, where 10 is incredibly innovative and 1 is not innovative at all, I would put most publishers at a 3, maybe 4 at a push.”

Mark Allin, former CEO, John Wiley and Sons.
And the interactivity doesn’t end there. Researchers can now interact with each other and share information and data in a way we couldn’t have dreamt of not long ago. Authors can publish their own books and market them directly to their readers. Publishers risk losing their fundamental reason for existing, unless they can keep up with these developments.

Digital has also introduced an attitude change, particularly for academic publishing - the idea that articles and academic writing should be open access. In a world without the internet, it’s hard to see how open access articles, let alone open peer review and open data could have been possible. Yet now it’s increasingly seen as the future - particularly by research funders.

What does this mean for publishers? It means that traditional business models, ones that have served for hundreds of years, are coming under question. They may not even survive. Publishers need to be thinking outside of traditional subscription models, book publishing, and even APCs, for new ways to generate income.

It’s not enough to broadcast anymore. In order to survive, publishers need to prove they still add value. And that’s why innovation is vital.
The innovator’s dilemma
Why established companies struggle to innovate

There’s no question that the publishing industry is full of talent and resources. Yet startups are often seen as having the edge when it comes to innovation. The ‘innovator’s dilemma’ - a term coined by Clayton Christensen in 1997, offers insight into why that is.

The problem isn't necessarily lack of innovation itself, or enthusiasm to try new ideas, but more the environment in which those new ideas are developed and nurtured.

New ideas are often undervalued
The value from new innovations isn’t realised immediately. It tends to follow an S-curve (see the yellow line on the graph). Improving a product takes time and many iterations, and quite often the early iterations provide minimal value. That can prove the sticking point for many businesses.

Ultimately, the primary aim of most established companies is to maintain and add value to their existing customer base and their current business models. This means new and innovative ideas can be undervalued, because they are applied and tested with existing customers or through existing models, rather than looking at new markets or models.

It also means that if innovative ideas struggle to deliver results quickly, they are seen as failing - the ROI is thought to be too low. In this case, often management acts ‘sensibly’, in what they view to be the company’s best fiduciary interests, and rejects continued investment.

Fundamentally, the very corporate structures which keep an already successful business ticking over often act as barriers to fostering innovation.

Where startups gain the upper hand
This is why startups, usually with little or nothing to lose when they enter the market, are so much more successful. They find new markets to apply their innovations, largely by trial and error, at low margins.
“Successful companies want their resources to be focused on activities that address customers’ needs, that promise higher profits, that are technologically feasible, and that help them play in substantial markets.

Yet, to expect the processes that accomplish those things also to do something like nurturing disruptive technologies – to focus resources on proposals that customers reject, that offer lower profit, that underperform existing technologies and can only be sold in insignificant markets – is akin to flapping one’s arms with wings strapped to them in an attempt to fly.”

The Innovator’s Dilemma,
Clayton Christensen

Their nimbleness and low cost structures allow them to operate sustainably where established companies could not. They don’t have the same responsibilities to, for example, shareholders or existing customers.

This also means that if an initial idea doesn’t work, they can adapt and even pivot their models. In contrast, for an established publisher, the initial idea is often fixed, and changing direction means failure.

By finding the right application use and market, startups advance rapidly and hit the steep part of the S-curve, eventually entering the more mature markets of the established companies and disrupting them.

What’s the solution?
There is no one way to do innovation. But perhaps the most vital change is a change in attitudes. Publishers will need to think outside their traditional business models. Innovation does not need to be in context of existing ways of doing business.

There’s also a need to start playing the long game and looking for ways to manage the structure and culture of the development process. It needs to be okay to try things, to change direction, or even to fail.

There are lots of ways for publishers to create and nurture innovation within their companies. This could be through mergers and acquisitions (M&A), partnering with disruptive businesses, creating an internal ‘skunkworks’-style structure, or even separating out new innovations into offshoot companies.

This guide includes insight into some of those options, as well as suggestions for ways to generate and nurture innovative solutions.
Innovating from within
What makes internal innovation successful?

The benefits of innovating from within
We hear a lot about the negatives of innovating from within. The levels of bureaucracy to navigate, resistance to change, resource challenges - the list goes on. But what about the benefits?

“It can be easy to forget that in some of the inevitable frustrations of navigating being part of an established organisation, there are also real benefits,” says Springer Nature’s Grace Baynes. “One of the key benefits is the expertise that you have access to.

“For example, when my team were about to go live with our first product, we were talking about how we were going to manage the process and one of the people I was working with on it raised the issue of thinking about tax. Whether we should apply tax to this and which geographies we needed to think about for that tax.

“I'll be honest, that's a completely new area for me and if I was running a tiny startup I might very well have missed the fact that I needed to think about it and get advice. As it was, I not only had somebody who flagged that we needed to think about it, but I then had access to people who were experts in tax, who could advise me on what we should do.”

The ability to tap into expertise around the organisation is one of a number of resources that in house teams can benefit from. Others include readymade reach - through existing platforms and customers - understanding of different geographies, experience in a variety of different subject areas, and the security and financial backing of a large organisation.
“I think one of the most encouraging things for me has been the level of support and buy-in of my colleagues,” continues Grace. “They're not always necessarily able to prioritise work for this nascent idea, against much more established, mature product lines. But they get it, and they're supportive.

“Their enthusiasm and willingness to understand what we're doing and to champion it to other people, and to incorporate it into their thinking - that's a real opportunity that we can make the most of.”

**Invest time in building belief**
As the innovator’s dilemma illustrates neatly, organisational expectations can play a big role in the success or failure of innovative ideas. So if innovation is falling under your responsibility, you’re not just responsible for those ideas - you’re responsible for building buy-in.

“That's one of my biggest lessons learnt from the last couple of years,” says Grace. “You need to invest far more time than I ever expected in building that story and understanding of what you're trying to do and how you're approaching it. Why it fits with the company's strategic objectives, why it's exciting, why it's important.

“Developing that compelling story and then investing a lot of your time in talking with people about it and bringing them along with you - that's key to being successful. Crucially, you also need to relate what you're doing back to what they're trying to achieve.”
Learn to do more with less and test your assumptions

For those who have spent a long time in one industry, one of the biggest challenges of successful innovation is changing ingrained ways of working.

“I’ve spent nearly 20 years in publishing,” continues Grace. “The way that I’m used to working is you do all of your thinking and research and then figure out what you’re going to do. And then you build it and put it live - and you need a certain amount of certainty to do that.

“In the last couple of years in new product development, I have had to deal with constraints that prevent that way of working. For example lack of development resources. And actually, through having those constraints what I’ve learnt is that it’s about really stripping it back to what’s the simplest thing that you can test. To make sure that you first of all have a product or service or solution that people want and need.”

In other words, you have to ask is the innovation meeting a need? Are your intended customers even interested? Are you describing it right? Do they understand it? And you can start that testing and those conversations before you’ve actually built anything.

“Those are all quite low investment approaches,” adds Grace. “The main investment is time and people and being diligent in asking questions and continually testing.”

Taking this approach also makes it easier to identify at an early stage which ideas are worth investing further effort in and which aren’t, before you’re too far down the line.

“It’s important to recognise when something isn’t going to fly,” says Grace. “You may learn a certain amount and then say actually, you know what - we thought that was something really valuable, but it’s not where we’re hearing there’s the most need right now.”
What is a skunkworks?

“We use skunkworks projects as a way of focusing on a strategic development need, outside of our normal agile development process.”

Jon Beer, CTO, Zapnito

A technique you might want to consider for fostering innovation is a ‘skunkworks’, a term first coined during World War II.

Kelly Johnson is famous for introducing a radical approach to jet fighter development during and after World War II. His approach, officially aerospace company Lockheed’s Advance Development Program, became known as Skunk Works.

Now the term ‘skunkworks’ has been widely adopted in business and engineering fields. It’s usually used to describe ‘a group within an organisation given a high degree of autonomy, unhampered by bureaucracy, with the task of working on an advanced or secret project’.

Lockheed’s Skunk Works was responsible for a number of highly innovative aircraft designs during WWII, including the U-2 spy plane and the first US combat jet fighter, the P-80.

During early 1943, the allies became aware that the Germans were developing a jet fighter-bomber, the Me262, and had to rapidly develop an aircraft that could match it in the air.

Johnson submitted a proposal in mid-1943 and promised that a prototype of the P-80 would be ready in just six months. He created a team which sat outside of the normal structure of the organisation and was given autonomy unlike anything usually granted. In this way, they were able to produce and deliver the prototype in only 143 days, or a little over 4.5 months.

The project was such a success that in just six months it overcame the temporary German advantage that they had gained from years of development.

Nowadays, there are lots of great examples of skunkworks-type projects being run by large corporates. Alphabet’s Google X and Facebook’s Building 8, are prime among them. We’d suggest it’s an interesting way to foster innovative ideas, away from the distractions and bureaucracy of the organisation at large.
Can innovation be bought?
How to make acquisitions work

The short answer to this question is yes, innovation can be bought. Usually by acquiring an innovative company whose product or service could eventually marry well with your business. In fact, in many ways it can be the ideal solution because you’re buying not just the product or service, but the people who have proven their talent at driving innovation.

But, and this is a big ‘but’, acquisitions that aren’t planned properly often fail to flourish. One of the biggest risks is talent drain, where the people who made the innovative company what it was - i.e. innovative - decide they don’t want to be part of the merged venture. There are a few reasons why this can happen, but the key one is failure to set up and nurture the new acquisition in the right way. Let’s look at this in more detail.

Don’t have unrealistic expectations
One of the biggest reasons acquisitions fail is when the acquiring company has unrealistic financial expectations.

This comes back, to a large extent, to the innovator’s dilemma. When the acquiring company is either public or well established, it needs, understandably, to show a consistent level of return. Whereas, innovation often takes a long while to show up as profit. In some cases, a long while to even show up as revenue.

“What I often see,” says Mark Allin, entrepreneur and former Wiley CEO, “is the acquiring business feels that with their expertise and financial backing they can ‘get there’ faster. So they sort of change the pace at which the company is trying to get to revenue and profitability, and by doing so they squeeze out the innovation.”

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Beware cultural clashes
Almost by nature, the culture in a startup business, versus that found in a large corporation, is going to be different. And this can very quickly lead to issues after an acquisition.

The way the acquiring company and the acquired company think about the business they’re in, the way they behave, the way they think about their colleagues and their customers, the way they talk about themselves, their brand. They’re bound to be different.

Adds Mark: “A lot of acquiring companies make the mistake of trying to blend the acquired company into the ‘mothership’. But that can mean that you lose the things that are unique about it and that made it successful in the first place.”

Have a shared vision for success
One of the most important things you can do when acquiring a new business is have a clear agreement with that business about what success looks like.

“I’ve seen acquisitions that have gone south quickly when there is a mismatch in expectations,” explains Mark. “You find that a year later, the acquired company says, ‘I didn’t realize that’s what you wanted’, and the acquiring company says, ‘I thought I told you’, or, ‘I thought we agreed’. But they didn’t because they weren’t very clear about execution and things like targets, milestones, and so on.”

And importantly, you also need to make sure it’s clear who, both in the acquired business and the acquiring business, are the two or three people mostly responsible for making this shared vision happen. Clear ownership and responsibility that’s shared across the two businesses can be the difference between success and failure.

A lot of companies make the mistake of trying to blend the acquired company into the ‘mothership’. But that can mean you lose the things that are unique about it and that made it successful in the first place.”

Mark Allin, entrepreneur and former CEO, John Wiley and Sons
The benefits of acquisition should work both ways
It’s usually very easy to identify what an entrepreneurial business will bring to the acquiring business - innovation, expertise, technology. But what is the acquiring business going to bring to the acquired business, other than cash?

According to Mark, “The acquiring business needs to have something that they can bring to the table. That could be access to customers, or technology expertise, content, or even HR, payroll and other business functions. For example, if the business that’s acquiring has really deep reservoirs of great content, but they don’t have a way of turning it into new digital experiences, then that could work.”

The process is about understanding what is in the way of making the acquired business successful. Perhaps they need better offices. Or they need a fully functioning sales platform. Whatever that thing is, invest in it. This drives buy-in from the people at the acquired business and helps them to be successful.

Ultimately, concludes Mark Allin, “It all comes back to planning. You need to take all of these considerations into account. Quite often when acquisitions fail it’s because they should never have happened in the first place.”
The Jobs to be Done theory

“We base our product development around the Jobs to be Done theory. It’s such a simple idea, but really powerful.”

Charles Thiede, CEO, Zapnito

One of the key proponents of the JTBD theory is our old friend Clayton Christensen. In essence, it boils down to this. Your customers have a job they need to do. They are going to hire something (a product or service) to do that job. So you need to produce a product or service that gets that job done best.

An example that illustrates this neatly, and one that Christensen has explained to Harvard Business Review, is that of the McDonald’s milkshake in the USA...

Milkshake for hire

McDonald’s wanted to increase milkshake sales. Christensen and his team convinced them to look at the challenge through the lens of Jobs to be Done. Their thinking being that there’s a job which arises in the lives of some people that causes them to ‘hire’ a milkshake to get that job done.

So they observed a McDonald’s restaurant and took very careful notes – what time were milkshakes bought? What did buyers wear? Were they alone or in a group? Did they buy other food with it? Did they have the milkshake in the restaurant or get in the car and go off with it?

And it turned out there was a clear pattern. About half of the milkshakes were sold before 8:30 in the morning. It was the only thing the buyers bought, they were always alone, and they always got in the car and drove off with it.

“[We asked] ‘What job are you trying to get done that causes you to come to McDonald’s to hire a milkshake at 6:30 in the morning?’” said Christensen.

It transpired that the typical milkshake buyers had a long and boring drive to work. And they needed something to have while they were driving.

So what was the best way to improve? Christensen advised moving the access to a milkshake from behind the counter to the front of the counter, as well as giving people a prepaid swipe card so they could just dash in and out, and never get caught in a line when they were heading to work.

And in the parts of the US where McDonalds implemented these types of changes, the sales of the milkshakes increased 7-fold.

Of course, no theory is ever perfect. For example, you could create an amazing product that does the job brilliantly, but which is completely out of the price range for the people who want to use it. It’s still not going to sell in that case.

But ‘Jobs to be Done’ provides an interesting framework for innovation. And a good starting point for new product development.
Are partnerships the future?  
Buying isn’t the only way to work with a disruptor

Undertaking an acquisition, or deciding to be acquired, is a big step for any company to take. And sometimes it’s not necessarily the best option. If you have funds intended for innovation and to invest in a business, partnership offers an approach where nobody is “all in”.

“It’s like going on a few dates to see if there’s the right fit,” says Mark Allin. “You get to understand whether your cultures work well together, and explore what the possibilities are for adding value to your business.”

“There is a huge amount of value in finding the right partnerships,” adds Grace Baynes. “Something we’re doing at Springer Nature are Launch Pad Challenges, where we issue a challenge to startups to help us solve a particular problem, and then startups apply with their pitches.

“The goal of that is to identify one, sometimes more, groups where there’s clearly an area of shared interest and benefit that we can explore. And that partnership could start with a marketing agreement, with something really simple like that. But could potentially grow into a more in-depth, sustained partnership like the one we have with Zapnito.”
Partnership in action
Springer Nature and Zapnito

Zapnito and Springer Nature have worked together since 2014, with Springer Nature launching 30 community sites through the Zapnito platform. The communities have a range of purposes, but many are focused around research specialisms that link with particular Springer Nature journals.

“I think our work with Zapnito is a great example of where partnerships can add real value to your organisation,” says Grace Baynes. “It’s a strategic partnership where there’s a lot of commonality in terms of culture and approach.

“And we benefit not just on the technology development side, but from the expertise and insight about communities, and community management and engagement, that Zapnito have built up.

“It very much does feel like working with a group of colleagues. And because we have such a close working relationship, there is the ability to test things and learn things and work through things together to solve problems.

“What took us by surprise with the communities, when we asked people about them, was that the word that came up again and again was ‘human’. For editors, it enabled them to be more personal and human, and for authors it enabled them to tell the human story behind their research, which readers really enjoyed.

“It made the journal seem more human too. And that sense of humanising science and research communication was something that we hadn't understood that we were doing. Or how important it was.

“That really enabled us to think about how we engage with and meet the needs of the communities we serve. By understanding this was something that they really valued. And I don't know how we would have found that out if we hadn't experimented and tried different things with Zapnito on the platform.”

You can find out more about Zapnito’s work with Springer Nature by visiting: zapnito.com/pages/springernature.
Final thoughts
What will you start doing and what will you stop?

An insight from our interview with Mark Allin gave, we felt, the best conclusion to this guide:

“If you want to do innovation successfully, then I think there are a few things you’ve got to get right.

“You need to create a champion - someone who is owning and driving it. You need to be brave and ring fence the money - make sure that you don’t touch it.

“You also mustn’t be afraid of a moon shot, of asking what’s the big thing that might change this business forever? It probably won’t happen, but it’s important to give people some space to think about it. I think that is very, very important.

“The other key thing you need to consider is what are you going to stop doing? What’s the sacrifice?

“Because you can't do everything you're doing today and add all the new stuff on top, there's no room, something’s got to give.”

You mustn’t be afraid of a moon shot, of asking what’s the big thing that might change this business forever?”

Mark Allin, former CEO, John Wiley and Sons
About Zapnito

Expertise, better connected.

Zapnito is a white-label community software platform. Our customers use it to create stunning online networks that connect with their core audiences and showcase their expertise.

Our networks can be set up in hours and launched in weeks with turn-key software, bringing new products and services to market at a fraction of the cost of in-house development.

Connect with the people who matter.
zapnito.com

“"We’re not trying to create broad social networks - there are plenty of those - this is about bringing focused communities together without all the noise.”

Steven Inchcoombe, Chief Publishing Officer & Board Member, Springer Nature

Scientific research communities
Private journal editorial board communities
Online training products
Sponsored thought leadership sites

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