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CURIOUS, COOL, AND CRAZY: BUILDING A CULTURE OF DISCIPLINED LUNACY

If competitors aren't bewildered or infuriated by what you're doing, and if industry observers and even customers don't think you're a little nuts, then you're probably not doing anything that will break you from the grips of the Copycat Economy. In today's hypercompetitive environment, organizations which break from the pack have these characteristics:

- They're **Curious**—Possessed of a culture built around inquisitiveness, and willing to explore uncharted, unorthodox, and even controversial paths
- They're **Cool**—Exhibiting an organization-wide willingness to be edgy, unconventional, and even defiant
- They're **Crazy**—Eager to make decisions that seem insane but are also the result of calculated discipline—or what I call “disciplined lunacy”

Curious, cool, and crazy companies—and the leaders who run them—approach things so differently that outsiders sometimes seriously wonder whether they've gone bonkers. Of the companies that made its “most admired” list a few years ago, *Fortune* magazine said, “Their managers are willing to take some risks so bold they may cause

shareholders, stock analysts, and employees to seriously question their sanity—at least until they turn out to have been right.” Their craziness is always rigorously organized, however, and it’s infused with a fundamental, adventurous interest in what’s new, as well as delight in what’s arrestingly fresh, fun, and cool.

Curious

Colin Powell, the former general and secretary of state, once declared, “You’re a good leader when people follow only out of curiosity.” When leaders direct an organization on an interesting, intriguing path, they attract interesting, intriguing people who want to join the caravan—to see what happens, to make something happen. When employees, investors, customers, and partners follow you because they’re curious about the bizarrely compelling and potentially lucrative path you’re exploring, and want to be part of it, you know you’re on the way to breaking from the pack.

This is not just “motivational” pap. Increasingly, curiosity is being recognized as a vital component for lifting your organization toward the high-value top of the competitive food chain, thus staying ahead of imitators and avoiding the ravages of commoditization. Barry Diller, currently CEO of InterActiveCorp, boils down corporate competitive success to just two factors: serendipity and curiosity. Using Diller’s logic, if a company doesn’t just rely on luck, success is about the capacity of an organization and its people to approach the world and its opportunities with a fervor for “what if?” and “why not?” inquiry. In a similar vein, *Wall Street Journal* op-ed columnist Daniel Henninger argues that the “worst sin” in business is to take action that is dull.

Curiosity has three components: audacity, a “yes” culture, and passion.

Audacity

If the strategic direction of your organization can be described as willfully daring, calculatingly bold, and deliberately adventurous, then you’re on the right track. I’m referring to much more than just the “audacious goals” as described by Jim Collins and Jerry Porhas in their book *Built to Last*. I’m describing the entire mindset and strategy of

the kind that futurist Alvin Toffler noted when he said, “The manager who can’t conceive of a radical alternative to the way things are being done... isn’t going to survive very long.”

SAP, the business software provider, is moving in an audacious path with its new software platform suite NetWeaver, which promises to revolutionize both the corporate software industry and how companies actually run their businesses. NetWeaver will allow companies to build their corporate software to order (from accounting and manufacturing to customer relations and supply chain), by having them pick and choose what they want and then putting the elements together, Lego-like. As one Cisco executive noted, “SAP is setting the standard that other application vendors will inevitably have to follow.” SAP executive Shai Agassi echoed that sentiment: “We could have sat back and waited for the storm to pass, but it never will. Instead, we decided to lead it.”

When leaders operate while wearing the Madonna-and-Willie glasses discussed in Chapter 3, they’ll often be branded as audacious. So be it. Richard Branson, the head of the Virgin Group, has been known for audacious personal behavior—like jumping out of luggage bins to greet passengers on Virgin Air. But beneath that raucous exterior are his calculated strategic immersions into “out-in-the-horizon” opportunities. For example, with a \$400 million investment in alternative cellulosic ethanol fuel, Branson aims to build Virgin Fuels into “a major competitor to oil companies.” That’s audacious!¹ And what could be more audacious than Virgin’s new, privately funded Virgin Galactic outer space tourism business? On the surface, it sounds ridiculous, but Branson’s partner Burt Rutan oversaw the development of SpaceShipOne, which has already traveled twice to the edge of space. Furthermore, Branson is licensing the necessary technology from Mojave Aerospace, owned by Microsoft billionaire Paul Allen, who happens to be Rutan’s partner. With private investment coupled with an initial ticket price of \$210,000 (for the experience of a grand total of 3 minutes of weightlessness in space) that is collected by potential customers (and believe me, there are plenty of potential customers) two years before the first flight—even skeptics are beginning to believe that Branson’s audacity reveals shrewd business logic.

A Culture of “Yes”

A corporate culture of “yes” sends a complex but clear message to every employee: “Yes, if you’re willing to take accountability for performance;

if you're willing to do the due diligence; if you're willing to take the responsibility of putting together a business plan, project team, and economic logic; if you're willing to stand up and fight for your ideals, then, yeah! Go ahead! Even if it challenges what we've always done in the past! We want you to succeed! Go for it!"

In other companies, you can smell a culture of "no": Earnest people are working long hours but are possessed of a certain ennui, a passiveness amid a grim routine, an absence of urgency, a lack of passion, a dearth of sheer joy, a hesitation in trying things out, a fear in deviating from standard procedure—in short, a lack of the ingredients of curiosity. But in a company with a culture of "yes," there's vibrancy, optimism, excitement, and entrepreneurialism. It's not an irresponsible, "do whatever you want" recklessness that permeated failed companies like Enron or Webvan, but a curiosity accompanied by rigor, reason, and responsibility.

Do you have a culture of "yes" or a culture of "no" in your company? To find out, assess your company's *speed* in responding with innovation. How quickly and pervasively do interesting ideas pop up and percolate? How rapidly and aggressively do they get scrutinized? How swiftly and imaginatively do they get developed and executed? Speed is the engine driver of a culture of "yes." Yes, you need discussion, analysis, and due diligence. But all these can proceed fast or slow. In a culture of no, everything is slow.²

Several years ago, I suggested to a client, an executive at a large but stagnant industrial firm, that he fire me. I told him that we were all wasting a lot of time and he was wasting a lot of money. Repeatedly, I would work with his team of senior managers, and we would agree on some aggressive "to-do's." I would return a couple months later and find that nothing had been accomplished. The executive agreed with me that the lack of fast action was undoubtedly a pivotal cause of the company's declining financials, but because he wasn't yet prepared to confront the issue, he agreed to fire me. Before he did, he ruefully shared with me his assessment of his company's problem, a lovely summary of a culture of "no": "*We study a good idea until it becomes a bad idea.*"

As you examine your organization's culture, ask how long it takes to do the following:

- Make an important decision. (I am consistently astonished by how much time it takes large companies in financial distress to make any decision—glacial pace and financial distress are not unrelated.)