BETTER and FASTER

How to Adapt & Change Jeremy Gutsche

ChangeThis | 127.02

Human hearts, rocket ships, scorpions and origami.



These objects seem unrelated, but if you could connect the dots, you'd be better at almost anything. You'd be a...

- better innovator
- better investor
- better creator
- better manager
- better at adapting

Your breakthrough opportunity, your big idea and your team's top tier are much closer than you think. The only problem is, for every opportunity you have hundreds of choices you could make with each one leading you to a slightly different version of your full potential.

So, how do you know if you are making the right choices?

What if you could make just a handful of better ones faster?

You'd be more successful at almost anything.

Most people don't realize it, but we're experiencing the fastest rate of change in human history. Yet, the human brain is not evolving nearly as quickly as the world around us; in fact, after 10,000 years of evolution our brains have not evolved from those of our farmer ancestors, whose brains were wired not to seek out new opportunities but rather to repeat existing patterns. After all, as a farmer, once you find your field of opportunity, whatever that field might be, you'd be conditioned to repeat and optimize all the decisions that led to last year's harvest.

In our modern world, your so-called "farmer's field" might be your job, your occupation, the way you manage your team or whatever it is that is currently putting food on your table. Whatever the scenario, the reality is that successfully finding your field makes people *protective*, *repetitive*, *and complacent*. Ironically, the *side effects* of success generate traps that viciously block us from adapting to change.

So, in a time of chaos it is your *own* success and talent that can impede you from realizing your full potential.

It wasn't always like this; before we were farmers, we used to be hunters. And as hunters we were trained to adapt, to pursue, to travel and work together in packs. As hunters we were the opposite of complacent. We were insatiable.

You too can be a HUNTER; you too can be insatiable.

To win in an era of change and chaos, you need to do three things:

- 1. AWAKEN: You need to AWAKEN your inner hunter
- 2. HUNT: You need to proactively HUNT for opportunity
- 3. CAPTURE: You need to ADAPT to change

I've spent the last decade obsessing over chaos and change. This obsession led me to create a trend lab that would later bubble into the world's largest trend platform. To date, we've studied 250,000 ideas using our audience of more than 100,000,000 people to better understand how chaos works. This led to a list of a couple hundred top-tier brands and CEOs who have relied on us to help them change when change is hard.

And now, it's your turn.

I want to make you BETTER by teaching you to overcome the neurological traps that block successful people from adapting.

Then, I want to make you FASTER by teaching you 6 key patterns of opportunity created by CHAOS.

Learning to adapt to chaos is important because coping with chaos isn't taught. People don't study chaos enough. They don't internalize the impact chaos has on the brain—and neglecting the pace of change will cause people to miss out on their potential.

I want you to reach higher, change sooner, dive deeper.

I want you to be BETTER and FASTER.

In this manifesto, I'll teach you a few tricks for doing just that. It's never been a more important time to be BETTER and FASTER.

6 As hunters we were trained to adapt, to pursue, to travel and work together in packs. ...You too can be a HUNTER; you too can be insatiable.

FROM SCORPIONS TO ROCKET SHIPS

How exactly does one connect a human heart, a rocket ship, a black scorpions and origami? For origami expert Robert Lang, the answer to that question took a few decades to figure out.

When Robert was just a curious little kid his teacher gave him a book about origami, but unlike other kids who simply folded a few paper cranes before losing interest and tossing the book away, he was obsessed with it. Those little paper planes and folded cranes drove him wild.

Sure, Robert ended up with a job at NASA and a couple dozen patents to his name, but by night he was obsessed with the Japanese underworld of competitive origami. He became a member in the elusive Origami Detectives and fascinated about origami impossibilities like bugs, insects and scorpion shapes previously deemed unfoldable.

Roberts obsessed. He couldn't help but think that a paper-folding breakthrough for folding unfoldable shapes was closer than anybody else anticipated. So he worked on a computer program that would let anyone breakdown any object into its core shapes. Pretty soon, he figured out, you could fold just about anything—even that black scorpion—with just a single piece of paper.

Thanks to Robert, the world of competitive origami exploded.

The average number of folds in competition went from 30 to well over 100.

All of that led to a fateful day where Robert had to phone his relatives to say something like, "Hey, remember my NASA job? I've decided to quit to fold paper FULL TIME!"

At first, many people probably doubted the wisdom of Robert's career change.

That is until when NASA needed to launch a space satellite into orbit, and came calling. Why? Because they realized they needed Robert's skills in origami to help them figure out how to fold the satellite to precisely fit into the shuttle.

It turns out, this wasn't the only unlikely use to be found for Robert's origami. Today, a German airbag maker uses Robert's paper folding to squeeze more airbags into luxury vehicles. Bioengineers use Robert's origami to pack the human genome. And human heart stent makers use Robert's origami techniques to replicate real heart stents that unravel in an artery to save lives.

When I interviewed Robert, he told me:

"Almost all innovation happens by making connections between other fields that other people didn't recognize."

In other words, *patterns surround us*, but most don't recognize them.

ChangeThis | 127.02

We walk by, taste, see and overlook them every day. By better understanding the patterns and clues in the chaos around us, we can connect the dots to find opportunity.

Just as Robert used the patterns of origami to launch space satellites and save lives, you can take your existing skills, products, services and ideas and figure out how to achieve more by connecting your work to more customers and markets.

Over the last decade, I've been obsessed about using my company Trend Hunter and our 100,000,000 person audience to look for these very patterns and to come up with a framework for helping others connect the dots to their next opportunity.

It all starts with step 1, which involves getting your mindset into the right place to be able to see the patterns in the first place. It starts by awakening your inner hunter.

66 Patterns surround us, but most don't recognize them.
We walk by, taste, see and overlook them every day.
By better understanding the patterns and clues in the chaos around us, we can connect the dots to find opportunity.

STEP 1. AWAKEN YOUR INNER HUNTER

In the 1950s, the average lifespan of a Fortune 500 company was 75 years. Today, that's fallen to just 15 years. As the pace of change increases, the expected lifespan of companies correspondingly declines.

But why?

It's because too many companies act like farmers, and fail to adapt to the chaos around them. In the last decade, this has included a huge list of once iconic companies, including: Kodak, Border's Books, Trump Entertainment, Hostess Foods, Tower Records, Blockbuster Video Entertainment, as well as hundreds of banks, automakers, and airlines that either disappeared or had to be rescued with multi-billion dollar bailouts.

To survive, to awaken their inner hunter, companies need be more aware of the traps of the farmer.

To illustrate the trap of the farmer, let me tell you the story of Roy. Roy always wanted to be an entrepreneur, and one day his inspiration came in an unlikely place. He went shopping in a department store to buy his wife something intimate to spice up their evening. While he was sifting through the undergarments, he noted that he was receiving strange glances from the store clerks. He felt like an "unwelcomed intruder." No doubt he wanted to shout, "These are for my wife, I swear!"

He left the store feeling uncomfortable, but inspired by his awkward shopping experience. He imagined how much better things would be if there was a store that sold lingerie for men. Correction: a store that sold lingerie for men to *give* to women (such a big difference a few words make...). Also, Roy thought what man wouldn't enjoy shopping in a store that sold more fashionable lingerie?

Roy launched his new store and pretty soon it was successful enough that he could launch another. Two stores become three, three became four, four became five, five became six and six became seven. He had been successful *and* he was replicating his success again and again.

The problem was that Roy didn't realize he had attributed too much of his success to his original insight, creating a store targeted towards men. What he failed to see was that, in actuality, his success was rooted in the more-fashionable lingerie he offered that made woman feel more confident—not catering to men.

Soon, surrounding department stores caught on and they started to sell their own fashionable lingerie. Instead of adapting, however, Roy continued with his strategy of catering to men until he was headed for bankruptcy. Out of desperation he sold his chain, Victoria's Secret, for an amount rumoured to be a few million dollars.

The new owners immediately repositioned the brand to be targeted towards women, and making women feel more confident. The investment soon grew into a \$6 billion megabrand.

You could say that Roy missed a \$6 billion opportunity. Or you could say he was in fact successful growing a company that he could sell for millions of dollars. But the only difference in those two amounts was the ability to see the opportunities he was missing.

66 Too many companies act like farmers, and fail to adapt to the chaos around them. ... To survive, to awaken their inner hunter, companies need be more aware of the traps of the farmer.

The difference is whether we think like a farmer, or think like a hunter. If we think like a farmer once we become successful like Roy, the following three neurological traps kick in:

The 3 Traps of The Farmer

- 1. Complacency: Success makes us try less because we lose our hunger.
- 2. Repetition: Once we find something that works, we repeat it until our own irrelevance.
- 3. Protectiveness: We overly defend our insights and all those decisions that led to our success.

To break free from our inner farmer, we need to unlock our inner hunter. To explain the hunter's mentality, let me tell you the tale of the most famous man you've never heard of.

He's 77 years old, he lives in a small Spanish city and he likes to wear the exact same blue shirt every day. He eats lunch in the same place every afternoon and he lives in a small apartment close to work. But actually, he could wear whatever he wants, eat whatever he wants, and live wherever he wants because he just happens to be worth \$70 billion.

The man is Amancio Ortega, the founder of fashion retailer Zara. For those who don't' know this brand, the easiest way to introduce it is to explain how the creative director of LVMH defines the company: **"possibly the most innovative and devastating retailer in the world."**

But how? At almost every other fashion retailer, there is more than a year of time between when someone comes up with an idea for a little red dress and when that little red dress is actually available for purchase in a store.

At Zara, the lag time is just *14 days*. Someone comes up with the idea for the dress, Amancio and the team quickly get the dimensions and design all figured out. Instead of outsourcing manufacturing to China, they produce more locally because they need things done faster. Then, Zara creates just five of those dresses for each of their 2,000 stores. The dress is sent to each store within two weeks of its initial conception and that's where the magic *really* happens.

Let's say you're shopping in the store, and a clerk comes up to you and asks if you like the dress you're looking at. In any other store, that would be an uneventful conversation. But at Zara, the clerk reports back all findings at the end of each day. He might note that you didn't like the dress because you didn't like the stripe. Then the designers, who just made the dress two weeks earlier, would get the feedback and remake the same dress—without the stripe.

Instead of exhibiting the traps of the Farmer, Zara exhibits the habits of the Hunter.

The 3 Habits of the Hunter

- **1. Insatiability:** Always be on the lookout for new opportunity and fight the complacency that comes with success.
- 2. Curiosity: Push yourself to proactively explore new ideas and experiment continuously.
- **3. Willingness to Destroy:** Instead of protecting the ideas that led to your previous success, you need to actively challenge your own assumptions, and be able to experiment with ideas and technologies that depart from what has worked in the past.

In short, now is not the time to be complacent and protective with your past success. Now is the time to HUNT! Which brings me to the second step.

66 Instead of protecting the ideas that led to your previous success, you need to actively challenge your own assumptions, and be able to experiment with ideas and technologies that depart from what has worked in the past.

STEP 2. LOOK FOR "PATTERNS" OF OPPORTUNITY

Too often, people make the mistake of trying to emulate a competitor or of tweaking their own approach to be a bigger and better version of what they are already doing. Yet, there's a far cleverer and quicker way to find opportunity by using patterns.

A big innovation is like a cannonball into water. That splash creates ripples of opportunity. For example, let's take Facebook way back in 2007. At the time, it had roughly 50,000,000 fans. That's a lot, but it didn't stop big players like Google from thinking they could still take the social network on by repeating what Facebook had already done. However, it doesn't matter how hard they tried, they could never quite rival Facebook. Why? Because Facebook was a cannonball. And way back in 2008, it's splash created several areas of breakthrough opportunity.

After studying 250,000 ideas, using our audience of 100,000,000 people like a giant focus group, we at Trendhunter have had a chance to identify six high-level patterns that result from that splash. Each pattern has all sorts of complexity and sub-patterns, but to simplify, here's an introduction to each pattern:



- → Acceleration: "Identifying a critical feature of a business or product and dramatically enhancing that element. Includes: perfection, aspirational positioning, exaggerated features, and reimagined solutions." (My definitions from *BETTER and FASTER*)
- → Convergence: "Creating a winning business or product by combining multiple products, services, or trends. Includes: mixing, product integration, social integration, bringing people together, adding value through layering, drama, multi-functions, and co-branding."
- → Reduction: "Simplifying a business concept or focusing it more on a specific idea. Includes: specialization, removing layers and steps, fractioning, crowd- sourcing, subscriptions, localization, and efficiency."
- → Redirection: "Channeling the power of a trend, behavior, or demonstration of need instead of fighting it. Includes: refocusing, reprioritizing, rationalizing, reversing, and gamifying."
- → Circularity: "Predictably recurring opportunities. Includes: retro, nostalgia, economic cycles, seasonality, generational patterns, and repetitive cycles."
- → Divergence: "Products and services designed to oppose or break free from the mainstream. This opportunity pattern extends beyond rebellion to include personalization, customization, status, and luxury."

To see how these patterns work, think back to Facebook. When we break it down: Facebook was:

- 1. a place for FRIENDS;
- 2. to ARCHIVE their photos;
- 3. to share their EVERYDAY life.

One pattern of opportunity to look for would be DIVERGENCE—or, in other words, the opposite.

- 1. If Facebook is a platform for FRIENDS, there could be a platform for strangers to connect. That ended up being Twitter.
- 2. If Facebook is a place to ARCHIVE photos, something needs to be less-permanent, for all those kids out there who don't want all their photos saved. Half a decade later, that gap would be filled by SnapChat, a \$4 billion company.
- 3. If Facebook is a place for people to share their EVERYDAY life, people will start to overshare everything, including bland quality mobile phone photos. That's going to ruin the art of photography, and something will need to bring it back. Enter Instagram, a billion dollar acquisition, years later.

Those are just a few examples, but even back in 2008, one could have predicted dozens of opportunities just by examining the patterns of opportunity that would result from Facebook.

STEP 3. ACTIVELY CAPTURE OPPORTUNITY

To uncover opportunity, you need to go out and capture it—to translate the trends and pace of change in your market into actionable opportunity.

In my latest book, *BETTER and FASTER*, I share a step-by-step methodology for doing just this. The process includes finding your sweet spot, identifying ideas and clusters, and leveraging that insight to build a business. To start, use the 7 key steps summarized below:

- 1. Awaken Your Hunter: Before you can spot new opportunity, you need to get yourself into the mindset of seeing the possibility of what could be. Be curious, insatiable and willing to destroy whatever you are currently doing and start anew.
- **2. Establish a Hunting Ground:** Discover a way to define your industry that is different from how you define it today. You want to look for lots of examples of innovation in your field so that you can later look for clusters.
- **3. Search The Perimeter For Related Ideas:** Be proactive. Set-up a process to scout ideas in the markets that you think are most relevant to your business. It's not a matter of thinking that you are on top of that industry. To win, you need to be actively hunting, which could mean reading articles, books, online magazines, blogs, or visiting trade shows.

- **4. Push Your Boundaries:** The best new ideas in your industry will probably come from an adjacent one slightly outside your area of business. Open yourself up to be influenced by tech, social media, fashion, culture, and a variety of seemingly unrelated fields.
- **5.** Collect & Cluster What You Find: To find an opportunity that is big enough to turn into a business, you need to look for a cluster—several examples of innovation where you have enough evidence to see that something is working and interesting to people, but not so many examples that the idea is played out. This is very different than looking for a big trend or a megatrend, because the really big trends, like "eco" or "social media" are so well known that everyone else has already taken advantage of them. To find something right for you, you need to get more specific. What aspect of eco or social media is really interesting, for example?

66 A big innovation is like a cannonball into water. That splash creates ripples of opportunity.

- 6. Throw Away Your First Idea: Your brain is great at identifying patterns based on shortcuts including your pre-existing beliefs, stereotypes, and schemas. That means that your first patterns will often be influenced by your own bias. To find something remarkably fresh and new, you need to go through the exercise of throwing away your first ideas and forcing yourself to look beyond them for new clusters of opportunity.
- **7. Use the Patterns to Re-Cluster:** The six patterns will help you to see what you have been overlooking. By scouring through your examples with a goal of finding opportunities that match each pattern, you are more likely to see the types of ideas that others are overlooking.

In my book, I walk through these steps by showing how you'd actually identify the pace of change in your industry, and through these stories I draw out the key insights that will help YOU—no matter what business or industry you're in—become both better and faster.

66 To uncover opportunity, you need to go out and capture it to translate the trends and pace of change in your market into actionable opportunity.

FINAL THOUGHTS

You are capable of more than you think

Your big idea is close, within your grasp, and there are patterns and clues pointing you in the right direction. To seize them, you need to realize that your talent and success is, ironically, often what holds you back from reaching your full potential. To break free, you need to defeat the status quo. You need to push yourself, get out there, and actually start doing the things that will take you to the next level.

Be insatiable.

Be curious.

Be willing to destroy.

And you will become BETTER and FASTER.

Info



BUY THE BOOK | Get more details or buy a copy of Better and Faster.

ABOUT THE AUTHOR | Jeremy Gutsche, MBA, CFA, is an innovation expert, award-winning author, "one of the most sought-after keynote speakers on the planet," and the founder of <u>Trendhunter.com</u>, the world's most popular trend-spotting website, which boasts more than 2 billion page views and over 3 million Facebook fans. Prior to founding Trend Hunter, Jeremy grew a \$1 billion portfolio for Capital One, and today over 300 brands rely on his expertise, including Victoria's Secret, Sony, Coca-Cola, IBM, Wells Fargo, and Hughes Aerospace.

- → **SEND THIS** | Pass along a copy of this manifesto to others.
- → **SUBSCRIBE** | Sign up for e-news to learn when our latest manifestos are available.

This document was created on March 18, 2015 and is based on the best information available at that time. The copyright of this work belongs to the author, who is solely responsible for the content. This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License. To view a copy of this license, visit <u>Creative Commons</u> or send a letter to Creative Commons, 559 Nathan Abbott Way, Stanford, California 94305, USA. Cover image from <u>Veer</u>. You are given the unlimited right to print this manifesto and to distribute it electronically (via email, your website, or any other means). You can print out pages and put them in your favorite coffee shop's windows or your doctor's waiting room. You can transcribe the author's words onto the sidewalk, or you can hand out copies to everyone you meet. You may not alter this manifesto in any way, though, and you may not charge for it.

About ChangeThis

<u>ChangeThis</u> is a vehicle, not a publisher. We make it easy for big ideas to spread. While the authors we work with are responsible for their own work, they don't necessarily agree with everything available in ChangeThis format. But you knew that already.

800ceoread

ChangeThis is supported by the love and tender care of 800-CEO-READ. Visit us at <u>800-CEO-READ</u> or at our daily <u>blog</u>.