

## Seeing things differently

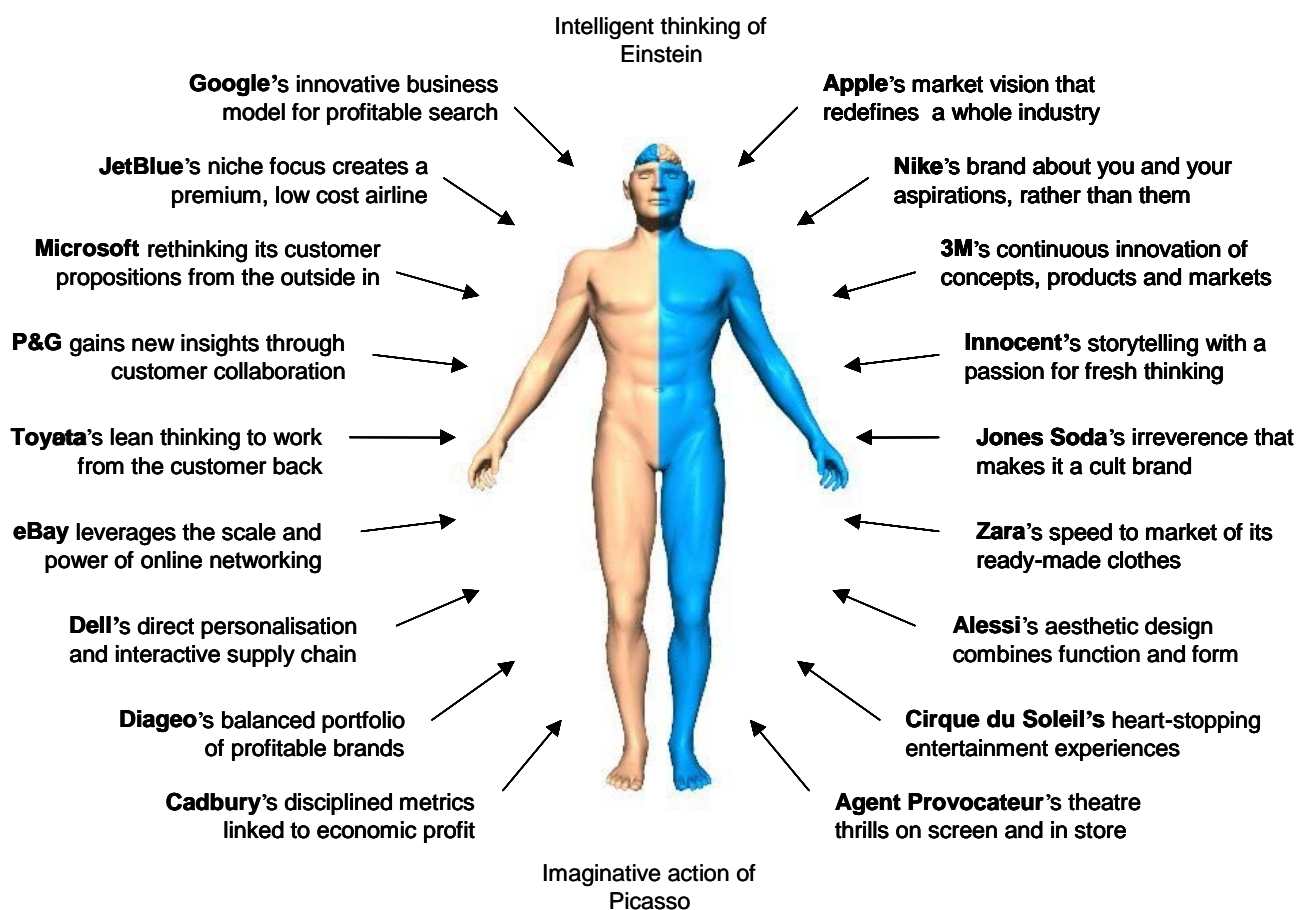
A more insightful and inspired approach to innovation and growth.

Peter Fisk

Business has grown fat and lazy on the predictability of markets, dominated largely by communicating what exists to those who will listen. In recent years business has become more analytical, driven by databases and metrics. It has also become more intrusive of the customer, and less effective.

Indeed in today's highly complex markets - where audiences have fragmented and competitive intensity has tripled, where consumers receive 1500 promotional stimuli every day and typically make decisions in 2.6 seconds - a more intelligent approach is required, to identify the best opportunities, to focus on what really matters.

However today's business also requires a more creative approach, to stand out from the crowd, to engage suspicious and promiscuous consumers, to sustain innovation which is not commoditised before it even reaches the market, and to exploit the emerging markets that will drive future cashflows.



From the desire for an iPhone to the funky world of Crocs shoes, the network power of MySpace to the disruptive impact of Skype, the virtual vision of Li & Fung to the opulence of Shanghai Tang, today's market leaders think different.

The “genius” of business lies in the ability to make sense of apparent conflicts or paradox. It lies in the ability to connect outside and inside, markets and business, customers and shareholders, creativity and analysis, promises and reality, today and tomorrow.

Customer insight and creativity are important, but must be combined with the analytical and commercial rigour that drives strategy, innovation and growth.

Leading businesses, like Einstein and Picasso before them, see things differently, as a result believe different things, and by applying their intelligence in more imaginative ways can do extraordinary things.

### **Taking off the blinkers**

Too many businesses are obsessed with themselves, and the organisations and products which they describe – how to do what they do better, reduce their cost base, automate their processes – rather than their outside. This important but limiting preoccupation - plus the blinkers of functional silos and industry conventions - means that businesses often miss what matters most.

Similarly, the obsession with more data, more analysis, more measurement, and more process leaves little space for intuition, creativity and the bigger picture. We look to employ people who are masters of the spreadsheet, rather than for their different skills and experiences. It is a recipe by which companies will converge to sameness, for incrementalism, and ultimately for irrelevance.

Ask Kodak, the market leader in photographic film for many decades, who within a handful of years found that their market had disappeared, swallowed up by alien digital worlds led by the likes of Sony and HP. They had not even been on their radar screen, until it was too late.

The best opportunities and biggest challenges are outside not inside. Market change and its implications are often discontinuous, requiring more significant responses. They should be the starting point of any business strategy rather than a consequence. Market-thinking should be at the heart of decision making, and market-thinkers at the heart of business.

Apple watched the market for music fragment and blur into chaos, as new technologies disrupted the industry model and consumers began to rebel, new entrants challenged the economics and old formats quickly became obsolete. Apple brought together an innovative solution in the form of hardware and software – iPod and iTunes – to offer a way through this turmoil, to redefine the industry dynamics, with a compelling and profitable solution

### **The rise of customer power**

Whilst borders have blurred and markets merged, within markets there is a shift from economies of surplus demand to those of surplus supply. Customers now call the shots. Most of us, in the western world, typically have everything that we need, so our wants are more emotional and unarticulated. Customers are more different too, more informed and less tolerant. Gone is the day when we fit into a well-defined segment, or adhere to average market research statistics. Customer expectations are sky high, and their loyalty is rare.

The noise in markets is deafening, as we are bombarded with at least 1500 commercial stimuli every day, many causing resentment through the deluge of direct mail and intrusive telemarketing. A young person is likely to have seen around 150,000 different ads by their 18th birthday. Indeed kids have learnt to cope with more – research shows that they can typically deal with 5.2 activities at once, whereas adults can only survive with 1.6 - and men even less. Therefore we need to address them in different ways.

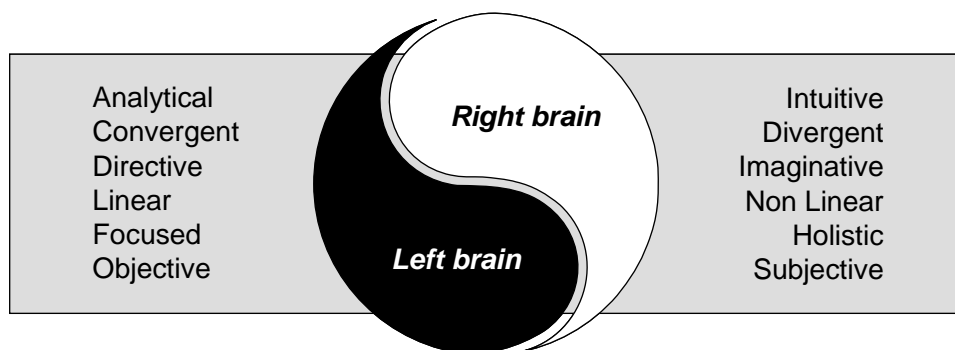
We surf through 300 channels of television, dispersing our lifestyle patterns, and destroying the predictability that advertisers used to rely on. And neuroscientists have found that consumers typically choose which brand to buy within 2.6 seconds, not long to turn marketing promises into profits. And the competitive response has been to work harder rather than smarter, with more products, more options, more campaigns – product lifecycles have typically fallen by 70% in the last decade, whilst

75% of customers now turn to personal recommendation, rather than anything a brand might tell them.

### The yin and yang of business

So what should businesses do? How can they throw off their blinkers and address the emerging market landscapes, and address the new balance of power?

The essence of genius is to apply intelligence in a more imaginative way. Imagination is required to see the uncharted waters, the bigger picture, to drive more sustainable innovation and differentiation. However business also requires more intelligence than ever, to make sense of complexity and provide focus amidst unlimited opportunity.



Analysis and creativity are richly complementary, despite us often seeking to label people in one way or another. Human beings have evolved with brains that can do both, and as result perform better. Analysis helps focus creativity on areas of most impact; creativity helps to break through data to find insight and direction. It requires the left and right brain to work harder together, and to embrace the yin-yang opportunities.

Today's geniuses must combine the scientific mind of Albert Einstein, with the creative touch of Pablo Picasso, one a phenomenal mathematician who could only reach new places through hypothesis, the other a radically unconventional artist but with a technical training. So how would such figures approach the challenges of today's markets?

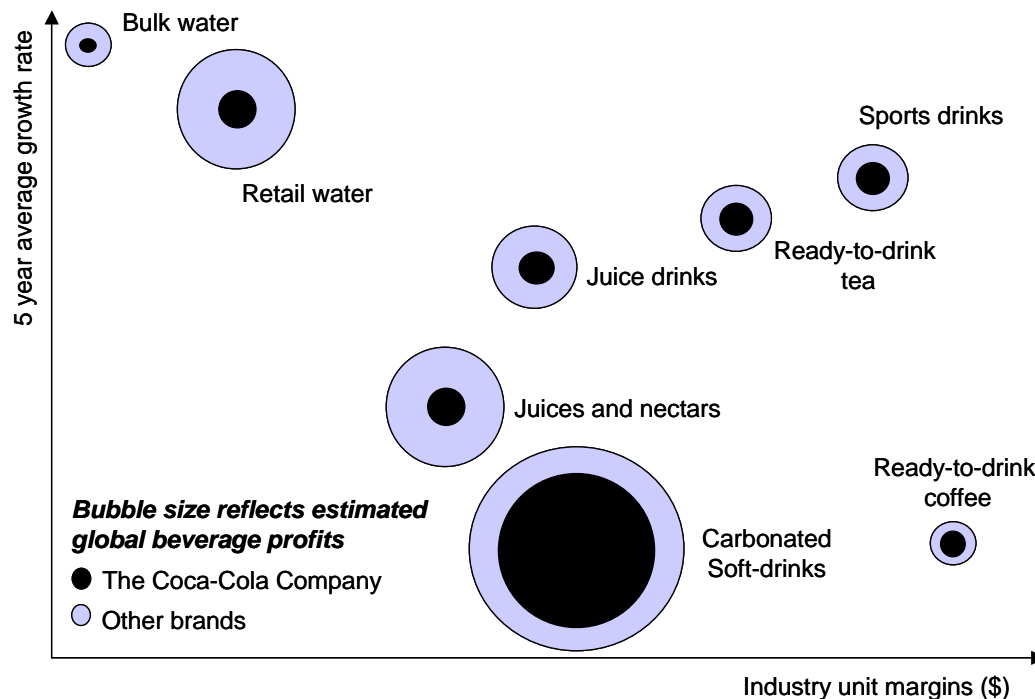
Perhaps king of movies and technology, Steve Jobs, designer-cum-philosopher Philippe Starck, or accountant turned marketer Phil Knight of Nike can give us some clues. However it is not only for the chosen few. You too can achieve "genius" in your everyday decisions and actions. A genius thinks more intelligently by making sense of chaos, and acts more creatively to cut through the noise and engage the sceptics, and as a result is able to deliver extraordinary and definable results.

### Seeing things differently

Like with the Alessi orange squeezer, the transforming effect of iTunes, or the brand endorsement of Michael Jordan, a genius is able to see things differently, and thereby has the belief and opportunity to do extraordinary things.

In business, the starting point is to see the world from where customers stand - to see products and services, business and sectors, the way real people see them. The obvious questions then no longer have simple answers – which market are you in, who are your customers, what do they want, how do they use your products, who are your competitors, what is your difference, where to focus, and what will happen next.

Even the world's leading brand, Coca-Cola, has recognised that it must reframe its market context, and that juices and teas, rather than carbonated drinks will more likely drive its future success.



Source: data sourced from coca-cola.com

The magic however, is not just in the insight but in the actions that can follow. A business leader who sees a new landscape, with appropriate direction and stimulus, develops the belief and conviction to act differently – to disrupt the industry conventions, to do what everyone else has avoided, to innovate the market rather than just a product.

### Doing extraordinary things

Strategies become more directional and flexible, but with stronger focus on the best opportunities, existing and emerging. Planning starts to work from the future back, rather than an extrapolation of today. Doing the right thing matters more than doing things right. And doing it right and fast, before somebody else grabs the new ground, or best ideas. Knowledge becomes a commodity, the ability to turn insight into innovation creates the advantage.

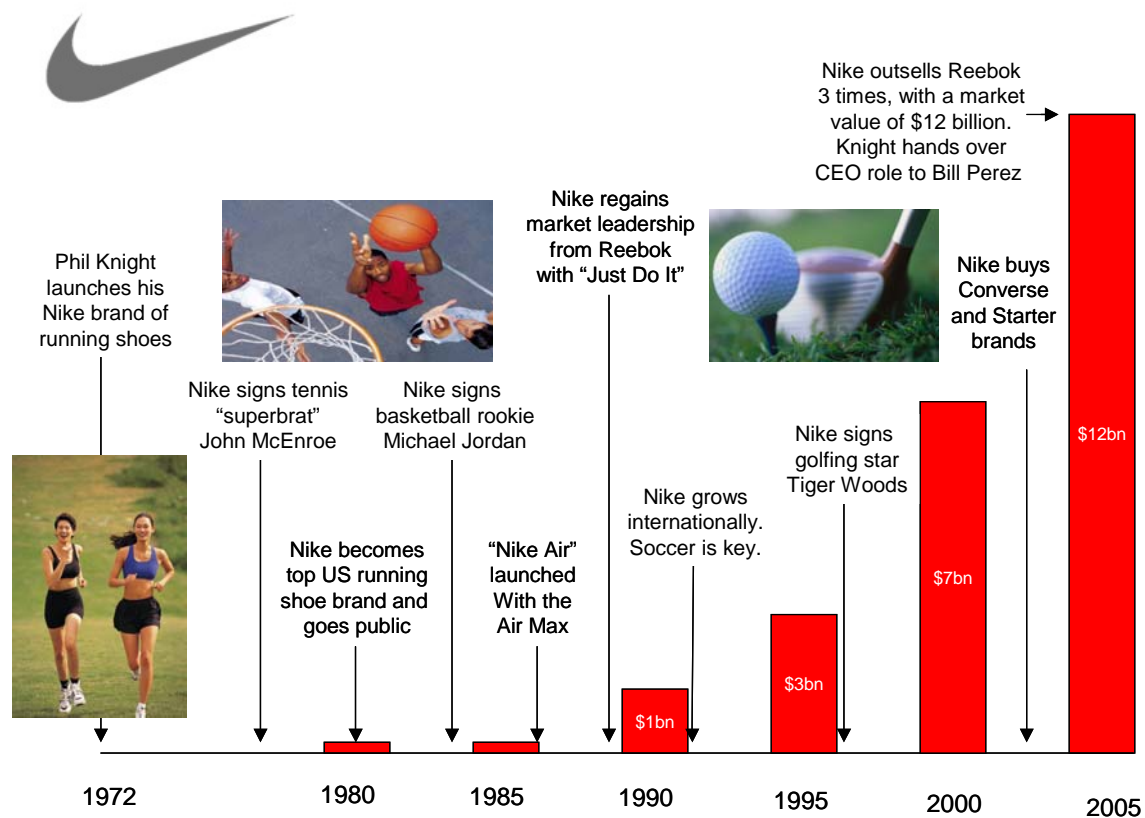
Look at the leaders of Dell or Tesco, eBay or Zara – they are market-thinking people by background, who intuitively “start with the customer and all else follows” (as Google defines its number one principle). They bring an outside-in approach, starting with the market rather than what they have done before, obsessed with their customers and competitors, championing the brand and innovation, constantly searching for new ways to stay ahead.

Indeed when the CEO comes from a customer-related background, as 21% of FTSE CEOs do, then the impact can be even greater. Recent research shows that such companies generate 5.9% better shareholder returns than those led by people with an inside-out, operational perspective.



## The “future back” business

Whilst customers must be the orientation of business, performance is ultimately measured financially. This only becomes a tension when the two goals get out of kilter. Over the longer-term, creating exceptional value for customers is the only way to create significant value for shareholders. Profitable growth enables this virtuous circle.



Source: data from [nikebiz.com](http://nikebiz.com)

Shareholders invest in companies in order to get a return on their money. They look at the future earning potential of a company, the cash the company is likely to generate over future years, the new markets and products which will drive it, and the strong brands and relationships which make it more certain. They take the longer-term view.

Yet in business, we spend most of our time focused on the short-term. Of course, this matters because cash is needed to pay the bills, and provide some indication of future success. However the long-term matters more. Marketers, in particular, end up torn between the short and long-term, between sales promotion and brand building, product derivatives and real innovation.

Indeed shareholders look for the things that the forward orientation of marketing provides: profitable growth through market and brand strategy, innovation and relationships.

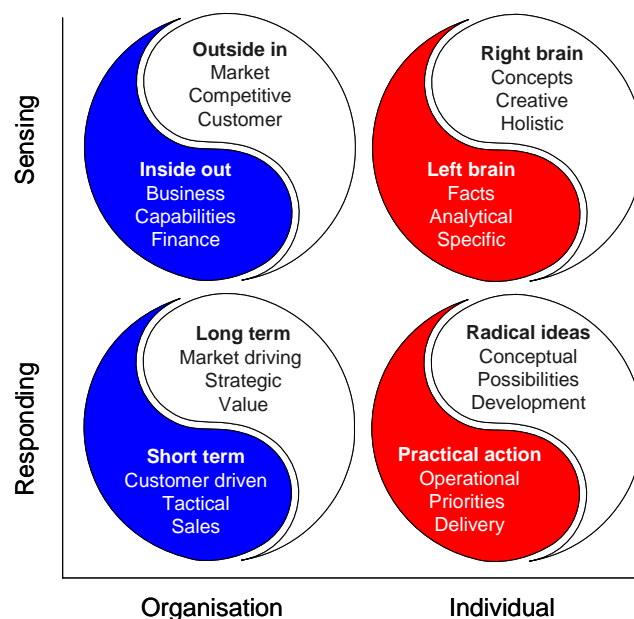
When P&G acquired Gillette in early 2005, only \$6bn of the \$57bn purchase price was for its tangible assets, the vast majority of the value being due its brands and relationships. On average 86% of market value is intangible, which is the real measure of the worth of new ideas, the right market choices, and the brands to ensure future success in them.

Strategy, innovation and performance should therefore be considered from the “future back”, and then reconnected to “now forward”. This is a more inspirational, less restricted and more distinctive place to start from.

### Geniuses wanted

In today’s incredibly complicated world, every business faces enormous change, uncertainty, and opportunity. The best ideas will make companies great. Customers, rather than capital, are increasingly the scarcest resources. Market strategy and brands, relationships and innovation are the most significant drivers of economic value.

As organisations, genius is about sensing the best opportunities, then responding in ways that drive short and long-term results. As individuals, genius is about engaging left and right brains to see and think differently, and responding by turning the best, most radical ideas into practical actions, and to inspire people to deliver them.



The genius of business lies in seeing the things everyone has seen, but thinking what nobody has thought, engaging the whole brain to turn great ideas into profitable implementation, creating tomorrow whilst delivering today.

For more information visit [www.thegeniusworks.com](http://www.thegeniusworks.com)

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## Genius Numbers

**2 sides of the brain ...** Business needs to engage both left and right-sides of the brain to make sense and stand out in today's markets. To be more visionary and focused, creative and analytical, strategic and practical.

**2.6 seconds to make decisions ...** Customers don't make rational purchase decisions. Brands need to stick in their heads, more emotional and memorable enabled through more memic and personal communication.

**3 times increase in competition ...** Markets have blurred as barriers fall, technologies converge, and customers change their context. This typically generates more competitors, rapid imitation and relentless pressure on margins.

**5.4 things kids can do at once ...** Youth markets require a different approach. They are able to cope with more complexity, driven by different influences and stimuli, and a different world view of what is right, good and matters most.

**5.9% better returns by marketing CEOs ...** business leaders with a market-related background are more able to seize the best opportunities, champion customers and competitiveness, and deliver superior long-term shareholder returns.

**25% of portfolios create value ...** a minority of customers, products and markets typically create the majority of economic value. Have the confidence to focus on these value creators and eliminate the value destroyers.

**50% of marketing is wasted ...** but which half, asked Lord Leverhulme. The current proportion could be even higher, due to media fragmentation and complexity, yet marketers are obsessed with pushing even harder, and still struggle to measure it

**54% of people have banned marketing ...** the proportion of US households that have registered to block telemarketing at donotcall.com, driving a communication model based around permission and personalisation.

**60% of market research is unused ...** highlighting the limited engagement in and perceived value of conventional research. Business decision-makers need to see the customer perspective more personally, objectively and holistically.

**86% of market value is intangible ...** reflecting the future rather than today's profits, and driven by the potential impact of market strategy and innovation over future years, and the strength of brands and relationships to ensure and sustain it.

For more information visit [www.thegeniusworks.com](http://www.thegeniusworks.com)  
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Peter Fisk is an inspirational author and speaker, consultant and entrepreneur. His best-selling book *Marketing Genius* has been translated into 28 languages, and he was recently described by *Business Strategy Review* as “one of the best new business thinkers”. His new book *Business Genius* describes the challenge of sustaining business growth through turbulent times.

He has worked internationally with market leaders including British Airways and Coca Cola, Marks & Spencer and Microsoft, Virgin and Vodafone. He was the transforming CEO of the Chartered Institute of Marketing, led the global strategic marketing consulting team of PA Consulting Group, managing director of Brand Finance, and partner of strategic innovators The Foundation.

He now leads The Genius Works, helping business leaders to see things differently – to develop and implement more inspired strategies, innovation and marketing. *The Genius Lab* is an accelerated innovation process. *Zoom Ventures* brings together business investors and social entrepreneurs. *The Fast Track* is an accelerated development programme with workshops and retreats worldwide.

For more information visit [www.thegeniusworks.com](http://www.thegeniusworks.com) or email [peterfisk@peterfisk.com](mailto:peterfisk@peterfisk.com)