

WHY ENTIRE INDUSTRIES ARE DROWNING IN UNIFORMITY

Eric, a seven-year-old executive-to-be is caught cheating in German class. What does he say? Does he apologize? Is he embarrassed? No way. "It wasn't copying," he trumpets, "it was cross-notebook benchmarking through which I was trying to significantly boost the competitive advantage of my German essay." The management world doesn't do it any differently. Hidden behind smooth management terminology like benchmarking is basically nothing other than copying. It just sounds better.

Legions of managers have learned the art of copying in business schools around the world. Why come up with your own ideas? After all, there's benchmarking. What may sound good in theory is deadly in practice. Entire industries have fallen into the benchmarking trap; everyone looks at the supposed best and copies them. One company dares to try something new, and the rest watch to see if it works. And copy without hesitation. The result: Everyone talks about innovation, and what comes out are products that are as similar as two peas in a pod.

You don't have to look far for obvious examples. All you have to do is go to a shopping center. No matter whether you are in Hamburg, Dresden, or Vienna – you will encounter the same concepts, the same stores, and the same advertising. Even the decor is so standardized in many places that it seems impossible to distinguish the different locations from one another. Do you know the shopping center with the fountain and the fast food court around it? The one with the islands of plants and the wooden benches?

To put it another way: Do you know a shopping center without fountains, a fast food court, islands of plants, and wooden benches?

After the shopping center, continue on to the supermarket. Detergent number 1 promises the cleanest of clean, detergent number 2 the whitest white, and detergent number 3 the most colorful colors. The wet razor sector resorts to blade benchmarking rather than creativity. Just as the first manufacturer launched the double blade razor, out came the next with three, and then one with four.

The same phenomenon can be seen in shopping center parking area. Try this experiment yourself: Take a Toyota Avensis, stick an Opel logo on it, and start driving. How long does it take until someone notices that you aren't driving an Opel? Probably forever.

TAKE THE TEST: HAS OUR COMPANY FALLEN INTO THE BENCHMARKING TRAP?

"Opel builds great cars." This sentence has been heard a lot over the past few months. And it's true. Just as great as their competition. But try to name a model that stands out in some way from the crowd.

- The Corsa: Isn't this Opel's Polo?
- The Insignia: A morph of Audi and BMW
- The Meriva: Like the Espace, just smaller

Of course the specialist will tell you that Opel's lines are more curved, and the die-hard Opel fan will curse when reading this, but I swear, Opel's models are



about as unique as icebergs in Antarctica. Consistently third or fourth place in every category. It wasn't always like this. The Manta and the Kapitän were unique. Then came benchmarking.

Is your company in the Opel trap? Have you done so much benchmarking that every bit of creativity and originality has been lost? Take the test. If you answer two of the three questions below with "yes," you may already be in the trap:

- We watch the competition closely and react to what happens.
- If you set aside the subtleties, we are not very different from others in the industry.
- Our products are often described as such: "Like the product from... just smaller / larger / cheaper / faster."

GETTING OUT OF THE TRAP: HOW THOMAS EDISON WOULD RUN YOUR COMPANY

What did the inventor, Thomas Edison, who founded General Electric, do differently from managers of much larger companies? The light bulb, the phonograph (precursor to the gramophone), and the film camera, all of these were pioneer work. The opposite of benchmarking. Edison deftly understood the need to structure, steer, and guide his creativity, to link new ideas with strategic thinking. What advice would Thomas Edison give you today?

1. DECLARE A BAN ON COPIES!

Benchmarking fans like to say things like: "Even Thomas Edison stole other people's ideas." That's true. One of the most famous statements from the inventor of the light bulb was: "Your idea does not have to be new. It just has to be a new way to solve the problem at hand." Edison was known for soaking up other people's solutions. He described himself as

"more of a sponge than an inventor." But he did not simply copy ideas. The concept of the light bulb indeed came from a German immigrant, Heinrich Göbel. But Edison developed it into a unique system of marketable light bulbs, power lines, power plants, and factories. Allowed: Soaking up ideas from everywhere and developing unique new ideas out of them. Prohibited: Blindly copying ideas with minimal changes.

2. ESTABLISH A STRATEGY FOR DEVELOPING IDEAS

How does one invent Mickey Mouse? Walt Disney would answer: With imagination and visionary thinking, with courage to be unusual, and a pioneering spirit. And a manager? Through a clearly defined innovative process in which the results of trend and market research are systematically compiled and decisive criteria are defined. It doesn't matter what it's about. Managers have learned to think in processes first. If you happen to be a manager and are reading these lines: How did you meet your wife? Did you first define the approach process? "At first contact one must smile at lady who has captured your heart. Follow-up of the Anna project is pursued if

a) the prerequisites for further conversation are present, b) the aspired benefits are proportionate with the risks, and c) Anna demonstrates an optimal allocation of resources."

In many companies, refined processes compensate for a lack of ideas. The view that ideas are accidental still prevails in the management of many large companies. Even though Thomas Edison had

already proven that ideas can be systematically developed by the end of the 19th century. The Edison Principle, his six steps to developing ideas, was the foundation for the think tank he set up in the U.S.

3. ENCOURAGE MISTAKES AND RISKS!

Lengthy and thorough analysis, test once, and then give up. This is how – in a nutshell – innovation strategies of many large companies can be summarized. Avoid mistakes at any cost! Edison realized quickly that this could not work. He elevated the mistake to a principle: Failure leads to success. It took him almost 9,000 attempts to make the light bulb a success. When one of his employees said, "We have failed," after the thousandth attempt, Edison responded with, "I have not failed, I now know 1,000 ways how not to make a light bulb."

Remember Eric, the seven-year-old executive-to-be? If he had already attended business school, he wouldn't just copy. The risk of copying mistakes would be too great. He would pursue the heavily propagated Fast Follower Strategy: "First I want to see what grade Carlotta gets, and then I'll copy from her." Many business schools teach managers the opposite of the Edison principle: Zero risk, first see what works in other places and then do that.

Why doesn't this work? Because mistakes are necessary to learn. Edison described the knowledge that he gained from his mistakes as "absolute knowledge." By taking calculated risks, you allow room to fail. Let yourself take steps forward and backward. ❖



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