As the breadth of this year's HBR List demonstrates, innovation comes in myriad forms. It can be, for instance, a new idea that resonates with familiar truth, such as anthropologist Mary Catherine Bateson's suggestion that midlife sabbaticals would reinvigorate employees and ward off stagnation. Or it can be an old inspiration given fresh life, such as Professor Roderick Kramer's reminder that great leaders aren't afraid to flip-flop when change is the wisest course.

Great ideas need time to develop. Rarely do they spring from deities' heads fully formed and suited up for battle. The brainstorming for these 20 began with a klatch hosted last summer by HBR and the World Economic Forum, and it continued through the fall, as several insights took on greater definition and others emerged.
Flipping Without Elopping

Roderick M. Kramer

The 2004 U.S. presidential campaign made “flip-flop” a dirty word. Great leaders, though, understand that changing course is sometimes the smartest thing to do. The trick to pulling off a reversal? Prepare the ground well in advance, and cast correction as courage.

Everybody into the Gene Pool*

Julia Kirby

Many managers eager to pursue ambitious growth strategies suspect that their organizations lack the right stuff to deliver. These leaders want desperately to crack the code of high-performance DNA. But performance anatomies are highly individual and delicately balanced. New research initiatives are making the je ne sais quoi of success more decodable, teachable, and learnable.

The Velcro Organization

Joseph L. Bower

When your customers are located around the world, it’s not enough to have effective, efficient functions. You also need to know the people and relationships that make business work in particular locales. The rigid organizational structure of most multinationals gets in the way. “Velcro organizations” do better, with managers who can quickly and easily rearrange their roles to meet the challenges of specific tasks.

Seek Validity, Not Reliability*

Roger L. Martin

Six Sigma, customer relationship management, and most other corporate systems crank out consistent results, often through analysis of objective data. The outcomes are reliable, but they don’t necessarily mean much. Companies that aim for validity instead—by embracing fuzzy data, variability, and inconsistency—open the door to innovation and growth.

Demand-Side Innovation*

Jeffrey F. Rayport

Each new generation of products and services has half the shelf life of the previous one. To secure a lasting competitive advantage, try shifting your innovation efforts to the demand side. Ultimately, it’s how companies orchestrate customer interactions, not just what firms bring to market, that determines whether they live or die.

"When" Is the Hat*

Kirthi Kalyanam and Monte Zweben

Marketers spend so much time fretting over which people to target with what message that they largely ignore the question of when. Identifying when needs or desires change and determining when customers want help are the best ways to get through. "Dialogue" marketing helps companies spot the hot irons—and strike.

You Heard It Here First

Eric Bonabeau

Although visual technology has about a 20-year jump on audio, the ears are coming into their own. Industries stand to benefit from a host of breakthroughs in sound. Music that influences which wines we buy? Billboards that talk to one person at a time? Believe the buzz.
The Coming Crisis over Intellectual Property Rights
Kenneth Lieberthal
Although many executives recognize a deteriorating respect for intellectual property rights globally, few see the particular threat posed by recent developments in China. Companies there have started flooding the world's markets with pirated versions of everything from DVDs to airplane parts—and a national emphasis on fostering economic growth at any cost makes it hard to weed out corruption. To keep IPR protections intact, global firms must wake up and take action.

Biometrics Meets Services
Jochen Wirtz and Loizos Heracleous
Biometric devices that scan fingerprints, palms, retinas, and faces are already revolutionizing security. The killer app, however, may be locking in business, not locking out bad guys. Singapore Airlines has begun using biometrics to enhance customer service. Other companies could do the same, customizing and streamlining the way people buy clothing, health care, financial services—even a cup of coffee.

Getting Time on Your Side
Mary Catherine Bateson
People are living longer, so we picture them spending more time in retirement. That's the wrong way to look at longevity. Instead, we should capitalize on it, giving employees in midlife a year or two to renew their energy and pursue new passions. Many would return to their jobs motivated to embark on a second stage of high performance.

Inversion of Privacy
Jeffrey Rosen
Europeans worry about corporate data surveillance. Americans worry more about government prying. And the young have fewer qualms than their elders about sharing consumer information. Companies wrestling with privacy issues take note: A single policy may never suit all.

In Praise of Feederism
Tihamér von Ghyczy and Janis Antonovics
It's easy to understand how corporate Darwinism works: Eat before you're eaten. A closer look at biology, though, shows parasitism to be a far more subtle and cunning strategic model. Businesses would do well to take a lesson from the fig wasp.

Don't Believe Everything You Read (Except for This)
Jeffrey Pfeffer
Publishers churn out around 3,500 business titles a year, and—wonder of wonders—not all of them offer good advice. Managers who can't afford to waste time on dreck need help navigating the ideas marketplace. Some rules of thumb: Be skeptical of anything touted as "new," keep an eye out for half-truths, and if someone calls himself a guru, run the other way.
Swapping Your Country's Risks

Robert C. Merton
How can investors in developing countries diversify their risks if capital controls prohibit them from exporting capital overseas? And how can their countries' governments diversify their economies without sinking billions into new industries? By creating an equity swap, which enables domestic and foreign investors to manage risks separately from investments.

Blog-Trolling in the Bitstream

Mohanbir Sawhney
Blogs have the grassroots credibility to influence what people think, do, and buy. Because the blogosphere doesn't rely on marketers as other media branches do, companies that want to tap into its selling power have to play by its rules.

No Risk Is an Island

Denise Caruso
Big man-made risks without owners—think of an agricultural disaster sparked by genetically modified food—render traditional risk management all but worthless. When assessing risks of this type, companies must involve a broad community that includes experts and all those who might feel the repercussions.

Let Them All Be Power Users

Thomas H. Davenport
Companies load up employees with laptops, PDAs, cell phones, and other gadgets for managing personal information but give little guidance on how best to use them. The result? Knowledge workers, the drivers of the global economy, are far less effective than they could be.