

Breakthrough Strategy

When the answer is the question.



by Andrew Blum

IT'S TIME TO MOVE BEYOND hypothesis-driven analysis, long a leader's primary tool for evaluating opportunities, advancing strategies, and pursuing innovation, as it now limits how leaders act.

When a team is tasked to analyze something—for example, a market opportunity for a new technology—it is routinely done with an *incoming hypothesis* and a *senior-level request to prove or disprove the hypothesis*. Big surprise: *the team finds data to prove the hypothesis that was designed to be proven* since the analysis was never a true exploration—only a justification exercise meant to make an intuitive or emotional decision appear rational and data-driven.

Leaders don't need to stop making intuitive or emotional decisions—these experience-based decisions often serve them well—but they need to acknowledge them as such, and be honest about the difference between justification-based analysis and true exploration and use each more thoughtfully.

When the ultimate aim is to drive some breakthrough or game-changing idea, *you must adopt an approach that's based on asking questions and exploring how human emotion influences decision-making*. Breakthroughs require capability in *managing the limits and barriers we unconsciously create*.

Through our work in transformational strategy and innovation, I've observed that **organizations that create breakthroughs have courage and process to question known facts and to explore seemingly obvious barriers**—and they do this with full integrity.

To do this with your team, *you need a structured process of asking simple questions about core facts*—not to prove them untrue, but rather to *explore* and move beyond the limits that emerge when those facts become *givens*. This makes people aware of unconsciously invented limitations—and ensures exploration doesn't begin in vain with an artificially narrowed frame of inquiry.

To make sense of this *Breakthrough Inquiry Process*, let's use an incontro-



vertible fact: *the stock market in 2011 has been volatile*. No one would debate this. Yet in openly exploring the implications of this fact, we may discover new ideas and directions. The process starts with *three simple questions*:

Q1: Is this fact valid? Answer: By all objective accounts and measures, yes.

Q2: How do we react when this fact guides our thinking? Answer: We get cautious. We assume there'll be many unknowns in the future. We begin to lose confidence in the accuracy of our forecasts. We decide it is *unwise* to make large capital investments. We might begin making up rules or guidelines of what we should and should not do in a volatile market environment.

Q3: What would we do if we suspended belief in this fact? Answer: With permission and space to consider a different reality, *new ideas and actions can emerge*. In this case, we might see that our forecasts already take into account the recent volatility, so we can spend less time questioning them. We might notice that our emphasis of volatility has created fear and stress that is more disruptive than the volatility itself. We might begin to think about large capital investments knowing that the likely conservatism of our competitors will lead them away from such investments—when we began to explore *that possibility*, we might find ourselves suddenly looking at other ways to leapfrog our competitors through other investments.

When this flow of possibility-based exploration starts, breakthroughs occur. This flow starts with *honest inquiry*. We become aware of the limitations or barriers that we accept, put them under the light of inquiry where most prove less powerful, and *interrupt the patterns that emerge from contracted thinking*.

Almost every breakthrough is characterized at some level by an innovator's suspension of belief, by exploring actions that would only be available if the accepted facts *weren't* accepted.

When *we don't question what appear to be clear facts*, we get McKinsey & Company's 1980 study for AT&T that saw no great future for cell phones! Socrates *really* was thinking big when he said, "The unexamined life is not worth living." Likewise, the unexamined fact is not worth accepting. LE

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ACTION: Question your way to new opportunities.

Crisis Management

Master four highly effective stages.



by Jane Jordan-Meier

FROM THE DEVASTATING earthquake in Japan, to revolutions in Egypt and Libya, to the oil spill in the Gulf of Mexico, social media has revealed its power, saving lives, providing vital updates, and raising money. Crisis management plans are flawed, incomplete, and inadequate without a social media plan. *Twitter* breaks news, is the new police scanner, and provides valuable real-time intelligence for updates in a crisis. *Facebook* allows organizations to engage directly with its stakeholders, and *YouTube* allows organizations to be their own broadcasters. Leaders who ignore these social media do so at their peril. By following simple rules and understanding the *four predictable stages of news reporting in a crisis*, they can effectively manage image/reputation:

Stage 1: Fact-finding. The spotlight is beaming squarely on the triggering event. This is the *breaking news stage*.

Stage 2: Unfolding drama. The spotlight moves from the *incident* to the *response* and the *victims*. This is the *reputation-forming stage* where the rallying on social media sites, both negative and positive, becomes a focal point.

Stage 3: Blame game. Everyone has an opinion; your crisis is beamed everywhere. People want to know who is to blame and why, making this the *finger-pointing stage*.

Stage 4: Resolution. This marks the end of the crisis, but the spotlight can be turned to full glare again if you slip up or something similar happens elsewhere. In this *fallout stage*, try to gain closure with an event that demonstrates solutions and lessons learned.

This approach also enables leaders to make effective decisions about who is the best spokesperson (this is not always the CEO, particularly at Stage 1). Frontline employees are often better informed and closer to the action. They need to be empowered, not shut down in a crisis. The *Stages* method also aids effective *messaging*—what to say when, and *planning*—what to do when. LE

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ACTION: Master these four stages of crisis.

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