

INNOVATION

The Two Essential Entrepreneurial Types

by Piero Formica

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In my research on innovators, I like to draw the distinction between "path finders" and "path creators." Rarely does the metaphor seem so apt as in the case of Federico Bastiani. He is the originator of the "social streets" movement now spreading across Italy, so the innovation he created literally involves a path: the street in which he and his family live in Bologna.

Bastiani grew up in a small town in Tuscany, where people knew and helped their neighbors. When he moved to the city he was disheartened by how little social connection he had to the other residents of his street. His solution, in 2013, was to create a Facebook page called "Residents of Via Fondazza—Bologna" which he promoted by posting flyers in his neighborhood. Quickly, people began to connect with it, and soon the page became a place for neighbors not

only to get to know one another but also to arrange to help each other in various ways. As one article reports, people were soon "giving free piano lessons, lending washing machines, providing tips to newcomers about services in the city, giving away leftover food when going on holiday, holding street birthday parties," and more.

But Bastiani and the others he had engaged in this project didn't stop at the end of their own street. They publicized the success of the model and created a website to guide others who wanted to do the same. As of January 2015 there were at least 330 other social streets established in Italy, and more than 360 in other parts of the world.

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We could say, then, that Bastiani is a path creator, and the enterprising people in the other cities, making progress with access to his story and approach, are path finders. Both are essential entrepreneurial types, in the commercial as well as the social sector, but the former is much more rare than the latter. The

difference between them is not how boldly venturesome they are, but the extent to which they rely on preexisting knowledge.

Path finders are map readers. They very reasonably rely on already-discovered ways to do things as they seek new opportunities. The steps they take are valuable but not usually surprising (to themselves or others). They accept that they will face and have to manage risk when they set out to build something new.

In contrast, path creators avoid best practices, rules, and existing rights of way. They don't need the comfort of roads already traveled and don't filter their visions through the judgments of others. Innovation, for them, is a form of disobedience; they revel in the uncertainty and unpredictability of creating solutions that are *sui generis*. As I describe in *The Role of Creative Ignorance*, their open-mindedness is key to their ability to come up with new and better approaches, and sometimes cause fundamental alterations to what is understood about the world. They can be terrifically disruptive, depending on the institutional, entrepreneurial, and social contexts in which they act.

Given all this, it is interesting to consider in which direction today's advances in information and communications technology are taking us: Are they encouraging more path finding or more path creating? As early as the 1960s, Peter Drucker told managers that the thorniest problems they faced in applying technology were not of a technical nature, but human ones. This remains true. If we want technology-fueled progress, we should be figuring out how to help humans use technology to open up new territory, not just to map the territory we know in ever greater detail.

Either is possible, for example, with big data. Path finders value big data for its power to fill in as many details as possible on their knowledge maps, allowing them to identify the most reliable steps to take. By contrast, path creators see the extra layers of detail offered by big data as the enemy of creative ignorance. The appeal of big data for them is the chance to see patterns that disprove the assumptions that come with acquired knowledge. As the great Italian physicist Enrico Fermi put it, "If the result confirms the hypothesis, then you've made a measurement. If the result is contrary to the hypothesis, then you've made a discovery." Of course it was data that allowed Galileo Galilei to discover, contrary to all received wisdom, that the Earth moves around the Sun. The defiant statement attributed to him even as he was forced to recant his finding— *Eppur si muove* ("And yet it moves")—could be the battle cry of all path creators.

When someone like Federico Bastiani takes a modern technology like an online social networking platform and finds in it a way to enrich the physical reality of a neighborhood, he is using it for path-creating purposes. To get more innovations like social streets—technology-supported solutions that add so much to human life that they turn into movements—I would argue we need more than technologists taking technology to the next level. We need humanists, deeply attuned to what would make their lives and their neighbors' lives more fulfilling, and unconstrained in imagining how to use an ever-evolving toolkit to deliver it.

This post is one in a series of perspectives by presenters and participants in the 7th Global Drucker Forum, taking place November 5-6, 2015 in Vienna. The theme: Claiming Our Humanity — Managing in the Digital Age.

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