

The Fabric of Creativity

**For this discussion, each participant will receive a story of a new idea.
The discussion should focus on the two ideas that came together at the Verge.
Is this in fact, an innovation?**

At the W.L. Gore Company, a knack for innovation springs from a culture where people feel free to pursue ideas on their own, communicate with one another, and collaborate out of self-motivation rather than a sense of duty.

Elixir, the top-selling acoustic guitar string came out of an unlikely place: one of Gore’s medical product plants in Flagstaff, Arizona. Dave Myers was an engineer there who helped invent new kinds of plastic heart implants. As a side project, Myers was working on his mountain bike, trying to make the gears shift more smoothly. He coated the gear cables with a thin layer of plastic, much like Gore-Tex. That success inspired Myers to try to improve the cables used for controlling the movements of oversized animated

puppets at places such as Disney World and Chuck E. Cheese. He needed cables that had small diameters, so he tried taking guitar strings and coating them with a similar plastic. His eureka moment came in 1993, when he asked himself: “Gosh, would this make a good guitar string?”

Gore introduced Elixir guitar strings to the market at a retail price of \$15 apiece, three to five times as much as other strings. The product was so expensive that merchants refused to carry it. But Gore figured that consumers would demand it when they realized how much better it sounded. They gave away 20,000 samples in the first year. The strategy worked brilliantly—today, with a 35% share, Elixir now leads the market for acoustic guitar strings.

Story adapted from Fast Company; December 19, 2007. <http://www.elixirstrings.com/>

DISCUSSION QUESTIONS:

- What two ideas come together at the Verge?
- What are the strengths of each of the ideas?
- What is the new territory created that did not exist before?



Cereality » Just Another Saturday Morning

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The cereal boxes in Jerry Seinfeld’s cupboard were always placed in alphabetical order. They were brand name boxes of Kellogg’s Cornflakes and Cheerios, not some imaginary brand like products placed on television sitcoms.

Inspired by the tidy row of cereal boxes in Seinfeld’s kitchen cabinet and the untapped potential of turning cereal from a much loved commodity into a dining experience, David Roth and Rick Bacher launched Cereality in 2004. Since their first restaurant opened on the Arizona State University campus, they have opened similar establishments in Illinois, Minnesota, and Pennsylvania. With a 65% repeat customer base and an investment backing by Quaker Oats, Cereality

plans to open dozens more stores at colleges, hospitals, office buildings, and airports.

“We serve cereal but what we sell is Saturday morning and it’s a very important distinction,” Roth said. “It’s cereal! It’s a commodity. You can get it anywhere. But when it comes through the filter of Cereality it’s an experience.”

The experience? Cereality lets diners pick two cups of cereal from 33 hot and cold brands, plus one of 34 toppings, from malt balls to dried cherries, add milk, served in a Chinese take out bowl, all for less than \$3.

Mixing your cereal and adding a topping? Sounds like a Kramer concoction.

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Think Inside the Box

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Everyone agrees if you're going to eat watermelon, it must be cold, very cold. But for years, Japanese consumers struggled to fit a big, round watermelon into their typically small, apartment size refrigerators. A typical watermelon can take up a lot of room and often sits awkwardly on the refrigerator shelf. They could have simply said, "shi-kata-ga-nai." Japanese for "Oh well, that's the way it is." But that's not how this story ends.

Looking for a solution meant thinking outside of the box. In this case farmers in the town of Zentsuji

figured out how to grow square watermelons in the exact dimensions of Japanese refrigerators. They carefully inserted the melons into square tempered glass cases while the fruit was still growing on the vine.

Today, the square watermelons are hand-picked and shipped all over Japan. Each melon sells for 10,000 yen, equivalent to about \$83.

In this case, thinking outside of the box led them to think inside the box.

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