

Paul Sloane

How lateral thinking helps you innovate from new perspectives

Speakers:

Nick Skillicorn – Innovation and Creativity Expert and Host of Innovation & Creativity Summit

Paul Sloane

Expert Interview transcript:

Nick Skillicorn: Hello everyone and welcome to another interview session today I am very proud to have Paul Sloane on the line. He is the author of Think Like An Innovator and an avid blogger on the subject of innovation. Paul we have known each other for a while but its very nice having you here as part of the summit.

Paul Sloane: Thank you for asking me Nick

Nick Skillicorn: Absolutely. So for anyone who isn't familiar with your work and hasn't got your book yet, can you give us a little insight into how you got started with innovation, what's your background?

Paul Sloane: I studied Engineering at university and I worked eleven years with IBM as a marketing Director, a managing director & CEO of a software company and along the way I wrote a book called Lateral Thinking Puzzles which became a best seller. And I became interested in how you use the same techniques used to solve the puzzles in business to solve business problems, I started thinking speaking about that and I read a book The Leaders Guide To Lateral Thinking Skills which was how leaders can use lateral thinking to improve agility and innovation. It just snowballed from there, and now I go around the world helping organizations improve lateral thinking, creativity and business agility.

Nick Skillicorn: Is this lateral thinking that you are talking about, the same lateral thinking that form the basis of the six thinking hats from Edward De Bono

Paul Sloane: Yes Edward De Bono coined a phrase in counter pointing to conventional thinking to where we think on rails, we go straight to the point. Lateral thinking means coming at the problem from the side, it means finding new fresh approaches to business problems.

Nick Skillicorn: Can you give us an example of what that actually means, because the concept of lateral thinking might be difficult to wrap your head around. So when you are describing it to people how you would describe it?

Paul Sloane: Until the nineteen twenties all shops were like the Victorian shops, you go in and an assistant will serve you some lard or some butter, some bacon the assistant gives to you. And a man called Michael Cullen said what would happen if we turn the shop around instead of the assistants

servicing the customer, the customer helps themselves to any goods they want and paid at the check outs. The experts then said it's a really stupid idea, customers want service, you got price, and people are going to get confused you are going to running around the back of the store and he said I am going to do it. He created the World's first super market, The King Cullen store in New Jersey. It's an example of lateral thinking; it's about finding a different way entirely to meet the needs of the customers. The customer has a need to be served in the conventional ways to serve him or her but his idea was lateral, turn it around let the customers serve themselves.

Nick Skillicorn: So it's about taking something that is established and looking at it from new perspectives.

Paul Sloane: Exactly right, you can develop something so far and most of the innovation seems incremental innovation so if you start the design for an aeroplane you can increment and improve it in all sorts of ways and make it a better more fuel efficient, faster and more comfortable but you cannot incrementally improve it into a helicopter because it was an entirely different design. You can't incrementally improve it into a space rocket because that's a fundamentally different design and sometimes you just have to say is it's an entirely different way to do what we are doing and that's deliver value to our customers and that's where lateral thinking comes in.

Nick Skillicorn: One of the things I like about reading your stuff is you talk about examples and case studies of lateral thinking like this, you also give people exercises that they can try

Paul Sloan: I give lots of exercise that they can try many of them trip them up yet, those exercises demonstrate that we are very rigid. I think we make assumptions every time you approach the situation in any walk of life you make assumptions, those assumptions limit your ability to see a new possibility and very often it's the incumbents in the business who are beset by assumptions, it's the newcomer who challenges the assumptions and does something really different.

Nick Skillicorn: I was just asking if you can give us an example

Paul Sloane: Well you know Lufthansa and British airways and air France thought they were running a really tight, lean operation but there are certain minimum standards you have to apply, you have to issue tickets for planes, you have to sort through with travel agents, you have to have allocated sitting, you will have to give people a free cup of tea or coffee on the flights those were minimum standards they assumed. And then when Southwest came along in the US and Ryan air and easy jet in Europe, they broke up all of those rules, they challenged those assumptions, they didn't issue tickets, they had e tickets, they didn't sell through travel agents, they didn't have allocated sittings, they didn't have free cup of tea or coffee, that Ryan air had gone one step further they have done away with a concept of customer service. You expect to be insulted on one of their flights and by doing that, they change the rules of the game completely and created a whole new market.

Nick Skillicorn: Some of the lateral thinking puzzles that I see on your website and books, well they are not necessarily always related to business and that's one of the different ways to approach problems by thinking, I like to describe them in form of riddles.

Paul Sloane: Yes many of them are riddles and many of them are set up so as to deceive the listener and to lead them down one path but it just shows how rigid our thinking is. So would you like me to give you an example?

Nick Skillicorn: Yes I will love that

Paul Sloane: A man was driving down the road, he passed a sign that said speed limit 40, he drove on further and he passed a sign that said speed limit 30, he drove on further and he passed a sign that said speed limit 20 he drove on and he came to a sign that said speed limit 10. What did the next sign that he came to say?

Nick Skillicorn: yes the thing is I know there's going to be a trick behind it, I am trying to figure out what the trick it is, I am going to say something like Smith's funeral home because actually that's because he hit a wall or something.

Paul Sloane: most people say stop or zero or go back or something else the fact is that the next sign that he came to said "welcome to speed limit". It's not Birmingham 40, Birmingham 30 or 20, no technique but soon a speed limit is meter or km/h. Once you thinking that way, you have had it. And of course it's okay you can say it's contrived but it illustrates the point that we are making assumptions that we understand what speed limit is, but in this case speed limit is a name of a town

Nick Skillicorn: I think that exactly, there is a perfect example of as you said people getting fixed in their way of thinking and it's something that really prevents innovation in a lot of companies because they have got their "this is how, this is how we do it", (not to steal lyrics from a famous nineties R and B song) but there's only sort of one way to do business and you might be able to tweak it slightly to incremental improve it but fundamentally we are not going to change this vital part of the business.

Paul Sloane: Yes most people think with the model rather than looking for a new model so when Travis Kalanick was in Paris in 2009 at a conference he couldn't get a taxi, there were no taxi, there's always a shortage of taxi in Paris as you know and most of us will think well they need more taxis, we need to get a bus or a metro or walk. And he thought to himself is there an entirely different way to solve this problem, could I harness the unused capacity of all the drivers in Paris and would be quite happy to give me a lift if I pay them some money and he created Uber. And it's just a completely different approach to the problems of taxis and availability being around for the last century and he just found a new way to solve it. It's quite remarkable that there are always new and better ways to do things if we prepare to really think about it.

Nick Skillicorn: so if it's so simple to just look at problems from a different perspective, why is innovation so difficult and challenging for a lot of companies?

Paul Sloane: Well it's a good question, you never meet a senior executives who said innovation is not important for our business; we don't need to innovate. They all want to be more innovative and the bottom of this companies that customers facing people want more innovation, but it's really hard and there are a lot of frustration and one of the biggest enemies of innovation is business as usual. People are so busy on the day job working flat out; they've got no time to try anything new. And they've got these objectives to meet customer demands, have got complaints, problems to fix, current problems and those are all important things to do. It doesn't free up any time for experimentation, prototyping, exploring ideas and that's what innovation is. You don't get innovation for free, so innovation involves trying things many of which will fail.

If everything you try succeeds, it means you typically trying just incremental stuff and nothing to do and you should be trying things that don't work. Of course that's costly and people don't like it. They associate it with failure but the experiments involve things that work and things that don't work, they need to change attitude to failure which a lot of people find difficult. So two of the reasons are fear of failures and business as usual.

Nick Skillicorn: I think the concept of failure is one that you see it change a lot in place like silicon valley and a lot of the tech companies where the mantra is fail fast fail cheap, but you can apply the same concept a lot of other businesses if you just reframe failure as experimentation and each experiment is just a way to gather more data that get you closer to well either moves you away from something that won't work or towards something that will work

Paul Sloane: Yes I think that book by Eric Ries, the Lean Start Up, it's very instructive, one of the things he said in that is that most companies design a big innovation, they try and get it right, they try and launch it. Think of the segway, its designed in secret and enormous efforts went into getting it right before it was launched and he says that's the wrong approach, what you need is a minimum viable product and that is the smallest crappiest, simplest vision of the concept which you put in the hands of the customer and say do you like this idea and it doesn't have to be any way near a finished product and but at least then you get some feedback from the user as to what they like about it and what they don't. Instead of going down the wrong track you adjust early.

Nick Skillicorn: going back to the book you mentioned earlier, the thinking skills for business leaders or guess I am paraphrasing it or what is it called?

Paul Sloane: it's called a Leaders Guide To Lateral Thinking Skills.

Nick Skillicorn: What are those skills and capabilities that leaders develop, what's the main gist of the book in there?

Paul Sloane: The main gist is to challenge assumptions, every assumptions in the business, to ask questions, the innovative leader is permanently curious, they don't have the answers, you are going to see command and control in the conventional leader, they will say do this, do it my way the way we have always done it fix it, get it done by Tuesday, here is the answer. The innovation leader says why are we doing this at all, what is the purpose of this, what is the added value, you only go to him with an idea, he or she says what other things have you thought of, they challenge you. So they are constantly challenging their people to find new and better ways to do things and they give everyone two jobs, doing their current jobs and find a better way to do it. So they are asking questions and looking outside for ideas constantly or something, running more brainstorming and internal ideas, starting fires and then putting them out. People think they are crazy because they are asking people to try new things and if they don't work the closing them down and try something else and some people are uncomfortable with that but really good people love it.

Nick Skillicorn: I think that's a good segway (again no fun intended) into your new book which is Think Like An Innovator. The thing is I have got my own copy, it's a very good book and the thing I like about it, is very focused on case studies and examples of how business leaders actually approach challenges in their own businesses. Can you give us a couple of highlights from the case studies that you find in your talking engagements and in your workshops where you resonate with people.

Paul Sloane: Well I tell a lot of stories in my talks and I decide to put most of the best stories into the book and the example's chosen not because they are the best innovators or have the best ideas but because there is something we can learn from each of them. So one of the stories that I tell is Don Estridge. Don Estridge worked in IBM in the late 70's and at that time IBM dominated the main frame business and was strong in other sectors but it could see the rise of Apple and Commodore and Atari selling personal computers and set to Don Estridge design an IBM Personal computer. At that time everything IBM did was vertically integrated, designed it's on boards, its own power supplies and operating system, everything was closed and proprietary designed to a very high standard which worked fine for mainframes. Don Estridge realized that if he followed the IBM approach it build product which was over engineered to costly which will come to the market too late. So he broke every rule in the IBM rule book, he created an open system he went out and bought the processor from Intel thereby making Intel's fortune, he brought the operating system from Microsoft thereby making Microsoft fortune, he brought the product in the market in less than a year which was unheard of in IBM terms. And it was a big success, not because it was the best but because of the open architecture design many people could add in cards and box very easily and he was supported for it. IBM recognized he broke all the rule in the book in the business but he succeeded and he done well and they were smart enough to see that. By the time he died in an air crash in the mid 80's, the IBM PC would have been the third largest computer company in the world after IBM and DEC. So that's an example of a rule break and what he said was move fast, have fun and take risks.

Nick Skillicorn: One thing that I always find fascinating about IBM is their transition from the previous way they do things to their new innovative ways of thinking where in the last couple of years they have decided we are not going to compete anymore in the hardware, we are going to focus on consulting and service and they moved from as you said being the world's largest hardware manufacturer and that was across main frames, laptops and personal computers and work computers to essentially getting rid of almost all that business apart from some servers. One of my other very interesting story about innovation at IBM was that I think this might be related to what you are talking about, apparently there was industry trade show or something here IBM was also developing it's on operating system called Os2 at that time, apparently there was two IBM stands selling two different products to the same market and kind of bad mouthing each other. It is being developed in these two silos within the same business

Paul Sloane: There are many other examples in the book so I tell the story of Gustave Eiffel and the French revolution in 1789, a hundred years after in 1889 the Paris elders and authorities wanted to build something to commemorate the centenary the French revolution. So they had a competition and various people submitted designs and Gustave Eiffel who was an engineer submitted his design for a huge iron tower, bigger than anything that has ever been built or tried anywhere else in the world. It was twice as big as the next biggest building and he put it forward, a lot of people are horrified.

The great and the good of Paris and some of the most eminent thinkers and writers objected very strongly to it, they said this is going to ruin the Paris skyline, it will dwarf the Notre Dame, it will look so ugly, it's a hideous thing that they didn't like the design. And he said well let's just build it, it's an experiment, let's just build it for the exhibition, will be out for a couple of years and we will pull it down. And by arguing that way he was able to convince people that they should try and he

summoned Paris that we should be proud of what we can achieve, the French were very intellectual, we are smart, the engineers let's just show the world we can do it and then we put it up and again we can always put it down. He got approval and he put it up and it has remained there ever since. It's become a symbol for Paris, it's the most visited paid monument in the world and it was a pilot, it was a temporary structure. And the lesson for us is that is that if you are having difficulty getting approval try and get approval for a pilot scheme rather than a permanent change. We can just try this with a small group of customers in one place and see how it works please rather than launch everywhere. And very often you get approval for that where you wouldn't get approval for a full blown project.

Nick Skillicorn: I know it's something I see a lot with the people I work with. The main reason that business leaders often say no to ideas as they think through every possible negative scenario that could happen and obviously it is easier as humans to be risk averse than well and to think of risk averse ideas than to think of positive ideas but if you just frame what you are suggesting as being knowingly imperfect to start with but just needing to start out and try out the experiments and get to the next iteration and figure out what the actual customers feel about it before spending millions on a worldwide launch, it completely reframes what you are asking for and it makes it much more likely that you get approval for it

Paul Sloane: Yes I saw a leading venture capitalist speaking, the guy behind Evernote and then he said the way most business leaders make decisions on new projects is like they look at all pros and all the cons and they look at all the problems and difficulties and reasons why it might fail, they rule that out and they go for a safer thing. He says the venture capitalist doesn't look at that, he says when we looking at several different project, he says what's the upside, what's the most, even if it's unlikely to succeed, if they succeed how big could it be then if it could be huge, then he's prepared to back that. Even though he knows it's likely to fail, he's got all this reasons why it might fail, the technology is difficult, the market is difficult, all this but if it does work, the payback is enormous. So he says I will back it up, I will put ten thousand dollars into it and if it fails I will write it off because he is looking for a billion dollar pay back. If he does that sooner or later he will get an Amazon or a Google or an Apple and pay off but we tend to say there's a lot of difficulties, let's go for a safer option, let's go for a safer new product, that was too risky.

Nick Skillicorn: It's amazing to think that people are willing to spend money on a lottery ticket but not something that actually has some thought behind it. Sometimes you want to disassociate yourself completely from the actual work that needs to go into something, just sort this and hope for the best and hope that you win the lottery. I think that a lot of business leaders, they hope that their staff are going to do a similar thing, they just say be doing your day job and innovate when you can and they are just hoping in that situation is going to come Amazon, the next billion-dollar idea without them having to risk anything.

Paul Sloane: You have to mandate innovation, you have to tell people and list in your objectives so there's going to be an appraisal, so when it comes to the appraisal at the end of the year they say Nick you did a great job but what do you want to do as a champion, what new ideas, what new things have you tried? If you are going to get promoted to the senior director, you have to take some risks and people then get the message that it's okay to take some risk, it's okay to fail, it's actually expected when you are trying new ventures and that's the way to change the culture from a

business as usual, work hard, get on with it keep your head down kind of a culture to one which is more experimental.

Nick Skillicorn: Paul it's been wonderful speaking with you today. If you can give the listeners and viewers one piece of advice on something they can go out and actually try based on what we have talked about today, one sort of actionable piece of insight, what will you suggest they do?

Paul Sloane: I will suggest that they try lateral thinking technique called the random word where in a brainstorm, you open a dictionary and you take a word of random and you try and form an association between that word or its attributes and the challenge. I demonstrate this in my TEDx talk, if you go on YouTube, you will see Paul Sloane TEDx, it's a fifteen minutes video and I shared exactly how this works with the dictionary, it's very lateral because you are introducing a completely random input into the process. Because typically to solve a problem starts from the same place and we head towards the problem with our best intentions. With a lateral input, it can be a picture or a song or an object or a work, it force you to start from a different place therefore you are more likely to come up with different crazy stupid but maybe brilliant ideas

Nick Skillicorn: Paul thank you so much for being here today, we are going to have a link on the screen where people can go to find out more, where that link is going to take them,

Paul Sloane: It's going to take them to destination innovation. Destination-innovation.com which is my website

Nick Skillicorn: Perfect. Paul it's been wonderful having you

Paul Sloane: My pleasure entirely Nick