In the early 1990s, two young marketing executives at Unilever, Matt Kingdon and Dave Allan, became increasingly frustrated with the bureaucracy in corporations. Big corporations, they believed, had inefficient and damaging approaches to managing innovation, especially new product development. Kingdon and Allan decided to do something about it. Their response was to set up a new sort of creative agency “to help super tanker corporates become innovation speed boats.” Over the next few months, the creative duo scraped together £20,000 in start-up funding. All they needed now was a name.

Company folklore has it that the “What If!” moniker came from an informal brainstorming session on a beach. “Some said they liked the word if, then someone else said ‘yeah, as in what if,” Dave Allan recalls. “What If!” began trading on September 28, 1992, from a small office in Pimlico in London. In 1994, Kristina Murrin, a former brand manager at Procter & Gamble, and Daz Rudkin, another ex-Unilever marketing manager, joined Kingdon and Allan. (Rudkin has since left to start his own business. Murrin remains involved but has independently written books on parenting and hosted her own TV show). Together, these hardened marketing professionals grew a multimillion-pound business by harnessing the power of human imagination.

Today, it has grown to become the largest independent innovation company in the world. With offices in London, Manchester, Sydney, Shanghai and New York, the company employs almost 300 people and carries out work in over 40 countries.

A bit of an oddball

In 2002, Canadian-born Shelli Baltman joined the company from the consulting firm McKinsey and Company and, in January 2007, became managing director of the company’s UK business.

“I am a bit of an oddball here,” she explains. “I have an MBA, and I was a strategy consultant with McKinsey in London; I did some IT strategy work as well. My CV was absolutely not what we normally hire. So, when they recruited me, my former boss said it was like hiring David Beckham for your cricket team. It’s true, I didn’t have any of the traditional skill sets that they had. I had to learn all about innovation and branding and consumer insight and all of that stuff.”

Baltman was also converted to the new company’s style of managing. What does that mean? “What If!” is all about:

Inspiration From the start, Kingdon and Allan recognized the need to change management behaviours to help free imagination and encourage innovation in companies. In the early days, they...
described their alternative management style as “serious relaxed business”, something that seemed to appeal to big corporations. They also drew inspiration from the notion of exploration, styling themselves and their staff not as employees, but as explorers and pioneers.

Allan used the analogy of an oil company. “There are two sides to an oil company. There are the 249,000 people in suits and overalls who exploit the assets of the company today. Then there are the people on the exploration side, hairy-kneed, hairy-faced men who search the world for oil – ‘gold’ – and then as soon as they’ve found it say, ‘OK, where next?’”

It’s not just oil companies that need a pioneering spirit, he says. All businesses require people to prospect for the future. Most, however, lose the ability to do so as they get larger. “There’s nowhere to play in a big company,” he explains; “there’s no room for experimentation or invention.”

That’s where ?What If! came in. It helped clients explore the frontier between the corporate world, where products are developed, and the real world where consumers actually use them. For a fee ranging from £10,000 to £250,000, the company worked on projects with clients to develop, or invent, new products or services. In the early days, the approach was summed up by the term “madness and measure”. Often, this involved challenging the way companies look at problems.

It also involved challenging the traditional sterile office environment. From experience, the founders knew that big companies stifle creative thinking; they often had their best ideas away from the office. So they turned the office into a home away from home, complete with rugs, armchairs and a table football game, and held client meetings in the kitchen. At the time, this marked them as different (remember this was 1992, pre-dot-com boom and bust). But unlike the dot-coms that came later, ?What If! combined hard-nosed business experience with a new way of managing.

Validation Clients were so impressed that a number asked the company to help them develop their in-house innovation capability. Out of this grew a second string to the business bow, helping companies identify and overcome the internal barriers – including attitudes and behaviours, tours and events (entitled Top Dog tours) that create the opportunity for senior executives to meet and share the secrets of world-class innovators.

Third, the company continues to work with clients on innovation projects. Working in collaboration with its clients, ?What If! invents or enhances existing products, services, brands and customer experiences. Throughout, ?What If! has stuck to its original mantra of “recruit superstars only”. It has retained the original entrepreneurial, collaborative and creative ethos in all its offices.

Managing by values “The first priority is values and behaviours,” says Baltman. “A lot of companies have their values on their walls, but if you don’t actually live them and breathe them, they don’t have an impact on people.”

The company values are love, freshness, passion, action and bravery. “They may sound fluffy,” Baltman says, “but underneath them is a core way of being that helps us to innovate. Love is about standing for someone else, which means giving feedback in a way that actually helps them improve. Bravery is about making the tough call; for example, if you think a client is doing a project that they’re not going to get any pay-off from, you tell them. There are loads of examples of that. I stopped a project last year with a client. After the kick-off meeting, we said ‘You want something that we could deliver, but it’s not our core strength, so go and get it from somebody else for a lot cheaper than you would get it from us’.”

Best practice

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Being values-led, of course, also opens the door to being challenged. “You’ll hear a lot of conversations in the corridors about whether some specific conduct was values-led behaviour. If we’re in a dilemma, we use our values as a decision-making tool.”

From these values come a set of behaviours. “These are behaviours that we find are useful when doing innovation. They include greenhousing, nurturing new ideas, and signalling – being clear about the difference in coming up with ideas versus judging and moving into action mode, because you have to do both to do innovation.”

“So, in terms of behaviours with each other, we talk about greenhousing, helping nurture an idea rather than stomping all over it,” says Baltman. “And people will stop each other in meetings if someone blocks an idea. It’s very common for someone in the middle of a meeting to say, ‘That wasn’t very greenhousey, was it?’”

Another behaviour is realness, prototyping and bringing things to life in an engaging way. “Our values and behaviours are very important. So, if you do something that’s counter to our values, people will call you on it. And they get very angry, fairly enough, and you have to hold your hands up and apologize, ‘You’re right, sorry, let’s change it,’ or defend it.”

**Strong opinions, lightly held** So what does it take to be a success at ?What If!? One thing is what Baltman calls a beginner’s mindset. “Even the most senior people in our organization are absolutely open to being wrong, to not being as good as somebody else at a particular skill or to new and different ideas. In many organizations, where you are implementing things on a regular basis, you need to be able to make decisions quickly and for most of those things to be correct. But in our
business, that is like death, because if you say, ‘I’ve seen your problem and I have the answer’, it completely kills the creative process.”

This is the exact opposite of a traditional consulting approach, in which you start with a hypothesis and then try to prove it wrong. “We talk about strong opinions lightly held. And if your strong opinion is strongly held, it’s not conducive to creativity and innovation. So, that’s an important part of being willing to let go of your ideas.”

Experimentation Since 2003, What If! has spread its wings, occupying three more buildings in London and opening offices in Manchester, New York, Sydney and Shanghai. The business is currently in transition from a small to a medium-sized company. As the company grows, however, it faces new challenges, including concerns about losing its vitality.

A couple of years ago, Kingdon faced the acid test of managing by values. He thought it was time to reinvigorate the company by changing its values. But the culture rejected the change, even though it was proposed by one of the founders. “It was wholly unsuccessful, so we changed them back,” recalls Baltman. “And that’s a really important part of our culture, because when he could see it wasn’t working, Matt had the courage to kill the initiative, even though he was leading it.”

“We have a long history of killing things. We try lots of stuff that doesn’t work. So, within about six or seven months, Matt was brutally honest and said the new values weren’t working, and we should change them back. It is a brave call for senior managers to admit that we did a project that hasn’t worked, so we’re going to go back to the old one. And we’ve agreed never to change our values again, because they’re core to what we do.”

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This is a learning organization, willing to say we were wrong and what hasn’t worked. That behaviour set allows us to be more innovative. A lot of our clients try to get us to explain the magic source, but it’s hard for them to accept our answer, because how do you get people behaving differently? And a lot of that is the leadership modelling behaviours, a lot of that is doing things that are counter-intuitive, like cancelling projects and really iconic actions, and that’s something we try to show our clients as well.”

Recruiting by values Managing by values also means recruiting people who buy in to those values. The company has a lengthy recruitment process that
involves vetting candidates three times. “Our standards are very high, and we do whatever we can to make sure that we get the right people in the door,” says Baltman. “So we recruit against values and behaviours, and we recruit against track record and skills and all of those other things that normal firms do. But the first hurdle is values and behaviours. We don’t allow anybody in the door who isn’t able to adopt them.”

On the rare occasion that someone slips through the net, the company is quick to correct its mistake. “When we have a new hire who doesn’t work out, we’re not afraid of saying so within a short period of time and helping them exit in a nice way. From a management point of view, that is critical because we have a whole team of people who are superb at living the values; and if we have one person who’s not pulling his weight, it destroys our entire credibility.” The upside of this is that people who fit the values profile tend to stick around. The company estimates that its staff turnover is five to ten per cent, well below the industry average.

The company also keeps a detailed database of all the people that it interviews. It takes the candidates’ experience very seriously, whether they are ultimately hired or not. “I think a lot of companies see it as, ‘You need to apply to us and we judge you and decide if you’re worthy’, whereas the way we see it, everybody who walks in our door has an experience with us and can be a client in the future. It’s part of our brand to treat our candidates with respect, within our value set, so we’re very careful to make sure that they’re responded to accurately, given a good experience, given feedback that’s helpful to them.” So, if clients ask, as they often do, the company can recommend someone suitable for their organizations. “We might say we saw this person, they weren’t quite right for us, but we’d recommend them for this type of role.”

Friends and family The emphasis on values also extends beyond employees to their families and friends. Each May, the company holds a “Friends and Family” event. Staff members are encouraged to bring their parents, friends, and anyone else who is important in their lives, to see what they do at work. This year, between 40 and 50 attended.

Baltman explains: “It’s difficult to describe what we do, and we think it actually matters that your husband, wife, mother or father knows what you do and can relate to it when you come home and talk about your day. So, we do a little speech that explains our work. The last time we had this event, we actually had people generating ideas and doing little projects and things like that followed by a tour round the building.”

Leaving a mark on the world Footprint is another values-led activity. The ?What If! Footprint division has now been accredited as a foundation. Footprint projects typically support social entrepreneurship, efforts to tackle social issues through entrepreneurial activities. For example, one project is Belu, a not-for-profit natural spring water company, whose profits all go to clean-water projects.

“It’s called Footprint because it is our footprint on the world,” says Baltman. “A lot of companies see corporate social responsibility either as a must-do activity because they’re being watched or as some kind of altruistic thing. I think, for us, it’s two things: one is we want to do it, so employees see it as a privilege to be able to participate and there’s a lot of competition to be included. The second thing is that Footprint is a big part of our employment proposition, and it makes a difference to people joining our company.

?What If! also produces an annual “Impact Report”, which audits its impact on clients, employees and the world. “We want to be famous for innovation, and the only way you can do that is by having an impact and getting things out into the world. So, that has become what we focus on, and we’re more focused on measuring the value we’ve created, seeing the change, getting feedback, whatever.”