

BETTER *AND* FASTER

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The Proven Path to Unstoppable Ideas

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PROLOGUE

*P*aper planes, rocket ships, human hearts, and origami. These are seemingly unrelated elements, but not to Robert Lang, an origami expert-for-hire who uses the power of paper-folding to save lives. Many of us have folded a few paper planes in our day, but Lang turned the ancient Asian craft into his life's passion. His peculiar journey began in the first grade, when his teacher gave him an origami art book. She hoped the quirky challenge would keep him from distracting his peers. She was right. Lang became obsessed over his newfound folding hobby.

Origami may be fun, but many will see the pursuit as frivolous. What Lang's teachers didn't realize was that with each paper plane pleated and each origami crane crafted, Lang came closer to unlocking secrets that would transform him into a leading innovator in aerospace, heart surgery, and automotive engineering. What did Lang see that others didn't? He started seeing more than just the art.

He saw the patterns.

Patterns surround us. We eat them, see them, smell them, taste them, and walk past them every day. But most people fail to connect the dots. They don't recognize ideas that others will relate to, gaps in service, or niches where one can rake in profits simply by diverging from the mainstream.

For Lang, the patterns were inescapable, especially when he delved deeper into the art of paper folding, a traditional hobby that had been stagnant for centuries and seemingly limited in scope.

Certain shapes were considered too difficult to re-create, such as spiders, bugs, or beetles. But those limits only challenged Lang's imagination. He was enthralled by impossibilities. He didn't know it at the time, but this was his *awakening*.

By day, Lang studied electrical engineering at Stanford and eventually earned a PhD at Caltech, writing his thesis on "Semiconductor Lasers: New Geometries and Spectral Properties." His doctoral work was unrelated to his art, but away from his academic pursuits, he studied the Japanese origami greats and taught himself to fold excruciatingly difficult constructions, including a paper Jimmy Carter and Darth Vader. He wanted to fold fire ants, hermit crabs, and dragons, but these feats remained beyond his grasp.

Origami was an all-consuming hobby.

Post-PhD, Lang became a talented fiber optic researcher, but during his off-hours, he fed his hunger for origami, joining the competitive underworld of Japanese origami. His accomplishments earned him acceptance into the Origami Detectives, a Japanese-based alliance of paper-folders who dared to dream of unthinkably intricate folding feats, such as creating a horned winged beetle.

Work and play soon merged. Laboring with the intensity of a mad scientist, Lang began to see the science behind his origami. He discovered that all shapes follow a few predictable patterns, a truth that had been overlooked for centuries. And he developed a software program to calculate the folding pattern of almost any figure imaginable: He would input a simple stick drawing into the program, and the software would spell out the folds needed to craft what was previously thought to be impossible. His fellow paper-folders called it "The Secret Weapon."

Lang revolutionized origami. Finally, he was able to fold the coveted winged spotted beetle. Suddenly, the degree of difficulty in origami competitions skyrocketed, with the average number of folds per paper tripling from thirty to a hundred.

Despite having secured forty-six patents in optoelectronics, at

the age of forty, Lang abandoned his successful career in fiber optic research to *fold* full time.¹ He dedicated his life to hunting unexplored origami opportunities. “There were plenty of people doing lasers,” he said. “The things I could do in origami—if I didn’t do them, they wouldn’t get done.”

Lang was right, but there was a hidden meaning in his message. He realized that origami could help a world desperate for solutions. Lang’s breakthroughs demonstrated how creative folding techniques can solve a range of mechanical engineering problems. When NASA needed a revolutionary way to fold a telescope into a rocket ship, they availed themselves of Lang’s expertise. When a German automaker needed a superior technique to pack airbags, Lang’s origami came to the rescue. Today, bioengineers even use his origami approach to pack strands of DNA.

“Almost all innovation happens by making connections between fields that other people don’t realize,” Lang explained to me. To find opportunity, he said, one should “Look for connections and try to understand the patterns. It’s all well and good to see a connection between two fields, but if you understand the underlying pattern, then you can more easily see similar types of connections at play in other fields of endeavor.”

Lang’s seemingly miraculous ability to expand origami beyond its original roots is an apt metaphor for this book. Lang teaches us that somewhere out there, your big idea probably exists. You just need to know where to look. By learning to find patterns in all sorts of unusual places, you can benefit from advances in other industries, accelerate your search for new ideas, and better realize your potential.

But there’s a catch. Pattern awareness is not as easy as it might first seem. In the 1950s, the average lifespan of a Fortune 500 company was seventy-five years, similar to that of a human. Today, the

1 Susan Orlean, “The Origami Lab,” *The New Yorker*, February 19, 2007, http://www.newyorker.com/reporting/2007/02/19/070219fa_fact_orlean?currentPage=2.

number has declined to that of a dog—just fifteen years—and some expect it to plummet to just five years.² Companies are failing to adapt. In the last decade, Kodak, Border's, Trump Entertainment, Hostess Foods, and Tower Records have all collapsed,, not to mention all the U.S. airlines, banks, and automakers that had to be rescued by multi-billion-dollar government bailouts. It's clear that we need to be better at spotting the destructive patterns that regularly roll over us like a tidal wave—but we also need to be better at tucking into the curl of that wave and riding it for all it's worth.

After years of advising hundreds of top brands, ranging from Coca-Cola to IBM to Victoria's Secret, I've learned that the only thing more powerful than an idea is the culture that nourishes it—or that prevents it from taking root. Part of what this book offers is a way to overcome the psychological and cultural traps that cause smart people to overlook opportunity.

THE POWER OF THE CROWD

For years, I searched for my own entrepreneurial idea, but like so many people, I never found one that seemed exactly right. By age twenty-nine, I'd worked as a management consultant, as a head of analytics, as an innovation lead, and, finally, as a director for a bank. I'd made a career out of helping other people find *their* ideas without finding my own. So, one morning in the wee hours, I created an online community called Trend Hunter for people to share business ideas. I hoped that someone somewhere would help me find my inspiration—but when the site exploded in growth, I realized Trend Hunter itself was my opportunity.

2 Steve Denning, "Why Did IBM Survive," *Forbes*, July 10, 2011, <http://www.forbes.com/sites/stevedenning/2011/07/10/why-did-ibm-survive>.

THE RESEARCH LEADING TO THIS BOOK

At first glance, you might mistake the Trend Hunter site for a media publication, but behind the scenes, it's carefully structured to be a giant research lab. Imagine having six basketball stadiums full of experts to hunt ideas for you. Then imagine testing the appeal of an idea with thousands or in some cases hundreds of thousands of people. That's Trend Hunter. To date, we've analyzed a quarter million products.

Traditionally, trend research had always been dominated by gurus and gut instinct. Our approach departed from that by pooling many people's contributions simultaneously. In 2007, a year before the market crash, we were simultaneously tracking a decline in the love for luxury, a rise in what we dubbed "credit crunch couture," and a "return to the kitchen," three key changes in customer behavior that foretold a market for new products and services. The year before, in 2006, we'd predicted that marketers would shift their budgets from TV to online, and by 2007, we were talking up Twitter as a powerful new marketing platform, even though it had only been in existence for a few months. Again and again, Trend Hunter has proved its efficacy as a global idea engine. It is not hampered by any one person's limitations; rather, it derives surprising predictive power from the input of millions of relentlessly curious people.

When we began offering companies dedicated Trend Hunter researchers, our client list exploded, granting us rare insight into some of the toughest innovation problems businesses face. On any given day, we may be predicting future interfaces for Samsung or Intel, helping Adidas tap into pop culture for its next hit shoe, or inspiring Crayola's creative new toys. These assignments have given us a rare opportunity to battle-test our methodology and learn how the world's brightest innovators stay ahead of the curve.

Along the way, we've interviewed nearly a thousand innovators, entrepreneurs, and clients to better understand their secrets. Drawing from this research, *Better and Faster* will teach you *six* specific patterns that you can use to shortcut your way to opportunity. While the data is deep, my preference is to tell stories—and not just familiar ones, but those you've likely never heard before: tales involving people from every economic strata who've achieved the incredible. By seeing how specific individuals and companies mastered the patterns, you'll be able to out-innovate, outsmart, and outmaneuver.

Enjoy!

Part I

Awaken

THE HUNTER AND THE FARMER

Living in an era of unprecedented change, it's easy to think of our potential opportunities as boundless. But there's a catch. We must be smart enough—*evolved* enough—to leverage change. We must get beyond our “farmer” roots and find our inner “hunter.”

Ten thousand years ago, something changed. Someone planted the first seeds, ushering in a new era. Humankind had a reliable source of food, eliminating the time-consuming need to seek out wild plants and hunt animals nomadically. People could stay put, build communities, and acquire possessions. Over the next five hundred generations, predictability and protecting order became paramount. We evolved into excellent farmers. It's this simple: Once we find a field to farm, we're neurologically wired to repeat the chain of decisions that led to the last harvest. Today, you can see this wiring in the way most corporations behave. Once a company becomes successful, it creates rules, procedures, and policies to protect the status quo.

Everyone farms. Your “field” might be your job, your product, or your brand, but reflexively, when you find a fertile field, you farm. Your neurological preferences take over and you become protective of your craft, digging in for what you hope will be a repeat of the prior harvest.

While this tendency served us well for the last ten thousand years, it leaves us unprepared for today's era of rapid change. To break free, we need to better understand our farming bias and learn

how to awaken our inner hunter. Yes, it's tempting to think, "But I'm *already* a hunter. That's why I'm reading this book. Why can't I just hear about those patterns and get going already!" But there's immense danger in that impatience. If you fall into the traps of the farmer, you won't be able to fully exploit the patterns. So listen up.

THE FARMER: COUGH SYRUP, AWKWARD MOMENTS, AND SEX APPEAL

Roy Raymond was a 1970s version of today's ambitious California entrepreneurs. He was a Stanford business grad on the lookout for a commercial concept he could call his own, and he wasn't finding it pursuing a career at Vic's, the over-the-counter cough syrup company. One day, on a mission to find a gift for his wife, he entered the intimate apparel section of a local department store. The experience was awkward, to say the least. He felt like "an unwelcome intruder," embarrassed and lost in "racks of terry-cloth robes and ugly, floral-print nylon nightgowns."³

The discomfort led to an idea: Why not create a guy-friendly shop in which men could buy lingerie for their girlfriends or wives? His idea was rooted in two insights: first, that a lingerie shop geared towards men would make them more comfortable shopping, and second, that truly sexy lingerie would be a hit with both men *and* women.

In 1977, Raymond begged and borrowed \$80,000 from his relatives to launch a little lingerie shop. With its wood-paneled walls, fashionable clothing, and upscale, male-oriented theme, the shop racked up sales of half a million dollars in its first year. That success funded three more locations. Aiming to go national, Raymond launched a mail-order catalog that was the talk of the industry and won additional notice when it was pinned up in men's locker rooms

3 Emily Newhall, "A Catalog-Business Boom," *Newsweek*, November 16, 1981.

everywhere. Within a few years, he was adding new locations and reaping millions in revenue.

By now, you've probably guessed that Raymond's store was Victoria's Secret, although little remains of Raymond's business model in the international chain we know today. Raymond did many things correctly, including transforming a broken shopping experience into a lucrative retail concept and exploiting an untapped niche, for which he reaped the rewards. But, despite those smart moves, he didn't see the bigger picture. It turned out, of course, that *women* buy most lingerie, not men—so Raymond was marketing to the wrong sex. Indeed, the main reason that women shopped at his stores was because of the fashionable lingerie, but not specifically because it made men happy. Rather, because it made women feel more confident. Raymond missed all that, and eventually his chain was headed for bankruptcy. That's when retailing magnate Leslie Wexner took the enterprise off his hands.

Within months, the new managers radically repositioned the stores and catalogue: imagery, brand, colors, and styles were all redesigned for a woman's eye, and the fresh, female-empowering approach worked like a charm. The result: Three decades later, Victoria's Secret has grown into a \$6 billion megabrand.

It would be easy to dismiss Raymond's talents based on the scale of his blunder. You might argue that he was overlooking the obvious, but don't forget that his initial stores made millions. He had a proven formula, and he stuck by it for years.

Unfortunately, like many individuals and teams, Raymond was only too happy to play the role of the farmer. Had he experimented more and been willing to cast aside his strongly held beliefs, he might have taken full advantage of the tremendous opportunities his company was poised to exploit.

What opportunities are *you* missing right now? How many breakthrough business ideas are just a few steps away from what you're already working on? The reality is that you can't know. Unlike

Raymond, most of us will never see someone else come and do our job so much better.

While Raymond's failure was catastrophic, his shortcomings are common among businesses and entrepreneurs. Raymond suffered from the three farmer traps: He was complacent with his own success, repetitive, and overly protective of his own beliefs.

As strange as it may sound, one of the hard-to-fathom lessons from these traps is that "being good" at something may eventually keep you from reaching your full potential.

THE HUNTER: COUTURE, BLUE JEANS, AND NO PHOTOGRAPHS

To understand how to skirt these common traps, let's meet an unlikely hunter, a seventy-eight-year-old man who lives in the bustling Spanish port city of A Coruña. He wears the same blue outfit nearly every day. He eats lunch in his work cafeteria and rarely goes on vacation. He doesn't do interviews. In fact, until 1999, no published photograph existed of this mysterious man.

Indeed, the only reason he finally deigned to be photographed at all was because he *had* to as part of his company's initial public offering. He earned his billions by revolutionizing fashion, and today, he's the world's third-wealthiest individual, richer than Warren Buffet and Larry Ellison, and just behind Carlos Slim and Bill Gates.

Amancio Ortega is the creator of Zara, a thriving international chain of clothing stores that you might mistakenly think is like any other, except that it's completely different. Louis Vuitton's fashion director calls Zara, "possibly the most innovative and devastating retailer in the world."⁴ The company doesn't advertise because it

4 "Zara, a Spanish Success Story," CNN, June 15, 2001, <http://edition.cnn.com/BUSINESS/programs/yourbusiness/stories2001/zara>.

can't and doesn't need to. Zara doesn't carry every design and size in stock, and styles are rarely consistent. And that's precisely why it succeeds.

To understand how Zara has made Ortega fabulously wealthy is to understand the future of business—in *any* industry. This is not a lesson in fashion.

It starts with speed. An average clothing company takes several months or up to a year to turn a design into a product ready for purchase. Zara takes just fourteen days.⁵

Designers and patternmakers craft several concepts throughout each day, which the company speedily manufactures from its local factory. Outsourcing to China is not an option because distance would delay production. Zara often starts by working with *greige* textiles, meaning that they are in an unfinished, near-colorless state. Working with textiles in such a state means that they can be dyed at the last minute.

If Zara's latest inspiration is a little red dress with a collar, five sizes of that design will be crafted and shipped to each of Zara's 2,000 stores—all within two weeks. Buy that red dress and a salesclerk will ask why you like it. Such questions might seem innocuous, but at the end of the day, the legions of storekeepers report back to the head office. If enough women like the dress but aren't crazy about the collar, the designer will bang out a fresh collar-free design, and in fourteen days, it will hit all 2,000 stores.

Slim inventory has multiple benefits. The company is seldom stuck with clothing it can't sell, and advertising is unnecessary, irrelevant, and impossible because there's no logic in putting a dress on a billboard if it won't be available next week. And finally, the limited supply reinforces exclusivity. If you're lucky enough to snare

5 "The Reclusive Billionaire: Secret Life of Zara Boss Amancio Ortega and His 'Fast Fashion' Empire," *The Age*, March 5, 2013, <http://www.theage.com.au/executive-style/management/the-reclusive-billionaire-secret-life-of-zara-boss-amancio-ortega-and-his-fast-fashion-empire-20130305-2fhne.html>.

this week's hot new skirt, great, but if you hesitate, it may never be in the store again. This sparks urgency, tapping into the predator-prey psychology that hooks so many shoppers. Customers also take comfort in knowing that coworkers are unlikely to show up to work in the same dress.

These unusual methods have helped Zara become one of the world's fastest-growing and most-disruptive retailers. In an article on the company, the British newspaper *The Telegraph* reported that the opening of a Zara store is the “signifier of a stylish city,” and it quoted one young woman as saying, “Thank God, we won't be a third-world fashion country any more.”⁶

Unlike the “farmer” archetype I've described, Ortega is not complacent. He is insatiable. In his words, whether you're a designer or a storekeeper, “the daily task is marked by self-improvement and the search for new opportunity.” Ortega doesn't lapse into repetition. Nor is he protective of his fashionable designs. He is relentlessly curious and willing to destroy.

These are the *three* hunter instincts—insatiability, curiosity, and willingness to destroy.

AWAKENING YOUR INNER HUNTER

While these may sound like simple concepts, putting them into practice is another matter. The first step is to awaken, a process that I was reminded of during a pre-event phone call for a corporate keynote. The company CEO pumped me up Tony Robbins style, despite the fact that I was the one hired to deliver the motivational talk.

He heads a multi-billion dollar insurance company that is grow-

6 Marion Hume, “The Secrets of Zara's Success,” *Telegraph* (London), June 22, 2011, <http://fashion.telegraph.co.uk/news-features/TMG8589217/The-secrets-of-Zaras-success.html>.

ing, though not as fast as his shareholders might like. He wasted no time: “Can I be candid with you? Can we just talk like we’re a couple girls hanging out in a locker room?” I thought, “Well, I don’t get that reference . . . but sure.”

He continued with a salty diatribe that ramped up like a speech delivered by a tough football coach whose team is down at half-time. “Our brand is like a lion. We grew up kings. We claimed our land. But now we’re that same big lion and we’re sleeping under a tree. People come to work, earn their keep, pay the mortgage, and go home. We’re good, but not great. We’ve lost our hunger. We’re a lion sitting under the tree, watching the hyenas as they stalk our territory. They’re coming right up to us. They scratch. They push. They’re eating our food! At a certain point, we need to remember that we’re a f***ing lion. We need to stand up, and we need to f***ing roar!”

Complacency was the enemy of this hunter, and he was more than aware of it—he was *obsessed*. “Things need to change,” the CEO growled, “and they need to change now. People are either with me in the new world order, or they’re not. And that might mean that not everyone is right for the job anymore. It might mean that the people change. But one thing is certain,” he thundered. “We are hunters, and now is our time to hunt!”

Many of today’s mightiest companies are great lions. They have the ability to claim new territory fiercely, but once they do, they’re often tempted to take a break and bask in their glory. Kings of the jungle, they can’t imagine being dethroned. That attitude doesn’t go unnoticed. The rest of the animal kingdom picks up on this complacency. They smell it and know it. The hyenas become a little more daring and hungry.

Confronted with a business world no longer defined by stability and predictability, you need to adapt. It’s time to step out of the shadows of your predecessors—time to sharpen your weapons. Hunters look for clues, listen for footsteps, and scan for the scents

that lead to opportunity. If your spear misses its target, throw another or fashion a better weapon. Hunters constantly reassess signals and seek new patterns that will help them track their next prey.

Now is the time to awaken your inner hunter. Dart in. Feast as the lion dozes! Create a culture of speed and recognize that your key advantage is the ability to understand your customer, adapt, and fashion fast solutions.

It doesn't matter how big you are. Stand up, claim what's yours, and roar.