
Leveraging more than two decades of experience organizing innovation tournaments in Silicon Valley and on Wall Street, from Buenos Aires to Kuwait City, Shanghai to Moscow, and with many Fortune 500 companies, these two renowned researchers, entrepreneurs, and the foremost experts on innovation tournaments offer a template that anyone can use to generate winning ideas that will drive great outcomes—whatever the challenge, whatever the business.
Questions for Readers

1. How do you define innovation? What does innovation mean to you?

2. Who currently “manages” innovation in your organization? Is innovation seen as a discipline or expertise that belongs to one department? Or could it be viewed as more of a team sport?

3. Is the concept of an innovation tournament something totally new to you or your organization? How have you innovated historically?

4. Terwiesch and Ulrich argue that innovation tournaments work because they are built around a process, and that this process delivers “sustained success.” How would you describe or map this process, having read the book? Which stages of the process would you find most challenging and why?

5. Can you identify one or two critical problems or challenges facing your organization? Using Terwiesch and Ulrich’s phrase “how might we...?” can you reframe these challenges? Is your new statement very specific or is it broad and open-ended, and how might this impact the innovation tournament you run to address your problem?

6. If you go ahead and run your own innovation tournament, what form will it take, who will run it, who will be involved and over how many rounds—and who will assess and carry forward ideas? If these questions are hard to answer, who will you turn to for input and feedback?

7. When running an innovation tournament, Terwiesch and Ulrich argue that the more ideas you have and the better their average quality, the more likely it is you will find that one “blockbuster solution” to your innovation challenge. How can you increase the pool and quality of ideas in your organization? And how will you drive diversity of input such that your best ideas become even better? Who will you enlist, and why?

8. Once you’ve assembled a robust pool of ideas, the difficult part is selecting the best ones to carry forward. Think about your own innovation tournament. Which of the idea screening processes outlined by Terwiesch and Ulrich would work best for you and why?

9. You’ve run your innovation tournament and selected the stand-out solution for your organization. Now comes the tricky part: developing that idea into a real-world opportunities. Terwiesch and Ulrich posit three questions you should ask at this point: Is the need real? Does the solution meet the need? Does the innovation create value? Think of a current or recent innovation in your organization. Rephrase these three questions in your own context. What additional resources do your people need to answer them?

10. Finally, what is your motivation for reading this book? Are you looking for an exceptional opportunity or do you want to shift to more of an innovation culture in your organization. With your answer in mind:

   a. What kinds of obstacles or pitfalls stand in the way of you running your own innovation tournament?
   b. What kinds of resources will people in your organization need—not only to participate successfully, but to embrace change that may emanate from the innovation tournament?
   c. What can you do to drive understanding and buy-in, and incentivize momentum for change in your organization?
   d. Terwiesch and Ulrich cite numerous examples of innovation tournaments throughout their book, many of them failures. What can you learn from these examples? And how will you embrace any failures of your own to come?
What is an innovation tournament?

CHRISTIAN TERWIESCH: Think of innovation as creating matches between solutions and needs. A tournament describes what happens to the many ideas that go through this process. The innovation process really breaks down into two parts: the first is about creating or identifying opportunities and ideas. The second part is the selection piece where you pick the best ideas going forward. An innovation tournament is very like the world of sports, where ideas (like athletes) compete against each other to see who will win the race.

What kinds of organizations should be thinking of running an innovation tournament?

KARL ULRICH: The book is very much a how-to manual, and we wrote it for business leaders and decision-makers, though its appeal seems to be very broad. My 85-year-old mother told me she’s been applying the innovation tournament method to an online course in history that she’s developing. So I think if the book works for retired history professors, it probably works for any organization.

TERWIESCH: You don’t have to be the vice president of innovation to be our reader. This is a book for anyone who wants to be innovative, whether you’re a high school teacher or a senior executive.

The book has broad appeal. But what are the actual, concrete benefits anyone can get from running their own innovation tournament?

TERWIESCH: Framing innovation as a process brings consistency and the promise of repeated success. We believe that implementing innovation tournaments will bring more consistent success. There’s also another nice side effect. We’ve found that running tournaments over the years really helps mobilize change. Organizations loosen up and people get more motivated. And they’re a lot of fun!
WHARTON SCHOOL PRESS: So the book lends itself to be read sequentially or cherry-picking advice and insights depending on need. It’s also a funny and engaging read with plenty of real-world examples of tournaments. What are some of the most memorable tournaments you’ve experienced in real life?

TERWIESCH: Between us, Karl and I have probably listened to more than 10,000 pitches. But there’s one I heard here at Penn Medicine, in the healthcare system of the University of Pennsylvania, that I’ll never forget. We were doing a big tournament with thousands of employees on transforming the patient experience. A young nurse from the oncology ward pitched a simple idea based on a day-to-day observation. Cancer patients lose body hair due to chemotherapy, and they have to lie on cold hospital beds to receive injections that also make them feel cold. Her pitch was straightforward: “Couldn’t we buy these patients a warm blanket?”

Now you can debate whether a warm blanket is the greatest innovation in healthcare, but there’s so much passion, empathy, and enthusiasm that it’s a joy to moderate these tournaments.

ULRICH: One tournament that stands out for me was a very narrow challenge around how to reduce the water consumption in the production of Bounty paper towels. It was super specific, and we spent three days with a large team of inside and outside experts focused on this one, very narrow issue.

At the other extreme, I had a former student, who was a very successful hedge fund manager, come to me and say, “Hey, Karl, can we run a tournament to figure out how to make more money?” I laughed at that initially, but we actually did run a tournament to select new trading strategies for his hedge fund. Once we’d run it he refused to tell me the idea they’d selected—it was a proprietary secret. But that gives you a sense of the extremes; from super-focused problems to extremely broad challenges, like how to improve performance or make more money.

WHARTON SCHOOL PRESS: What would you hope that your reader takes away from innovation tournaments, and from your book?

ULRICH: Our aspiration is that our reader says, I’ve read all these examples and great outcomes, and I want my organization to have that outcome too. I’d like our readers be able to actually use the book to realize exceptional outcomes. We’ve quipped that in writing this book, we want to put ourselves out of business as consultants. We really want someone to be able to read this book and say, hey, I can now try this tomorrow. That’s our hope and our aspiration.

TERWIESCH: A lot of people are intimidated by innovation. They reach out to consultants because they think it’s too hard to do in-house. But I think it is actually not hard. It’s really about codifying the process of innovation. I hope that by writing the book we can make this idea more accessible to more readers, and get more people out there innovating. And turn this place into a better world.

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CHRISTIAN TERWIESCH is the Andrew M. Heller Professor at the Wharton School of the University of Pennsylvania. He is a professor in Wharton’s Operations and Information Management department and codirector of Penn’s Mack Institute for Innovation Management. He also holds a faculty appointment in Penn’s Perelman School of Medicine. His research on operations management and on innovation management appears in many of the leading academic journals, including Management Science and the New England Journal of Medicine. He is an award-winning teacher with extensive experience teaching MBAs and executives.

Terwiesch is the coauthor of Matching Supply with Demand, a widely used operations management textbook that is now in its third edition. Terwiesch used this book to launch the first massive open online course (MOOC) in business on Coursera. Well over half a million students have enrolled in the course.

He is coauthor with Karl T. Ulrich of The Innovation Tournament Handbook, which was published by Wharton School Press. His first book with Ulrich, Innovation Tournaments, was published by Harvard Business Review Press. He is also coauthor of Connected Strategies, which combines his expertise in the fields of operations, innovation, and strategy to help companies take advantage of digital technology leading to new business models. The book has been featured as the cover story of the Harvard Business Review and has been shortlisted for the prestigious Thinkers 50 award, the “Oscar of Management.”

KARL T. ULRICH is CIBC Endowed Professor at the Wharton School of the University of Pennsylvania, where he is also professor of mechanical engineering. His most recent project was the design and construction of Tangen Hall, the largest facility in the world for student entrepreneurship. He cofounded Venture Lab, the Weiss Tech House, and the Integrated Product Design Program, institutions fostering innovation in the university community.

He is the coauthor of The Innovation Tournament Handbook (Wharton School Press, 2023); Product Design and Development (7th edition, McGraw-Hill, 2019), a textbook used by a quarter of a million students worldwide; Innovation Tournaments (Harvard Business Review Press, 2009); and Winning in China (Wharton School Press, 2021). He is the recipient of many teaching awards at the Wharton School, including the Anvil Award, the Miller-Sherrerd Award, and the Excellence in Teaching Award.

In addition to his scholarly work, Ulrich is a prolific innovator and entrepreneur, holding 24 patents. He is a founder of Terrapass Inc., which the New York Times identified as one of the most noteworthy ideas of the year, and a designer of the Xootr scooter, which Business Week recognized as one of the 50 coolest products of the twenty-first century. Ulrich holds bachelor’s, master’s, and doctoral degrees in mechanical engineering from MIT.