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Becoming a Next Practice Business

How to apply the strategy and management practices of creative disruptors to transform established businesses

Carl Bate

Everyone knows the real world is complex. And everyone knows the digital era has created a level of uncertainty, disruption and possibility that has never been seen before. And yet management culture embedded in some of the world's largest companies merely serves to artificially simplify the real world and consequently limit business potential. However this does not have to be the case. The successful could be even more so. The companies currently breeding a better dinosaur while ignoring the oncoming comet could still evolve.

Simple ideas can transform the world, but being able to navigate complexity to execute on them is a critical success factor which many large companies struggle with. This article is based on work with a number of leading companies where the common success factor has been self-disrupting by shifting culture, capability and intent toward Next Practice. Here, "next" works on two levels: first, referring to the kind of strategy and management practices which are designed from the ground up to work in the digital age (everybody knows digital is changing everything, but many "best practices" in business were established before global information connectivity), and second, ways of thinking and working which help leaders and teams not only consider what has worked in the past ("best"), but what could work better now ("next").

One of the key leadership characteristics of creative disruptors and digital leaders is that they are complexity fluent; that is, they are adept at understanding and engaging in real world complexity. Leaders and managers shouldn't try to reduce or simplify complexity; rather, they should embrace it head on.

Unlike creative disruptors and digital leaders who are adept at working with uncertainty, popular management culture in established companies can sometimes serve to artificially simplify the real world and limit business potential. This article is based on work with a number of leading companies who have made breakthroughs in critical situations by self-disrupting their existing ways of thinking and working, to focus on not only what has worked in the past, but what could work better now. To be a Next Practice business.

At the heart of the problem is an overreliance on the false comfort blanket of striving for certainty of outcome. Unlike a plan to get from A to B on a map, business plans need to be highly dynamic as the real world shifts rapidly all the time. We all know this to be true, yet somehow management culture can contrive to obscure this reality. Perhaps the real reason for this is that not many executives got fired for creating a great plan that went wrong because of somebody else's inability to execute!

The article presents case studies of organizations using next practice, tackling complexity head on and changing the game as a result. We also highlight 25 Strategy and Management themes which creative disruptors find helpful, and contrast these with those that can help foster a false sense of security. We start by exploring the important difference between "complex" and "complicated".

1. Complex is not the same as complicated

Horst Siebert, the German economist, coined the phrase "the cobra effect" to illustrate the effects of an incorrect understanding of the total view of a situation and the misapplication of controls in an economy.

The term stems from early 20th century Delhi. The governors of the day were worried about the increasing number of venomous cobra snakes roaming the city and to solve the problem they offered a bounty for every dead cobra. Initially this was a successful strategy, with large numbers of snakes being killed. Over time, however, some enterprising citizens began to breed and slaughter cobras for the income and all of a sudden the governors were faced with too many cobra skins and too many bounty payments – the scheme was becoming unaffordable and was rescinded. But by then the cobra farmers had this large population of cobras to deal with. And what do you do if there's no market? You just release them. And this significantly worsened, by a few orders of magnitude, the cobra menace in Delhi.¹

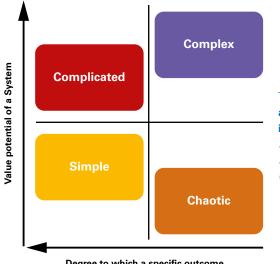


Table 1 Value potential and predictiveness of innovations

Source: Cynefin, Dave Snowden: Dimensions, Carl Bate

Degree to which a specific outcome is known or can be knowable

Just like early 20th century Delhi, any business is a system of interconnected and interrelated parts and participants, connected into markets and the global socio-economy as whole (which is itself a system). The value potential of a system increases with the number of its participants (see point 2 below). Each system tends to come in one of four flavors: Simple, Complicated, Complex and Chaotic, and each flavor has some important defining characteristics:

In **Simple** systems, the relationship between cause and effect is obvious to all or easy to teach and master; these relationships are highly predictable and the codification of what input will result in what output is straightforward.

In Complicated systems, the relationship between cause and effect is knowable, but requires the application of expert knowledge, and the intricacies can still lead to unintended consequences.

In **Chaotic** systems there is no (perceived) relationship between cause and effect.

And in **Complex** systems, the type and sheer number of entities interacting, for example, millions of connected people acting with

¹ Source: Vikas Mehrotra, Freakonomics and Wikipedia

a degree of autonomy and unpredictability, or physical systems where the rules are known but only the probability of a specific event is knowable, means that a given outcome can never be guaranteed – in fact, a given outcome is unknowable, and determinism cannot work. While expert knowledge of how participants tend to behave given this situation or that stimulus can provide important insight, there is no set of rules that leads to certainty of outcome. All real world systems – i.e., those with at least one person interacting with them – are complex, even though parts of the system, such as the device you're reading this on, are complicated – and, if it's a good device, its interface will be the art of simplicity itself.

Sometimes, complexity can be painted as a bad thing, with businesses trying to "reduce it". However, the real focus should be on where things are complicated. Simplifying the unnecessarily complicated is beneficial, but mistreating the complex as if it were complicated only makes things worse. Try as they might to control the cobras, unintended consequences and resourceful competitors lurk around every corner. And in the digital age, the potential for resourcefulness has taken a quantum leap.

2. Complexity and value potential increases with digital connectivity

If those residents and administrators of Delhi were around to tell their tale today, they would surely testify that the real world has always been a complex place. What's really so different today?

Metcalf's law helps explain just why the accelerating global pace of creative disruption is like in no other era. The amount of value potential of a network is proportional to (the square of) the number of connected participants defined as n(n-1)/2. So, a system of two people interacting has a "value potential" of one; a system of five has a value potential of ten, and a dozen people interacting has a value potential of 66. Consider then the nature of participants – the world's best semantic processors (people!) empowered by globally connected digital technology – and the number of participants. Today, three billion Internet participants can make getting on for five quintillion connections (that's a five with eighteen zeros after it) and

use those to instantly discover information, influence, experiment, transact, socialize and commercialize.

What's even more interesting is that "digital" has only just begun. Less than half of the world's population is connected today to the Internet, and the number of connected devices is expected to increase from 10 billion to 75 billion by 2020.

This vast sea of digital and human interconnectedness manifests itself in business and government in multiple ways:

- 1. Uncertainty
- 2. Unpredictability
- 3. Hard to know, or unknowable, outcomes for a given action
- 4. Pressures on established business, legal and government structures and boundaries
- 5. Super-dynamic and emergent markets, and
- 6. Exceptional potential for innovation, new value creation and creative disruption.

The best, simplest ideas can transform the world, but they can only manifest this by navigating real world complexity. In the connected world, being fluent in complexity and next practice² is essential.

3. Fully embracing, not shying away from complexity, creates game changers

At London Heathrow, one of the world's busiest international airports, a plane takes off every 90 seconds. Over half of these belong to British Airways (BA). Managing flight operations is highly dynamic, with multiple inter-dependencies between on- and off-ground resources, and communications with passengers to keep flow rates steady. With

²The Next Practice concept was inspired by C. K. Prahalad, presenting in Montreal, 2006.

around 1,400 BA flights and 100,000 passengers a day, it doesn't need a major event to cause bottlenecks.

The winter of 2012-13 was a harsh one, and particularly difficult for passengers at Heathrow and for British Airways. The ensuing flight delays, cancellations and customer handling due to the weather cost the airline millions of pounds in compensation and customer care. Following the major disruption caused by the snow BA initiated a program to improve disruption management³.

The challenges were significant. Most operations staff were using expert but hard to interpret technology showing large tables of numbers referring to schedules, in-air and on-ground aircraft movements, passengers, and other resources including airplane deicers. Some data was open to a relatively broad degree of subjective interpretation. And when operators did identify disruption, they had to query various apps to understand the causes. As a result:

- Decision-making could be inconsistent.
- Data was only available to a core group of managers.
- Communication with passengers via customer care staff, in airport screens and BA digital channels (mobile and .com) was at best not timely and at worst inconsistent.
- There was no real time feedback of decisions to inform the next decisions and no understanding of the knock-on effects of each decision as it unfolded. Were actions actually helping or making it matters worse?

BA operations staff are some of the best in the world, but the limited access to information made it difficult to orchestrate ground staff and assets to minimize disruption; some aircraft were de-iced, missed their take-off slot, and had to be de-iced again. Safety for British Airways always wins out. And so the default was for operations staff to cancel flights early as a precaution, countering the revenue-management and customer relationship

teams' incentive to delay cancellations to maximize revenues and protect customers' experience. Adding to the challenge was the race against time – the winter of 2012/2013 was not going to conveniently "slip to the right".

The first approach to cracking the problem had been identified based on what had worked in the past; management processes geared on ensuring certainty of the result of the project, starting with a top down business process review and selecting expensive, "enterprise grade" analytics technology from an established big tech name.

But by May 2013 it was clear this conventional approach were going to take too long – the plans were showing summer 2014 as the earliest operational date for the new ways of working and enabling technology – but clearly winter 2012/2013 couldn't be delayed! And BA weren't convinced that even by then the new approach and technology would work, given the millions of information events covering flight and passenger movements, integration with existing core technology and operational procedures, and all the human interactions involved between pilot, ground staff, fleet operations, revenue and customer care functions. It was clear that to be ready for winter meant that normal business thinking and culture had to be challenged. BA needed to self-disrupt in order to manage disruption.

In the face of this challenge a different way was proposed – to adopt next practices and act more startup than corporate, even though this was counter to established management culture and governance processes. The different way comprised five key parts. It was to:

- 1. Use **inventive problem solving techniques** to really figure out what problems needed solving for whom (as opposed to taking a "here's the solution" approach).
- 2. Challenge conventional wisdom, and seek out innovation.

³Source: Atos, BA

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3. Assemble a fully empowered multi-discipline team, adopting an agile execution approach based on "show me not tell me" and focused on delivering value early and often, with active decision making by senior stakeholders (as opposed to "plan and forget").

- 4. Seek use of leading digital and open source technologies by default if everyone on the team had heard of all the technology being proposed, perhaps they weren't looking hard enough for potentially helpful innovations!
- 5. Bypass current governance policies for business project governance, technology development and vendor selection (necessary for points 1 to 4 above).

Critically, the team was empowered to solve the problem, even though management did not know the answer they were going to get, rather than delivering a pre-determined solution where all the staff, customer interaction, operational factors and technology had been analyzed and worked out in advance. BA had empowered and established a Next Practice team to address the situation. This different way created two firsts for BA. It was the first time a mission critical program had been undertaken next practice style using more "startup" than "corporate" ways of thinking and working, and second, it was the first time leading digital technologies would be used for an operational-critical system. There was understandable skepticism from some in BA as the team commenced work, but this was soon overcome by a combination of senior BA sponsorship for the novel approach and by the team working in a highly collaborative and iterative fashion; continuously engaging multiple stakeholders for their input and quickly showing how disruption management could work in a new way. The resulting solution leveraged information from existing information systems (including flight data), and the use of open source "big data" technologies in near real-time provided a dashboard on passenger flow, combining all the key information points and enabling the multiple operations stakeholders to collaborate on the best interventions.

On 23 October 2013, the new disruption management decision support technology and integrated management and customer operational capability went live. In the winter of 2013-14, thousands of passengers flew through Heathrow that otherwise would not have. And following the success at Heathrow, the approach has been deployed globally across airport operations.

As a result of facing up to real world complexity and seeking new potential in it, BA had created a game changer for one of the most dynamic parts of its business. It now has arguably one of today's most advanced global disruption management capabilities; aiding competitive advantage by reinforcing one of BA's core values of safely and delivering an outstanding service for customers at every touch point, even when it snows.

So, what leadership, management and governance techniques work best in dynamic, emergent and complex situations?

4. Adopt Next Practice over Best Practice

On the one hand, startups have it very hard as the majority will fail. But they do have one critical advantage in that they have no choice but to take their core idea and work in the unknown. This leads to a business culture which naturally embraces complexity and real world dynamics.

But, as established businesses well know, as the successful ones grow, with scale comes different opportunities, challenges and expectations. Becoming better and better at a thing naturally leads to its mastery; with mastery comes practices and expectation based on past performance; but mastery can also bake in the inability to see, respond to, or create new disruptions.

"Acting more startup than corporate" is a helpful mantra adopted by pioneering digital companies who were not founded as digital native startups. However, the mantra can be easier to speak than to live and breathe by. The complication is that many established or "best" management practices – and the culture, measurement, governance systems and decision-making they promote – were never designed to embrace highly dynamic, emergent, digitally interconnected and complex value systems. More seriously, some of these techniques can even make situations much worse.

Consider the culture of an organization. Many factors go into making up the cultural mix. Some of these will include leadership styles and management practices that help master the complicated, and some of these that help engage with complexity. And while individual leaders may have different styles, in the end, many organizations tend to gravitate towards a dominant culture.

Leadership and governance focusing on the Complicated		Leadership and governance focusing on the Complex	
Strategy theme (where to play and how to win)			
Allocating resource to deliver a solution	1.	Allocating resource to answer a question	
"Best practices" based on what has worked	2.	"Next practices" on what could work better	
Digital as a "bolt-on"	3.	Living digitally	
Grand designs	4.	Emergence	
Inspiration from the specific	5.	Inspiration from the abstract and patterns	
Learnt behavior	6.	Learn, unlearn, relearn	
Playing and winning the game	7.	Changing the game	
Primary perspective on the parts	8.	Primary perspective on the whole	
The business/economy as a machine	9.	Human and behavioral factors	
Strategy as a noun	10.	Strategy as a verb	
Management theme			
Assuring an outcome	11.	Sensing feedback from actions	
As-is and to-be plans	12.	Vision, "next state" plans and agile execution	
Automatic response to events	13.	Intercepting the subconscious	
Byzantine rules and determinism	14.	Simple checklists and guiding principles	
Command and control	15.	Influence, enable and empower	
Consequence of a decision	16.	Consequence of the sum of decisions	
Discipline specialization and favoritism	17.	Cross-discipline collaboration	
Fail-safe	18.	Safe-fail	
Internally focused first	19.	Externally focused first	
Organization model	20.	Professional and social networks	
Process	21.	Behavior and interconnections	
Promoting stability and predictability	22.	Promoting agility and adaptability	
Theory X Management	23.	Theory Y Management	
Transform by stick and carrot	24.	Transform by carrot and stick	
Working with known data	25.	Seeking out new data	

Table 2 25 strategy & management themes for Next Practice Business

Of real danger to business is that the practices of the "complicated" often create an artificially simplified view of the real world.

relationships defined? Or an as-is and to-be business plan where the to-be plan is most certainly not going to happen – yet many still persist in its use. What of the organizational chart versus the social network of an organization: which describes the most important relationships to deliver organizational goals? Or how about undertaking change management? Somehow, employees never seem to do quite what was expected from the center but find ways to get the

job done that they believe to be most effective. While the business model, the plan for change or the contract may look great on paper,

Consider a business process map. Where are motivations or trust

Such models can be helpful and plans are needed, but only as an input to, not a primary driver of, leadership and management in a situation. Applying practices designed for the complicated to

in the real world outcomes rarely match it.

complex situations can not only artificially simplify what's really going on, but also lead to a false sense of security, as Siebert's

If you were to think about some of the leadership, management and governance styles and approaches in the table opposite in your business, which would you say tend to dominate?

On the left-hand side of the table we see strategy and management themes that assume the world is complicated but that with enough specialist knowledge outcomes can be knowable up-front. If I do A, B, C and D I always get E. These codify "best" and help when the answer wanted from outcome is already known. The practices also tend to promote more and more precise views of the things that can be controlled.

On the right-hand side of the table we see strategy and management themes which assume the world is complex, dynamic and emergent. These help guide "next" where the answer is as yet unknown or there is no mechanistic way to get the desired outcome. The practices also tend to promote a Systems Thinking perspective, including more holistic views of the external world and the interactions across the system, of which the organization is a part.

cobras neatly illustrate. Such a misapplication reduces the chances of desired outcomes being achieved, increases the chances of unintended consequences and helps to speed along the process of today's giants becoming tomorrow's dinosaurs.

But why would a business leader promote a culture that artificially simplifies the real world when it is so self-evidently complex? Despite the best intentions a desire for surety and the politics of leadership can collude here. A strategic plan with prescribed whats and hows that multiple parties sign up to can feel like the best way to ensure an outcome. But flawless execution of such plans by all parties is rare, and control systems tend to mask issues until it's too late – everyone wants just one more management update period to fix their issue before declaring it.

What can be done? The culture, practices and KPIs of a Next Practice Business tend to lean heavily to the right-hand side of the table. Next practice does not mean throwing away today's best practice, but, rather, placing it in today's real world context; being informed by what's worked before but not constrained by or tied to it. As BA found, creating a bubble of "next practice" culture, empowered and focused on a strategically important issue or opportunity, can create a game changer without disrupting the entire company. And in so doing, it can inspire others to disruption that can benefit the business more broadly or inform more widespread next practice adoption.

5. Perfect skills, embrace the imperfect

Nobody wants an "expert experimenter" at the controls of the flight we're about to board. Many operational situations in the complex world demand well-defined rules, checklists and sequential actions where the outcome, as far as we can humanly assure, really does need to be certain. So, what does the right balance between a culture of the complicated and a culture of the complex look like after we've created the next new thing? Is flying an airplane complex or complicated?

Meet Suren Ratwatte, a veteran pilot and expert in human factors. On this particular day, Suren had an appointment with Malcolm Gladwell at a New York hotel, but he was late – he'd been flying a jumbo to New York from Dubai when a passenger had been taken seriously ill en-route. When he finally arrived, Suren shared what had happened⁴. The first thing he had to do was to try and determine whether the passenger was likely to die unless immediate medical attention was received, or whether the passenger was likely to be stable until arrival in New York in several hours' time. Fortunately there was a doctor on board, and he confirmed that urgent medical attention was needed. Suren decided to land at the nearest viable airport at Helsinki.

The first problem Suren had was that the plane, still over half full of fuel, was sixty tons over its specified maximum landing weight. He decided to "land heavy" since dumping fuel was messy, unpopular and in any case would take too much time. This meant manual landing since the automated landing system couldn't handle the plane at this weight. Suren then described the following forty minutes as they approached Helsinki:

"It was a lot of work. You're juggling a lot of balls. You've got to get it right. Because it was a long flight there were two other pilots. So I got them up, and they were involved in doing everything as well. We had four people up there, which really helped in coordinating everything. I'd never been to Helsinki before. I had no idea how the airport was, no idea whether the runways were long enough. I had to find an approach, figure out if we could land there, figure out the performance parameters, and tell the company what we were doing. At one point I was talking to three different people – Dubai (the company), talking to MedLink, which is a service in Arizona where they put a doctor on call, and I was talking to the two doctors who were attending the lady in the back. We were lucky the weather was very good... and Helsinki were very flexible."

Suren's situation illustrates that proficiency in using the machine – mastery of the complicated part of the system – was clearly essential. But the overall system in which the outcome was achieved

⁴ Source: *Outliers: The Story of Success*, Malcolm Gladwell

was complex. In this case, Suren's ability to adapt to emerging circumstances, and to communicate and influence outside of his direct control, saved the passenger's life.

How might we interpret this for business?

Pixar, the groundbreaking computer animation studio behind hits that include *Toy Story*, *Up* and *Ratatouille* provides a fascinating example⁵. Ed Catmull, co-founder and president, has revealed how Pixar subverts traditional top-down management structures in order to get the most of its creative talent. Instead of a hierarchical system of communication through which ideas must filter, everyone is encouraged to speak directly to everybody else. And instead of focusing on controlling his staff's output, Catmull sees his job very much as removing the impediments that prevent them from performing to their full ability. He writes:

"We start from the presumption that our people are talented and want to contribute. We accept that, without meaning to, our company is stifling that talent in myriad unseen ways. Finally, we try to identify those impediments and fix them."

This is taken even further in the way that Pixar works on its stories, which has much in common with agile methods of software development. Instead of refining each script to a point of fixed perfection and then animating it, work is done in an iterative, adaptive fashion, allowing the material to develop as the writers incrementally discover what proves stronger or weaker. "Show early and show often" is the watchword. And if necessary, failure is embraced: the film *Newt* was cancelled in favor of *Inside Out* when it was decided it simply couldn't be fixed. This willingness to continuously fail and rebuild in a supportive environment has made Pixar one of the most innovative and successful companies in the industry.

At Pixar, technical skill – mastery of the complicated aspects of computer animation and the patterns of creative writing and com-

pelling storytelling – is absolutely necessary. But its business culture is fully centered on unleashing this talent into the complex. Pixar is a next practice business, and is complexity fluent.

6. Become a Bi-Modal Business: Explore and Exploit

While successful startups show how to disrupt the market, companies like BA are showing how to "self-disrupt" in bubbles of next practice, to challenge themselves to exploit not only new (to them) ways of thinking and working, but also established leverage as well as emerging digital technologies.

Today's disruptor, just like today's giant, can fall foul of paradigm shift. It is one of the oldest conundrums going. The better you get at a thing, the harder it can be to see new threats and opportunities and thus opening yourself up to disruption. Worse still, competitors can copy what you have perfected, often without the debt that you have in financial, technical and business complexity terms. In addition, the very practices than ensure efficient running also serve to diminish strategic agility.

Facing a double whammy of new disruptors changing the game and of barriers to entry collapsing, businesses are looking to perfect not only what they know, but also to seek out what they do not yet know. In the age of complexity, a bi-modal business seeks to get the best of both worlds, by consciously operating in two ways at once: exploit innovation in the current business model, which can also lead to evolution and even business mutation into new models, and to explore new business models in parallel.

For many established businesses operating in the "exploit" mode is often triggered by a situation so obviously not treatable by current approaches that self-disruption can be an easy decision – "what have we got to lose?" approach. For established businesses that aren't currently exploring new models, either through investment, acquisition or their own pioneering teams, and where the platform is merely not burning but smoldering around the ankles, there lies a deeper challenge. In these cases, "reframing" the business situation, going through steps to set out not only the

⁵Source: The Long View column, Marc Sidwell, managing editor, City A.M.

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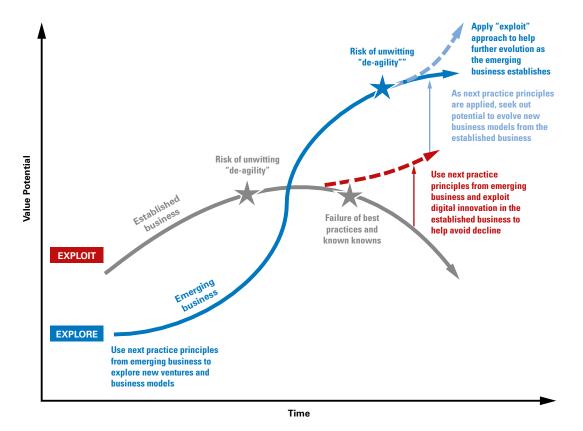


Table 3 **Bi-model business: explore and exploit in parallel** Source: Arthur D. Little analysis

economic benefit of addressing it but also the disbenefit of not, and using patterns, often from digital leaders industries, can create the belief that self-disruption could not only work, but that it is the only way to avoid death by a thousand cuts and the only way to act before it is too late.

Insights for the Executive: Three steps to becoming a Next Practice Business

Established businesses can usefully take three steps towards transformation into a Next Practice Business:

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Step 1: Promote "Next Practice Maxims" as memes in your business culture

Working with business and digital leaders who have delivered "next" on a global scale, we find that a handful of "maxims", front of mind themes (memes which can spread and infect the culture), can really help a more complexity fluent culture to establish and flourish. Examples include:

"What Would the Web Do? (WWWD)"	→	to think "connect" as a default
"What problem are we solving for whom?"	→	to avoid "known" solutions looking for problems
"Intercept the subconscious"	→	to help break with habits and embrace innovation
"Tell me why not"	→	to help challenge conventional wisdom
"Better not best"	→	to help create something better and evolve
"What's the story of the strategy?"	→	to help engage everyone in the new approach
"Show me not tell me"	→	less time on plans, more on visualizations/product
"Consider not what has only worked of before, but what could work better now we are here"	→	for maintaining sustainable competitive advantage & navigating the innovator's dilemma
"Who says it can't be done!" (Arthur Dehon Little)	→	to maintain a stance of realistic optimism

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Table 4 Memes for Next Practice Business

Source: Greg Smith & Carl Bate

The penultimate meme sets out a critical cultural shift: it embodies the notion of next practice over best practice, using best where it makes sense to do so but really challenging it where it is limiting potential or getting in the way. Hard earned wisdom is not dispensed with, but it doesn't have to constrain the future either. For next practice businesses, maxims like these are fused with a belief that the problem is solvable, that a "stance of realistic optimism" is the right one, and that emerging digital innovation and business model thinking is where you start, not where you go to, if mainstream and already known approaches aren't cutting the mustard.

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Step 2: Tackle complexity head on, even if it means challenging current governance

Confusing the complicated with the complex is a dangerous and slippery slope. Trying to "reduce" complexity not only makes little sense, it only serves to limit the value you can generate in the real world.

Tackling complexity head on comes from a leadership style, incentive structure and talent in the business which promotes ways of thinking and working consistent with the right-hand side of the Next Practice table.

Leaders often need to be prepared to evolve current governance structures, or seek to establish new "bi-modal" governance. In many companies governance structures are designed to create certainty, maintain the status quo, and quell any internal variance or disruption. A successful pattern we have seen is to agree "one time" governance permission for a next practice bubble, and then use this to inform evolution of broader governance structures.

Step 3: Re-think an intractable problem, Next Practice style

Whether in the context of an emerging or mature business, there can sometimes be no better way to transform than by tackling a seemingly intractable problem head on or really going for that game changing idea, particularly if prior attempts based on "best practices" and "what we know" haven't yet made the breakthroughs. We find the ingredients for success typically come from:

- Tackling the problem or opportunity head on; not leaving it on the "too hard" pile
- Having a senior stakeholder who is willing to explore new arts of the possible
- Challenging the problem statements themselves; are we really addressing the right issue?

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- Expressing the heart of hearts' wish, so as not to potentially limit where the answer can take you
- Challenging conventional wisdom everywhere
- Assembling a multi-disciplinary and empowered team
- Adopting an agile execution approach based on "show me not tell me," delivering value early and often
- Supporting the team in challenging "that's not how we do things here" culture
- Seeking to take as many people along on the journey as possible through show me, narrative and storytelling
- Respecting colleagues who are not part of the "creative disruptive bubble" and not invalidating their efforts
- Adopting a stance of realistic optimism; there is normally a way!
- And finally, being prepared to fail-fast or to make course corrections along the way.

We find that senior sponsorship, using "inventive problem solving" techniques and applying full digital innovation against a challenge or opportunity statement, can bring these ingredients to create a successful outcome. It's about continuously working with the art of the possible rather than the art of what happened before. Or, as Alvin Toffler puts it, "The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn."

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Act now, even if the platform is only smoldering

Great leaders and creative people solve problems, create new opportunities, and make change happen. They always have and they always will. What's different today is the pace of innovation continues to accelerate – digital disruptors abound.

By promoting a culture that promotes next practice and embraces complexity, and then focusing this on the biggest challenges and the most exciting and game changing opportunities, emerging innovation can be better brought into the heart of today's business, and new innovation can flow through into the seed of tomorrows. Every new connected person and device increases value potential and real world complexity. And the more you engage with it, the fewer the cobras that will be biting round your ankles.

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tion by Sylvia Neuner

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is a Partner in Arthur D. Little's London office, co-lead for its Digital Strategy & Transformation Practice and a member of the ADL's global Technology & Innovation Management Practice. He specializes in addressing intractable problems and realizing new opportunities "next practice" style. Carl is author of next practice approaches to help with strategy and business transformation.