Origins and blasphemies

The world of thought leadership is a battlefield of ideas where consulting firms, academics, gurus and a host of others vie for pole position. The creator of tomorrow’s fashionable management concept stands to make a fortune. But, as Des Dearlove reports, in the cut-throat arena of thought leadership it is often the originators of the best ideas who are ignored, forgotten or shouldered aside.
George Bernard Shaw said that every great idea starts as a blasphemy. In the business world the blasphemers are ideas originators like John Nash, John Harsanyi and Reinhard Selten, who received the Nobel Prize in 1994 for their work on the development of Game Theory. They remained largely unacknowledged outside the world of economics. Then two business school academics, Barry Nalebuff and Adam Brandenburger, took the concept and gave it a makeover in their book *Co-opetition*. An economic theory unknown to most managers was given a spin and was, briefly, the latest big idea.

And people like Reg Revans. Revans was a former Olympic athlete who worked at the Cavendish Laboratories at Cambridge University and for the UK’s National Coal Board. These experiences led him to develop the concept of “action learning” — basically that managers learn best when they work on real issues in a group rather than in the traditional classroom. According to Revans: “Action learning harnesses the power of groups to accomplish meaningful tasks while learning”.

Revans died in 2002 and his career remains largely uncelebrated. Yet his idea has worked in countries as far apart as Belgium and South Africa and been embraced by corporations – the Work-Out programme introduced by GE’s Jack Welch included a form of action learning. Business schools, too, have embraced the idea and action learning is now much in vogue in the executive education world.

Other originators get lucky

Lauded in Japan, ignored in his homeland, W Edwards Deming was destined to a life as an obscure statistics academic until he featured on an NBC programme on the Japanese economic revival. The rest of his life was spent in a desperate whirlwind as he sought to communicate his quality gospel to as many people as possible.

Where to look

So where should you look for original ideas? Here are some leading indicators:

First, established gurus are constantly searching for new ideas. So, ask them who they are reading. (Recent favourite answers to this are Malcolm Gladwell’s *The Tipping Point*, Manuel Castells’ *The Rise of the Network Society* and anything to do with biology.)

Second, track the business thinkers. Keep abreast of the latest management literature and you will develop a keen sense of which thinkers have a handle on what is going on in the real world. (Digests are available of most management magazines and, despite the profusion of titles, you can quickly narrow essential reading down to a maximum of six publications a month.)

Occasionally, a theorist or two will be relevant — though many are doing little more useful than counting the number of angels that fit on the head of a pin. If you find someone whose work is useful, keep up-to-date with his or her latest research and developing ideas; volunteer your company as a potential example; ask for their insights on other useful thinkers; do everything in your power to extract free consultancy from them and, if that fails, offer them money. (A more Machiavellian route is to approach the acolytes, associates or assistants of the thinkers. Often they know just as much, have access to the same material and charge much less.)

Very few ideas burst onto the business scene from nowhere. It is useful to look at the acknowledgements in business books. Often the writer’s inspirations and influences are mentioned in passing — look out for PhD supervisors and older mentors who may actually be the true inspirations. Also, check the social sciences index for references to the topic that a current guru is talking about. They may have coined a new buzz-phrase to describe an old idea. In private, some academic insiders claim that at least three well-known strategy models are variations of the same thing.

Management is particularly prone to the mass-marketing phenomena. It is a magpie science, drawing inspiration from a broad range of subjects – economics, psychology, biology, chaos theory. Today’s obscure model in a dry academic publication is tomorrow’s snappy guru presentation. Originality is in the eye of the beholder. The harsh truth is that most management ideas are far more original. “Most great ideas have already been discovered, they

Tapscott: a case of Coase and effect
are just continually rediscovered and restated in a new and compelling way,” observes Sam Hill of Helios Consulting and co-author of *Radical Marketing*. “Basically, re-engineering was similar in substance and technique to an old practice from the 1950s called “brown papering”, a process previously discovered by Frederick Taylor and later rediscovered in Benson Shapiro’s article ‘Staple yourself to an order’ then rediscovered yet again by Champy and Hammer.

“Geoff Moore’s tornado and chaos were basically riffs on the industry life-cycle argument. Seth Godin’s permission marketing at the end of the day smells an awful lot like the arguments behind sweepstakes and my new book owes a lot to the system theory arguments of the 1960s. They rediscover and package ideas in new ways. Moore restated the life cycle in a way managers could get a handle on it, with new relevance and new support for a new generation of practitioners.”

Some are honest enough to admit the initial source of their inspiration. Harvard’s Michael Porter cites the influence of his mentor, the economist Richard Caves. Porter developed the model still regarded as essential reading for strategy. His genius has lain in producing brilliantly researched and cogent models of competitiveness at a corporate, industry-wide and national level. But the seeds of his Five Forces Framework lay in an industrial economics framework – the structure-conduct performance paradigm (SCP) – buried in academic literature. What Porter did, and did brilliantly, was translate it into the context of business strategy.

Don Tapscott, co-author of *Digital Capital* and other books, cites the influence of Nobel laureate Ronald Coase, whose work he was introduced to in 1993.

“A firm will tend to expand until the costs of organising an extra transaction within the firm become equal to the costs of a carrying out the same transaction on the open market,” Coase wrote. And this forms the basis for Tapscott’s current theorising.

“Coase defined transaction costs broadly including the cost of co-ordination, collaboration, of finding the right people. We have been systematically extending his ideas to the new economy,” he explains. “All the things Coase wrote about are being built right into the net whether it is auction tools, payment systems or collaboration tools like Lotus Notes. As the Internet is a public infrastructure, you can deconstruct the firm and then reconstruct it on the web”.

**Back to basics**

Of course, not all great ideas emerge from great minds. What is perplexing about the process by which business concepts reach the mass market is that the most reliable source of ideas may well be closer at hand than the bookstore or the guru-led conference. The basics are practised day-in-day out on the factory floor and in humdrum office suites.

“The basic ideas and solutions are always there but the problems and their manifestations are cyclical. When a problem works its way back up the agenda, like the loss of organisational know-how, people either rediscover or dust off old ideas and reform them in a way that the current generation of managers (who often weren’t born the last time people were talking about this problem) finds useful. The germs of ideas come not from academia or consultants but from managers on the factory floor or sales office,” says Hill, before going onto outline the downside.

“Practitioners seldom escape the three traps of self-congratulation, anecdote in lieu of analysis and narrow-minded dogmatism. Academics insist on rooting their work in a grand theory-of-the-universe but seldom pull it off and end up with obscure, hard-to-implement stuff. They’re trained to be descriptive not prescriptive. Having someone who’s never had a chance to observe try to create insight is a bit like hiring a priest to write a sex manual. Consultants often write prose that is unreadable. So I think it boils down to the individual. Some have the knack of picking up old ideas, seeing how they are relevant to today’s generation of managers and rephrasing them in useful ways – and some don’t.”

Hist blaspheemies