

BACON'S REBELLION

The Op/Ed Page for Virginia's New Economy

Seek the Intersection

Innovation can be managed, says Frans Johansson, author of "The Medici Effect." And what individuals and enterprises can do, so can entire communities.

Frans Johansson is, in the argot of young people today, the "new" Richard Florida. In the realm of thinking about the origins of creativity, the 33-year-old author of *"The Medici Effect"* picks up where Florida leaves off in *"The Rise of the Creative Class."*

Florida, as loyal readers of this column know, changed the way the United States looks at economic development with his groundbreaking book [\[1\]](#). Members of what Florida called the "creative class" -- artists, educators, scientists, entrepreneurs and solvers of complex problems - contribute disproportionately to innovation, entrepreneurial activity and economic vitality. The key to developing prosperous communities, he argued, is to attract and retain these Creatives. And the way to do that is to shape the kind of communities they like to live in.

Florida became an immediate sensation because his ideas did such a good job of explaining why some metropolitan areas were thriving in the Knowledge Economy and others were stagnating. In Florida's estimation, Creatives gravitate toward cos-

mopolitan communities characterized by cultural and ethnic diversity, tolerance and openness to newcomers. That was good news for regions like Boston, Seattle, Austin, Washington, San Francisco and innumerable college towns. But it was a dead end for cities that lacked the means to emulate



those glittering cities and that, given their often-antithetical value systems, didn't want to become like those centers of cultural and political liberalism even if they could.

Florida displayed his political and philosophical colorations overtly in his second book, *"The Flight of the Creative Class"* [\[2\]](#). Rather than arguing for openness and inclusion generally, he blamed cultural and political conservatives for creating a climate of intolerance in the U.S. -- overlooking equally egregious examples of intolerance and muffling of dissent on the political and cultural left.

Johansson published *"The Medici Effect"* about two years after *"Creative Class"*

appeared. Like Florida's book, *"Medici"* was an instant hit. Although the impact of *"Medici"* has been felt less in economic/community development circles than in the corporate world, Johansson's fresh thinking about innovation has much to commend itself to communities that don't choose a Richard Florida-style path to prosperity.

Individuals and enterprises, Johansson says, can cultivate breakthrough insights that lead to artistic, scientific and entrepreneurial achievement by moving toward "the intersection of ideas, concepts and cultures." Innovation and breakthrough insights occur at "the intersection" because that's where novel combinations and possibilities are most likely to arise. Creativity, he suggests, can be made into a formal process involving exploration of the intersection, the generation of ideas, continual experimentation and the tolerance of risk and failure.

It's a process that can be applied anywhere... Or so it seemed to me when I read *"The Medici Effect"* last year. I never imagined that I'd have the opportunity to discuss Johansson's ideas with him personally, but the world works in strange ways.

While moderating a panel last year about creativity at the Creative Change Center

(C3) I used some concepts from "*The Medici Effect*" as a framework for discussion. As it happened, Marc Lockhart, a Harvard Business School chum of Johansson's, was in the audience. We chatted afterwards, and the next thing I knew, Lockhart had invited Johansson to Richmond for a low-key meet-and-greet tour. Johansson was kind enough to agree to a luncheon interview, and Lockhart chose the perfect setting -- Plant Zero, a renovated warehouse in old Manchester that now houses workshops and galleries for local artists.

For all his recent success, Johansson comes across as refreshing and unaffected. Tall and lean, he flashes a wide grin and shakes hands enthusiastically. He talks with animation and tears into a sandwich with gusto. Johansson clearly enjoys his sudden fame, much as a school boy enthuses over a new GameBoy, but he does not appear impressed with himself.

"My goal was just to get the book published and get the ideas out," he says. "Now, 17 months later, you look back and... Wow! What's happened has been way beyond my expectations."

"*The Medici Effect*" struck a chord with a wide audience seeking the elixir of innovation and creativity, and Johansson is much in demand as a speaker. Addressing corporations and conferences around the world nearly

amounts to a full-time job. Johansson is still amazed at how the book generates interest at the highest levels of business and industry. In one two-day conference in Asia, he says, he will address 50 CEOs. "It's just them and me!"

Johansson comes by his insights into the creative process honestly. He is a one-man cultural intersection himself: His father is Swedish and his mother, of mixed African-American and Cherokee ancestry, hails from Hickory, N.C. He has lived roughly half his life in Sweden and half in the U.S.

He also has first-hand experience applying innovation to the marketplace. After graduating from Harvard Business School, he started a healthcare consulting company that he sold for a decent sum. He then launched a software company... in 1999, at the height of the dot.com frenzy. When the crash came, he shut the company down. "We sold software to other software companies," he recalls. "It's like someone turned off the switch."

Moving then to New York City, Johansson buckled down to write "*The Medici Effect*." When the book was published, he'd burned through his savings, maxed out his credit cards and had \$2.45 to his name. "I remember exactly," he regales. "I had a \$1 bill in my wallet and \$1.45 in my money market account!"

The name of the book alludes to the flowering of creativity in 15th-century Florence under the influence of the Medici family. The Medicis lured sculptors, scientists, poets, philosophers, painters and architects from all over Europe. Bearing diverse perspectives from different fields and cultures, these brilliant artists and thinkers contributed to one of the greatest bursts of innovation in human history.

What happened in Florence may be impossible for most communities to replicate, but it still offers lessons that others can benefit from. Creativity can be managed, Johansson says. For individuals and enterprises, here are the basic steps:

- Seek the intersection and break down the barriers between fields. Expose yourself to a range of cultures. Reverse assumptions. Try different perspectives. Break free from your normal support network.
- Generate lots of ideas and try lots of experiments. Reserve resources for many trials. And don't punish failure.
- Take risks and overcome fear.

My interest was in applying the Medici Effect to economic and community development. It's one thing for individuals and businesses to seek the intersection. But can entire communities cre-

ate, like the Medicis did, a culture of creativity?

Other economic developers have been asking similar questions, Johansson observes. They are not issues that he has focused on in a disciplined way, but he has been giving them some thought. What he can say with some confidence, he says, is what *won't* work.

Force feeding a particular industry is rarely a good idea. Most breakthrough technologies and business models spring from passion on an individual level, he observes. There is no way that a group of political or civic leaders can predict who will succeed and who will fail.

"You can't 'decide' to focus on this or that," he says. "The only time that works is if something's happening already. An example. If you said 10 years ago, that the new Mecca for the film industry would be New Zealand, no one would have believed it. But Peter Jackson, the director of the *Lord of the Rings*, made it happen." Only *now* does it make sense to support the film industry.

"What you must do is encourage entrepreneurship generally," Johansson says. "To make *something* succeed, you have to encourage *everything*. ... If something does succeed, it will attract talent and supporting industries. Then you can step in and support it."

Another thing that communities can do, he suggests, is

bring together people with different backgrounds, cultures and disciplines. But it's not enough just to put them all in the same room: People naturally gravitate to others with whom they have something in common. Polite chit-chat rarely leads to anything. It helps to have a stated goal, an agenda or a facilitator. "You must *actively* explore the intersection."

Finally, Johansson says, communities should invest in building human capital. Education, of course, is critical. But the grow-your-own approach to building human capital can be supplemented by recruitment of skill sets in demand in targeted industries. For instance, Orlando, Fla., which has a growing high-end computer gaming industry, has formed an institute to draft talented graphic designers. If Orlando didn't have a computer gaming industry, it would make no sense to recruit graphic designers, he observes. But once an industry arises, economic developers can stimulate growth by building human capital in that industry.

It's still early in the game. No region has yet perfected a policy for stimulating creativity. "Allow for experimentation," Johansson advises. "Don't expect to get it right the first time."

-- February 27, 2006

**Read more columns
by Jim Bacon at
www.baconsrebellion.com.**