PROVOKE, Why the Global Culture of Disruption is the Only Hope for Innovation

Chapter One
Hate and Denial

> *"Big change is more likely to result if there is a disruptive event such as new technologies or platforms that have a surprising effect on market share."*
> —*Trip Hawkins, founder of Electronic Arts*

When I go into an organization to speak about changing the way they do things and the power of provocation and disruption, I always meet with emotional and psychological resistance. Much of the time that resistance progresses through five stages, much like Elizabeth Kübler-Ross' Five Stages of Grief:

1. Hate and denial
2. Rejection
3. Recognition
4. Acceptance
5. Inspiration and action

In the first half of this book I'll explore each of those stages in detail to try to uncover some of the reasons that we react to disruption as we do.

iPhone? What iPhone?

I've heard this story from several people, so I know it to be true. In one account, a group of important customers went to the Seattle headquarters of a big, influential software company for a meeting. They sat down in a conference room and waited for one of the bigwigs to appear to discuss some critical new business they and the software company would be conducting. But before the executive arrived, an assistant came in and asked everyone in the room to please put away all their Apple handheld devices.

Well, you can be that a few eyebrows went skyward. As soon as they sat down, the clients did what businesspeople in this age do—pulled out their iPhones and iPads and checked email, text messages and calendars. Most of the people on the client team presumed this was about avoiding the distraction of a phone going off or an email chime during a meeting, so they began powering down their devices. "No," said the assistant. "Please put all your Apple devices *away*." Meaning, power them down and stow them. Pretend they don't exist. Apparently, management was so threatened by the

specter of Apple's products that they couldn't even tolerate their presence, like vampires with garlic.

The clients were furious about such a petty policy, pushed back, and got their way. But the breach of protocol isn't the point. The point is, management by denial is not management at all. At Harvard Business School, I don't believe they teach executives to deal with competitive threats by sticking their fingers in their ears and going, "I can't hear you! La la la la!" That's abject denial of the worst kind, and that's where we're going to begin our journey into the Five Stages of Disruption.

The Horse With Blinders On

One of my first cover ideas for this book was of a horse or donkey with blinders on its eyes. In the equestrian world, you blind a horse so it can't be spooked or distracted by things in its peripheral vision. That's beneficial. But in business, it's potentially fatal.

I think the hate of disruption and the denial of the need for radical change comes from many places. First of all, it's a result of legacy thinking. A company was big in the past, it's still big in terms of sheer numbers and revenues, so it will be big into the future. A equals B equals C. The trouble with that kind of thinking is that by the time the big legacy corporation gets to the point where its leaders are patting themselves on the back over how big they will remain into the future, the decline has already begun. Jim Collins said it in his book *How the Mighty Fall*: by the time a downward slide becomes obvious enough that an otherwise-complacent organization can see it, it's probably too late to stop it.

Something called *recency bias* convinces us that the way things are today is the way they will always be. If business is solid today, then forget that our stock is sliding and we're being out-innovated by three smaller companies! Damn the torpedoes! That kind of blind denial can set a company on a collision course with some pretty harsh reality. It's not sheer size or inherent conservatism that makes huge corporations stodgy, slow to react and hostile to change. Those are contributing factors, but the key is this: Size creates the illusion of success. "We have 100,000 people, 16 offices around the globe and $23 billion in annual sales—we MUST be brilliant!" executives crow. "Let's give the board some more stock options!"

But in this context, size does not matter. In fact, size can be detrimental because the complexity of a huge global enterprise can make it impossible to see the forces tearing it apart at work until it's too late, like a tiny tumor growing in the body of a 350-pound football player. I once worked for a huge systems integrator with 100,000 people, and after only a few days there it became clear to me that nothing was happening. Nothing was moving. I had come from an entrepreneurial company of 50 of the best and the brightest people in technology, where we turned out dozens of innovative new products. The difference was shocking.

Still, the experience was invaluable. It let me know how these organizations tend to work—or more often, not work. I've learned which buttons to push to evoke the emotions that I want to evoke. I'm not out to manipulate anyone, but I also accept that the initial reaction to my message—question everything, defy conventional wisdom, disrupt the way you're doing things—is hatred and denial. Unless we provoke, we don't innovate. I don't want to wait a year for my clients to get something done. Usually, their potential for change is huge, but it's unseen. My job is to rip away the recency bias, denial and comforting self-delusion, tell them what they're really up against, and open their eyes to what they can do.