

LETTER

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TO

*A private monthly briefing
with Edward de Bono
and Robert Heller*

THINKING

MANAGERS

Inside this month:

If the law required five creative ideas a year, firms would obey. It doesn't: so what action's taken?

'Ask the simple question, what am I (are we) doing about our creativity. Answer honestly and you should get some surprises'

Why futurists are using 'Wild Cards' and story-telling to find better futures for their clients

'Create and believe in your own stories while expecting and then reacting to the Wild Card event. That will make the future yours'



2004





ACTION CREATIVE ACTION

If there was a law that every organisation had to put forward five creative ideas a year - then they would do just this. Perhaps there could be a tax credit for the ideas. A committee would examine the scale and feasibility of the idea and then assess a tax credit accordingly. But there is no such law, so what do organisations do about creativity? There are several options.

Edward de Bono

LETTER

TO

THINKERS

QUIET LIFE: Organisations do not want new ideas. They want successful new ideas. Most executives believe they are there to keep things going smoothly and to solve problems. A new idea is a distraction and a disturbance. The idea may fail.

ME-TOO: Let someone else develop the new idea. Let someone else carry the development costs. Let someone else develop the market. When the idea is seen to be successful then you come in with a 'me-too'. This is usually possible in spite of patents, etc. Sony developed the Betamax system of video recording but then VHS came in and captured the market. Often, however, 'first in the field' stays there. There may still be enough room for others who have taken no risks at all.

ACQUISITION: This is a particular form of me-too. Let some other organisation develop new ideas and then you take over the other organisation, so acquiring the new ideas. The advantage is that you only choose to buy successful ideas. The price may be high, but there is no initial disruption of your own organisation to meddle with new ideas.

OSMOSIS: This tends to happen in professional fields like medicine or in the service industries. A new idea is tried out. It is successful. People talk about it. Gradually it becomes part of the standard thinking in that field, so you adopt the idea. There is no particular decision to take up the idea, it just becomes the 'sensible' thing to do because everyone else is doing it. This is a bit like 'banker's risk'. If everyone is lending to developing countries then it is not a risk for which you can be blamed. So you lend too.

CHANCE: You sit around under apple trees waiting for an apple to fall on your head. You rely on chance to provide the new ideas. You read the literature. You go to conferences. You talk to others. Ideas do happen from time to time. Ideas have always happened from time to time. You believe the process cannot be accelerated. You have to be patient and to wait.

Research thinking is very different from innovation thinking. A scientist sets out to discover the truth. It is there somewhere. Innovation sets out to design something which is not yet there. Research can work out how to do things and solve problems that arise. This thinking is different from generating new ideas in the first place. Most organisations make a mistake here

The process champion is a person who is given the responsibility for ideas in an organization. This person may be running a Creativity Centre or may act as a one-person Centre. Other functions such as law and accounts have their own officers. Why not creativity? It is the specific role of the champion to seek and collect new ideas and to energise the creative process

RESEARCH: You rely on your R&D department to generate new ideas. That is what they are there for. They have generated new ideas in the past and will do so in the future. What is not usually realised is that 'research' thinking is very different from 'innovation' thinking. A scientist sets out to discover the truth. The truth is there somewhere. Innovation sets out to design something which is not yet there. Research can work out how to do things. Research can solve problems that have arisen. This thinking is different from generating new ideas in the first place. Most organisations make this mistake.

ADVERTISING AGENCIES: These are creative people. Surely they can suggest new ideas. Sometimes they do. They can also organise focus groups. Unfortunately focus groups are very good at saying what is wrong with a product or service, but not much good at suggesting new products and services.

CENTRE FOR CREATIVITY: A few organisations have set up a formal Centre for Creativity. This Centre takes over responsibility for the 'New Ideas' function. This Centre would organise training in creative thinking. This Centre would put together the Creative Hit-List which defines creative target areas. This Centre would energise the creative process. This Centre would act as a liaison point for a person with a new idea and the person who should be receiving that new idea. This Centre would identify creative talent and keep it focussed on corporate needs.

This Centre would invite Edward de Bono to talk to senior management to explain the need for and the logic of creative thinking. This Centre would arrange matters so that everyone is involved in creative thinking, and it is not just the responsibility of the Centre itself. To head up the Centre there is a need for someone with a lot of energy and people skills. That person need not be a creative genius personally, but should be someone who understands the nature of creativity and how it can be made to happen.

PROCESS CHAMPION: This is a person who is given the responsibility for ideas in an organisation. This person may be running the Creativity Centre or this person may act as a one-man Centre. Other functions such as law and accounts have their own responsible officers, why not creativity? This is the opposite of waiting for chance to provide new ideas. It is the specific responsibility of the Creative Champion to seek ideas, to energise the creative process, to compile the target list and to collect new ideas from any source.

CREATIVE OUTSOURCING

If you need graphics design you go to a graphic designer. If you need expert legal advice you go to an expert lawyer - even if you have in-house lawyers. If you need additional creative thinking you could have a creative contract with a 'creative shop' or even with myself, Edward de Bono.

Is there any guarantee that you would get an idea you want to use? No, but any ideas are valuable because they can be a basis for your own future thinking about the matter. There is a risk involved but it is very small.

Does outsourcing mean you have no confidence in the internal sourcing of new ideas? Not at all, it means that you realise that ideas that arise outside the culture and idiom of an organisation may be different from those that arise within that culture. You cannot be at the same time inside and outside.

SO?

Someone once said: 'Thank goodness the sun has gone in and I do not have to go out and enjoy it.' If the sun had stayed out you would have had to figure out how to enjoy it and to decide between the many possible options: walk in the park, sunbathing, etc.

Many people have the same attitude to new ideas. Such ideas are intangible. They involve effort, decisions, actions and investments. In the end the idea may not be successful. It is hardly surprising that people prefer to talk about innovation rather than do anything specific about it.

CREATIVE DIARY

Suppose you ran a corporate 'Creative Diary' in which you listed the new ideas and then followed what was being done about each idea. What would the entries look like?

What is your organisation actually doing about creativity? Very often I am told that an organisation has 'more ideas than it can ever use'. I am always a little suspicious about that reply because it suggests that the ideas are not very good. You can never have too many ideas. The idea you get next may be superior to all the others you had before.

As an individual or as an organisation ask the simple question: What am I (are we) doing about new ideas? If you answer this question honestly, you should get some surprises.

Suppose there was a company 'Creative Diary' in which you listed the new ideas and then followed what was being done about each. What would the entries look like? What is your organization actually doing about creativity? Don't say that you have 'more ideas than we can ever use'. You can never have too many ideas. The next one may be superior to all the rest



THE STORY OF FUTURISM

Managers who think about the future - which should, of course, mean all managers - are accustomed to approaching the task with logical, careful analysis of what (or so they think) is most likely to happen. Extrapolation of the past into the future is the most common exercise, although there's no logical reason why past trends should continue. But it sounds so reasonable. In fact, though, you can make an irresistible case for being unreasonable, abandoning the logical and likely for the deliberate pursuit of the irrational and unpredictable.

The obvious reason for so doing is that the realised future, as opposed to the anticipated one, is very often so highly illogical, seen from the viewpoint of the past, that it appears impossible to predict. There always is an underlying logic, naturally, but it looks much clearer in hindsight. Foresight is far more complex. The brilliant MIT professor Peter M. Segne has even stated firmly that 'It may simply not be possible to convince human beings to take a long-term view'.

Their reluctance may not be stupid. It is highly likely that sudden events of a surprising character, which combine very low probability with very high impact, will shape our long-term futures, just as they shaped our pasts and presents. These events arise not from foreseen or foreseeable trends, but rather through unexpected, discontinuous, chaotic developments - and incidents. A classic and horrible example is 9/11. The jetliners which crashed into the Twin Towers literally came out of a clear blue sky.

PLAYING WILD CARDS

You may question whether 9/11 has changed the world as greatly as some politicians and pundits argue: but, as just one consequence, with huge consequences of its own, the assault on the US made the invasion of Iraq more likely. In any event, futurists now take the so-called 'Wild Cards' very seriously indeed. At this year's Futurescene conference, staged as usual at the Unisys Management Centre at St. Paul de Vence, many fascinating Wild Cards were played. Karl-Heinz Steinmuller of the German consultancy Z_punkt noted that such cards are vital to getting the answers to four critical, but difficult questions:

- Will the trends continue to favour our business?
- What is 'the next big thing'?
- When will it happen?
- Can we prepare for it?

Robert Heller

SIGNPOSTS FOR MANAGERS

EXTRAPOLATION OF THE PAST INTO THE FUTURE IS THE MOST COMMON METHOD OF FORECASTING. ALTHOUGH THIS HAS NO ACTUAL BASIS IN LOGIC, IT SOUNDS REASONABLE. IN FACT, THOUGH, YOU CAN MAKE AN IRRESISTIBLE CASE FOR BEING UNREASONABLE, ABANDONING THE LOGICAL. IT'S HIGHLY LIKELY, FOR EXAMPLE, THAT SURPRISES VERY LOW IN PROBABILITY BUT VERY HIGH IN IMPACT WILL SHAPE THE LONG-TERM

Wild Card analysis helps you to think about the unthinkable and get better answers to the four key questions. Steinmuller starts by estimating the probability of the event: then its impact: and finally the focus - where the main thrust will occur. You can also think through the probable chain reaction that will follow from the Wild Card in question. After looking at the origins of the event, you write down the predictable impacts, then propose the likely winners, and finally the probable losers.

In one of Steinmuller's fascinating illustrations - the rise of uninsurable risks - the losing-out category probably includes all of us. His grave figures already show a sharp and sustained rise in the gigantic costs of natural catastrophes and an equally impressive fall in the proportion of insurance cover. By writing your own scenario for Wild Cards that would affect your business, you can test your central, sane predictions against the possibility that a wild one of this nature will be played.

PROBABLE, NOT POSSIBLE

For 'possibility' read 'probability'; Wild Cards are inevitable. As noted, often the wildness vanishes in hindsight. The savage attack on Pearl Harbour, like the bombing of the Twin Towers, had an insane logic of its own. The insanity (apart from that of all acts of mass murder) sprang from the secondary effects that were bound to follow - arising in both cases from massive retaliation by the US.

Wild Cards always create unforeseen and great opportunities. Rearming after Pearl Harbour led to fabulously profitable military orders, whose impact on subcontractors and incomes spread beneficially throughout the economy. The so-called 'war against terror' has likewise provided a torrent of gold. Always be on the lookout for such chances. But most managers are justifiably more interested in the specific gains that they can harvest from reading their own futures aright.

Here Wild Cards are a most useful adjunct. Thinking about them is most stimulating and opens up new windows on your future. You should, however, be less interested in making predictions of that future than in making things happen - and happen in your favour. 'The best way to predict the future', as noted by Alan

Kay, a founding father of personal computing, 'is to invent it' - like the hero of the following obviously fictitious story.

Put yourself in the hero's shoes. The Wild Card of your dreams favours you - the development of a technology you understand well in ways that will undermine the existing industry with goods and services that threaten every player. Every business will want to deploy these products whose future you see so clearly. True, nobody much shares your vision. To the industry as a whole, this is the Wildest of Cards, and your dream is their nightmare - so naturally nobody pays it any great attention.

But nothing dents your certainty that your obsession is that great and rich rarity - a truly universal product. You get your chance at mining this gold when emissaries from an industry giant arrive on your doorstep. As a largely defensive and strategically ill thought-through move, they plan to launch a product in the area of your dreams. You hastily offer them all the help they desire - David coming to the aid of Goliath.

But David doesn't make the giant pay through the nose. To get the widest possible market on the most open conditions, you wisely sell your indispensable services dirt-cheap. The product duly heads off into the stratosphere, and so does your business. Eventually your massive customer, unaccustomed to sharing success, tries hard to shake you off. You hang on, until another Wild Card is played. A different giant invents a new technology that again radically changes the game - but the inventor does nothing with it, except watch while others prosper from the breakthrough.

THE LITTLE GUY WINS

Eventually, they include you. Despite a slow start, you exploit the potential earlier than your giant customer. In the battle between David and Goliath (just as the Bible says), the little guy wins. And you become the richest man in the world. That's a giveaway to the fact that this is no fable. The hero is Bill Gates of Microsoft, and the Goliath is IBM - ably (or rather, ineptly) assisted by Xerox, without whose inventions Windows might never have taken Gates into new and higher regions of market dominance and monetary wealth.

No fable, then: but it's still quite plainly a 'story'. A true story, but nevertheless something that could have been imagined - and probably was, somewhere in the powerful mind of young Mr Gates. At Futurescene, stories joined Wild Cards as a relatively new, seemingly unscientific, but very cogent addition to the futurist armoury. You tell a story to help take your enterprise from where it is to where you want it to be.

MOST MANAGERS TAKE MORE INTEREST IN THE SPECIFIC GAINS THAT THEY CAN REAP BY READING THEIR OWN FUTURES ARIGHT. HERE 'WILD CARDS' ARE VERY USEFUL, STIMULATING NEW THOUGHT AND OPENING NEW WINDOWS ON THE FUTURE. YOU SHOULD, THOUGH, BE LESS INTERESTED IN PREDICTIONS THAN IN MAKING THE FUTURE HAPPEN IN YOUR EXTREME FAVOUR. 'THE BEST WAY TO PREDICT THE FUTURE IS TO INVENT IT'

Joe Tankersley of Walt Disney Imagineering stressed that stories in futurist usage are true, not simplistic, not frivolous, and certainly not 'scenarios'. Much used by forecasters, the scenario looks at the future from different logical angles (usually three). What happens if the oil price goes to \$x? Or \$1.5x? Or, God forbid, \$2x? This is a perfectly valid and valuable exercise that makes managers think, not only about alternative events, but about which contingency plans are required to deal with each possibility.

The technique known as 'Best World, Worst World' has a similar effect. What's the best foreseeable outcome? What the worst? Can the organisation cope with either; and, if so, how? So long as you resist the unscientific temptation to take the central outcome as the most likely, the exercise should do nothing but good - for instance, in testing your investment and marketing strategies. But BWWW won't create the best world for you. For that, a story will be far more effective, as Walt Disney found, both with the animated cartoons which are still its bedrock and in the planning of its modern business.

THE A4 EXERCISE

What the technique does is to animate the A4 exercise that I have often recommended. Take a sheet of A4 paper, and write across the bottom a succinct and brutally honest account of where the company is now. Across the top, write where you want the organisation to be at a chosen point in the future. In between write down the major steps and stages that have to be achieved to get from the bottom to the top, which will usually mean from mediocrity to excellence..

When animated by a professional story-teller, the A4 plan becomes a living document. The narrative is developed until it is a cohesive, agreed depiction of the future that everybody wishes to build - to make happen. The story may concern a sub-future, one of the building blocks needed for the whole glorious future outcome. But whatever the tale you tell, always follow Joe Tankersley's injunction; REACH FOR THE STARS. If you're going for a story, make it a great one, with a truly happy ending.

A TECHNIQUE KNOWN AS 'BEST WORLD, WORST WORLD' ASKS, WHAT'S THE BEST FORESEEABLE OUTCOME? WHAT'S THE WORST? CAN THE ORGANISATION COPE WITH EITHER AND, IF SO, HOW? SO LONG AS YOU RESIST THE TEMPTATION TO SEE THE CENTRAL OUTCOME AS THE MOST LIKELY, THE EXERCISE SHOULD ONLY DO GOOD - SAY, IN TESTING OUT PLANS TO INVEST AND MARKET. BUT BUILDING A BEST WORLD DEMANDS THE BEST STORY

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There are other story-telling rules. Tell one story, not several, says the Disney man. Change your story often. Ensure that it is internally consistent. Every story needs a hero - but that hero shouldn't be technology. Embellish the story for effect. And give it away. Let others share the story-telling and contribute to a winning narrative. That many-sided contribution is going to be vital, anyway, in acting out the story in real time, as the future mutates into the present.

In my view, that message about reaching for the sky is the most important lesson to emerge from Futurescene. If you under-aim, you are more than liable to under-achieve. Conversely, if your aim is staggeringly high, it is amazing how much you can achieve - more, very possibly, than you yourself expected. Did it ever enter Gates' mind that tiny Microsoft would one day be worth more than the magnificent IBM? Even if that thought did occur, it's impossible to believe that Gates visualised the actual outcome in all its full, astonishing size - Microsoft's market value is nearly double that of the giant which gave Gates that first crucial contract.

The actual numbers reported by Business Week on 26th July are \$284.43 billion for the software king and \$150.56 billion for IBM. The latter also ranks well below the microprocessor champion Intel (\$184.66 billion), in which IBM once held a 25% stake. It's not as if IBM has been a total failure in the new century. On the contrary, its diversification into services has won general praise. But Microsoft and Intel each had a much better story to tell and to enact - and, though both had their moments of weakness, they were saved by that once Wild Card: the digital revolution.

THE GREAT STORY

In one of those weak moments Gates was so alarmed at the mounting threat from a hostile IBM that he offered the giant an Intel-like stake in Microsoft. He was turned down. The horribly bad decision reflected the same erroneous attitude that had shackled IBM's strategy all along. Its original story sounded so great. Tabulating machine company turns to computers and creates the industry that powers a whole new world of enabling technology: and yet IBM still has the energy to move from big machines to small, creating a PC-based computing empire of even greater dominance.

But IBM never really believed in that second part of its story. The moral for others is to create and believe your own transcendent stories while expecting and reacting to the Wild Cards which will determine how those stories unfold. Don't let the future happen to you, in short, but do make it happen the way you want.