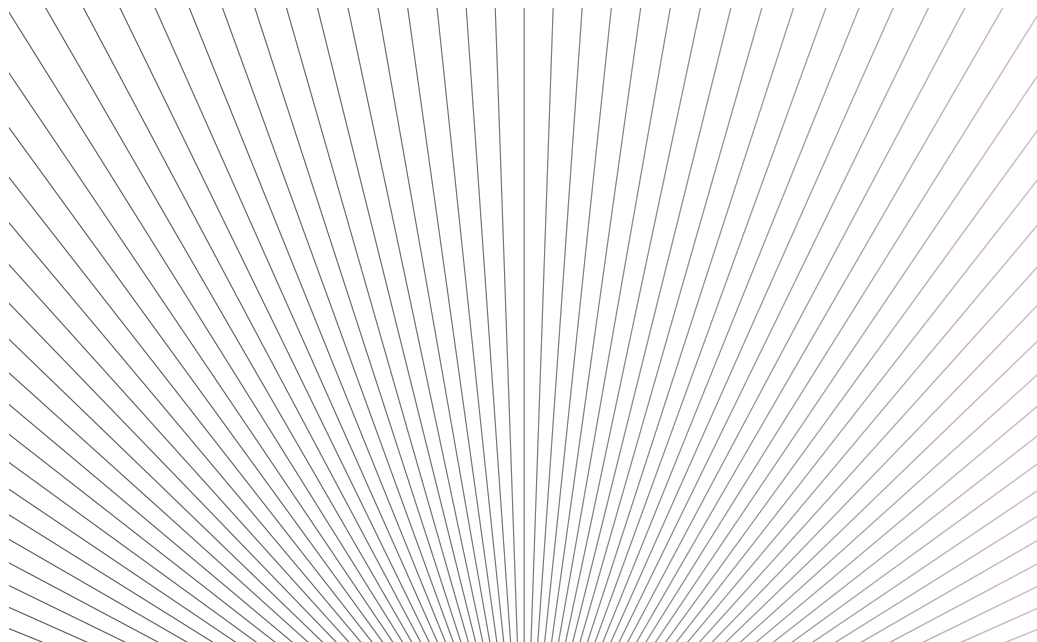
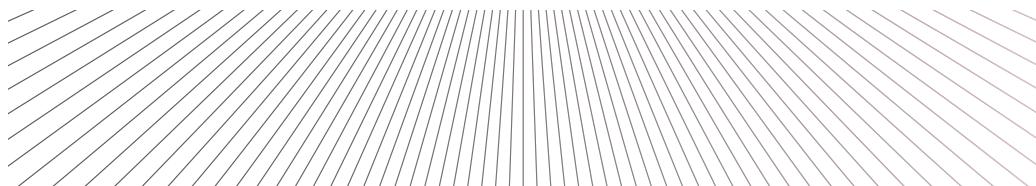


FOREWORD BY MALCOLM GLADWELL



C R E A T E T H E
F U T U R E

TACTICS F O R **DISRUPTIVE THINKING**



NEW YORK TIMES BESTSELLING AUTHOR, **JEREMY GUTSCHE**

CEO OF TREND HUNTER



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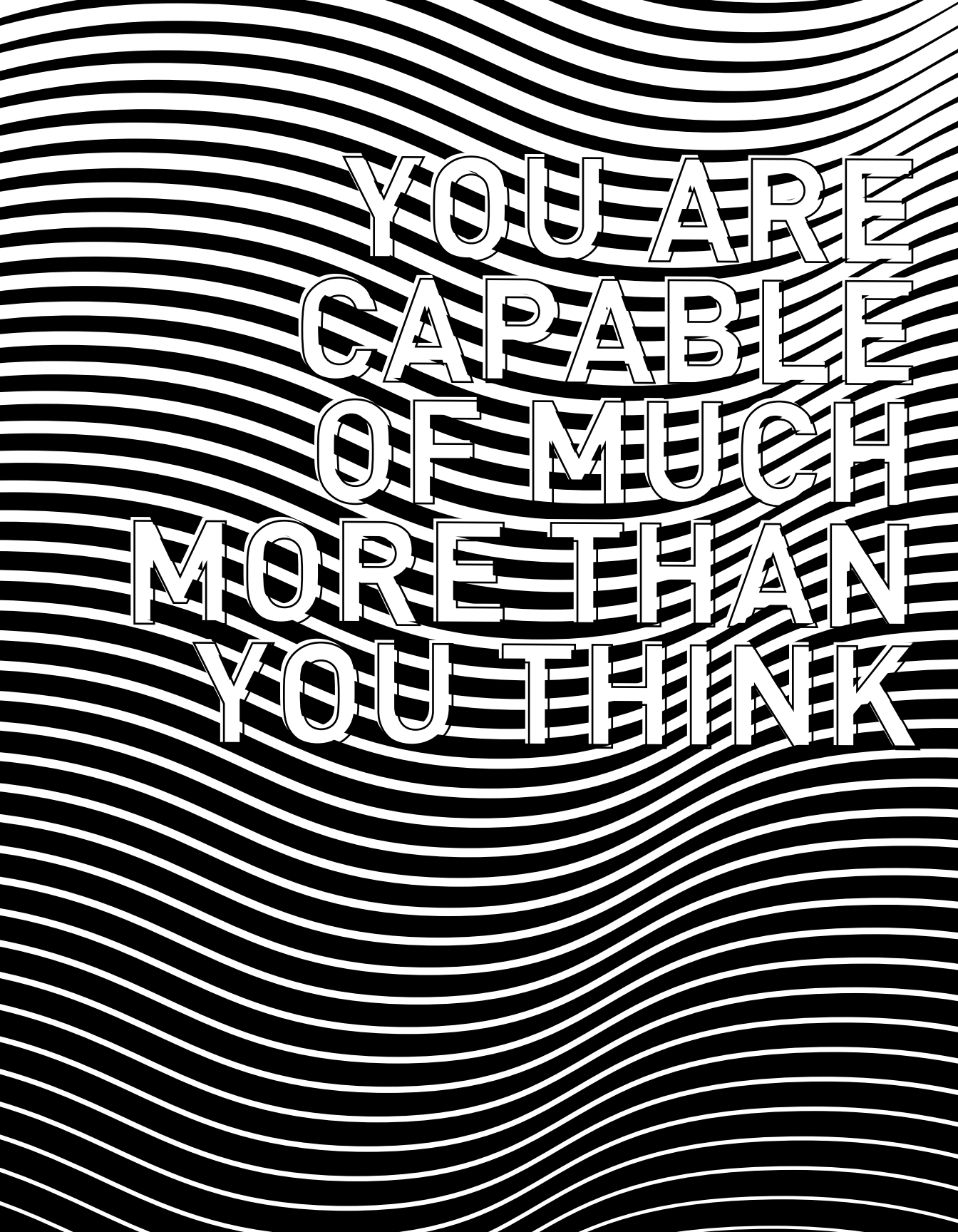
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First Edition



YOU ARE
CAPABLE
OF MUCH
MORE THAN
YOU THINK

YOU ARE ABOUT TO EXPERIENCE HISTORY'S HIGHEST RATE OF CHANGE, DISRUPTION, & OPPORTUNITY...

This means you are closer than ever to achieving something *more*. Your breakthrough might be a new product, service, role, idea, or just a different way of doing something.

THE PROBLEM IS that your ability to change will keep getting limited by seven specific traps. Collectively, these traps reduce your innovation potential by 93%—a number I will prove with a simple game. These traps blind you from seeing opportunity and compel you to stick to the path you are already on. This explains why most people miss out on realizing their full potential. It doesn't have to be that way.

THERE ARE PROVEN METHODS you can use to break free, to identify opportunity faster, and to make change happen. In this double-sided book, you will learn the same techniques my team has used to advance the world's highest-performing innovators at Disney, Starbucks, American Express, IBM, adidas, Google, and NASA.

THIS BOOK IS MORE THAN JUST MY LIFE'S WORK; it is the collective wisdom of my team and several hundred clients who contributed their battle-tested techniques. Instead of writing my third book on a focused, narrow topic, I wanted to make the most useful, comprehensive guidebook I could, combining all of the best tactics I've learned from working with so many innovators.

AFTER MORE THAN 10,000 INNOVATION PROJECTS, which helped leading brands predict and create the future, my team at Trend Hunter has collected a war chest of tactics that will help you win your future. And these skills matter more than ever before, because the next 5 to 10 years are about to redefine humanity.

CONSIDER THIS: We already have the technology to read the inner voice in your mind, so imagine controlling your phone with your inner thoughts, writing a report without

a keyboard, playing video games without a controller, or walking into stores that already know what you want to buy. Imagine seeing the world in augmented reality and commuting a bit safer, working a bit faster, or exercising in a way that is actually fun. What if we could restore someone's ability to walk, give someone the sense of touch, enhance eyesight, fight disease, or modify DNA? What happens when robots start building our homes, delivering our news, and driving us home?

THESE ARE NOT EXAMPLES OF THE FAR FUTURE. These are examples of what is possible right now. And with hybridization, instant entrepreneurship, and artificial intelligence, the pace of human progress is about to become not so human at all. Life as we know it is about to change dramatically, and this will create countless new opportunities.

Are you willing to make small changes to your daily routine, to increase your future potential—to create the future?

Let's do this! But first, a few pages of context . . .



JEREMY GUTSCHE is a *New York Times* bestselling author, award-winning innovation expert, “one of the most sought-after keynote speakers on the planet” (*The Sun* newspaper), and the CEO of Trend Hunter—the world’s #1 trend website and innovation consultancy with over 3 billion views and more than 10,000 innovation projects completed. His team of

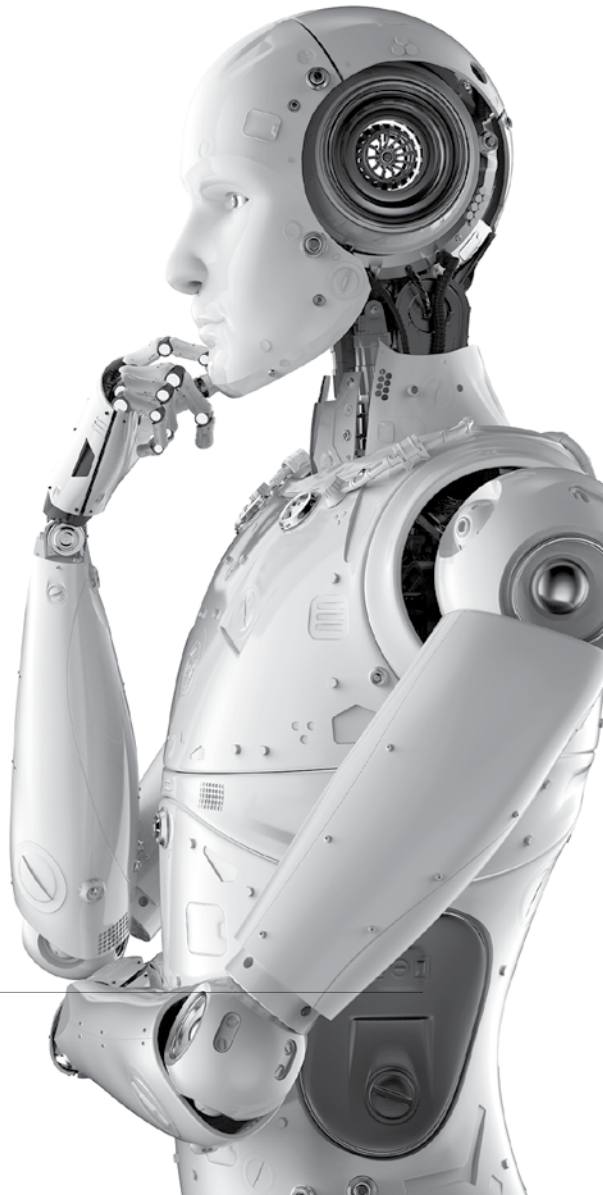
Futurists is relied on by 700 brands, billionaires, and CEOs to predict and create the future. He’s even helped NASA prototype the journey to Mars!

THERE ARE MANY GREAT IDEAS WITHIN YOUR GRASP...

Our world is abundant with more opportunities than ever before. And the good news is you can predict many of those opportunities by learning to better decipher the trends in your world.

- Artificial Intelligence
- Globalization
- Genome Editing
- Big Data
- The Cloud
- China vs. US
- 3-D Printing
- Boomers vs. Millennials
- Sustainability
- Personalization
- Social Business
- Influencers
- Virtual Reality
- Augmented Reality
- Multi-Sensation
- Crowd-Funding
- Group Buying
- Female Empowerment
- The Pursuit of Equality
- Disruptive Innovation

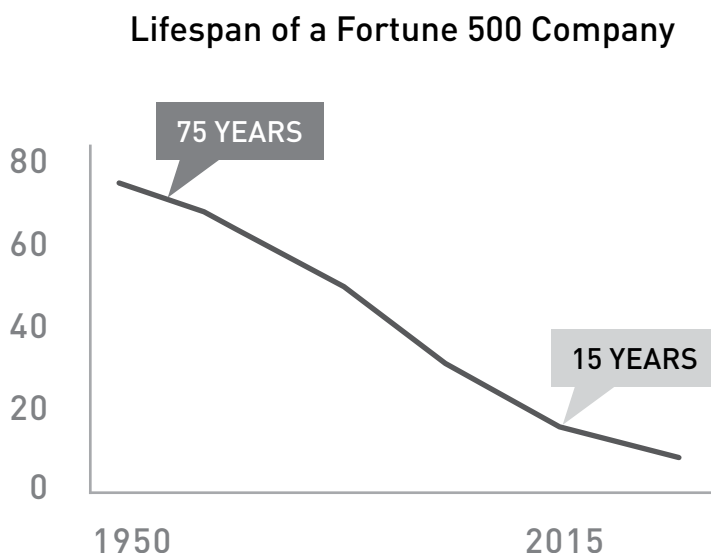
*YOU HAVE SO MUCH POTENTIAL
WELL WITHIN YOUR GRASP.*



HOWEVER, AS CLEVER AS YOU ARE, SMART PEOPLE MISS OUT

The average lifespan of a large company has fallen from 75 years in the 1950s to 15 years today.¹ If you look at the list of the Fortune 500 companies from the year 2000, more than 52% are now gone or displaced,² and that rate of disruption is accelerating.

Ironically, the companies that should be the best at innovation are the same companies that often fail.




Fortune 500 brands have all the resources and Harvard MBAs they need to innovate, but somehow that is not what's happening.

ALTHOUGH WE OBSESS ABOUT INNOVATION, WE MUST BE MINDFUL ———
THAT MAKING CHANGE HAPPEN IS HALF THE BATTLE.

EVERYONE WANTS INNOVATION AND CHANGE TO HAPPEN...

Almost every CEO of a major company will tell you that innovation is one of their core capabilities. An astounding 97%, in fact.³ This suggests that every major company has a strong commitment, support, and innovation capabilities, but our research has uncovered a different reality.



97%

of CEOs list innovation as
a top priority —PwC

BUT “NOT EVERYONE” PUTS IN THE EFFORT TO MAKE IT HAPPEN

Roughly half of business leaders don't believe their company has a strong innovation plan. They don't believe they have enough time to work on new ideas, and they generally lack the capabilities to execute those ideas. This is an enormous disconnect, but it explains why so many companies become blindsided, disrupted, or less relevant than they were in the past.⁴

- ▶ **50%** don't believe their organization has a strong innovation plan
- ▶ **55%** don't believe their organization adapts quickly enough
- ▶ **48%** don't believe they have enough time to work on new ideas
- ▶ **56%** don't believe their organization knows how to turn ideas into reality

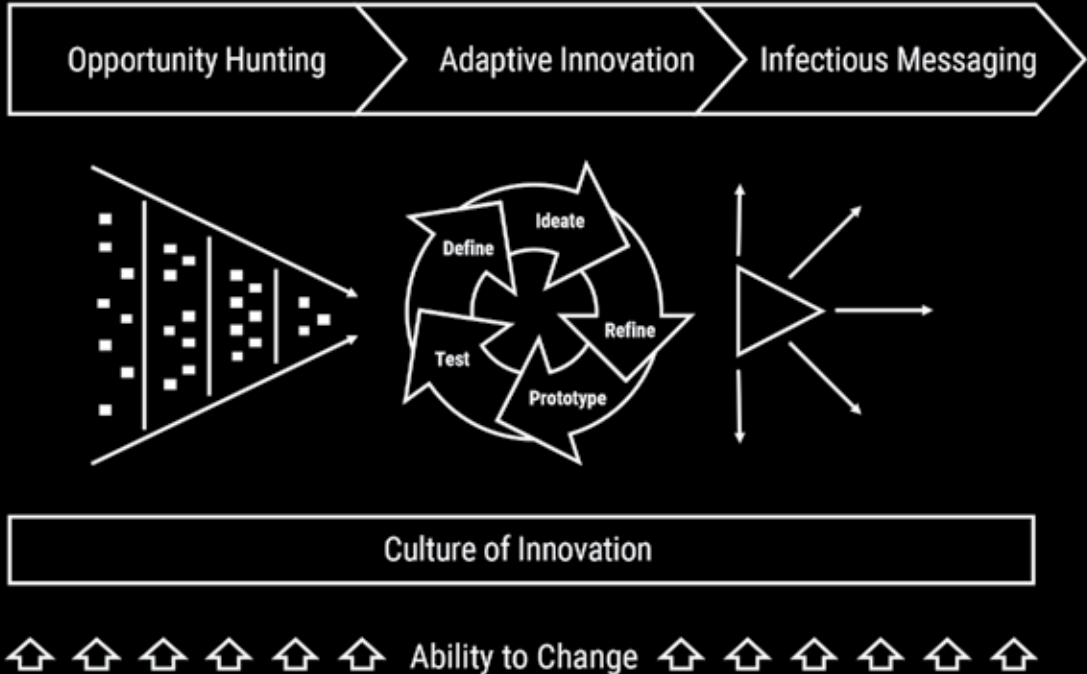
Source: Trend Hunter Assessment (n=30,000)

*THIS DISCONNECT EXPLAINS WHY YOU HAVE SO MUCH UNTAPPED
POTENTIAL. INNOVATION TACTICS ARE DESIRED, BUT MISSING.
LEARN TO INNOVATE AND EXPERIENCE A NEW LEVEL OF SUCCESS.*

THIS BOOK WILL EQUIP YOU WITH BATTLE-TESTED METHODS TO CREATE THE FUTURE

After conducting more than 10,000 innovation workshops and custom futurism projects, my team has encountered almost every type of innovation problem. We perfected this framework with our clients to create the ultimate guide, making innovation and change happen.

Create the Future Framework



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People miss out because we lead busy lives and get caught up in a predictable groove, repeating past decisions. This makes it difficult to spot opportunity, and more difficult to act. Even when we have a great idea, it can be a struggle to get buy-in, influence others, and make change happen. It doesn't have to be that way.

PART 2 → CULTURE OF INNOVATION (SIDE 2) 1

Culture is more important than strategy. Culture underlies your organization's ability to adapt, and times of dramatic change magnify this importance. Your organization likely perceives the need to adapt, but uncertainty and resistance are paralyzing innovation. Winning the future begins with a culture of innovation.

PART 3 → OPPORTUNITY HUNTING 103

Innovation and strategic advantage hinge on your ability to anticipate trends and identify the next big thing. By using the cutting-edge frameworks in this book, you can filter through chaos and identify clusters of opportunity to focus your innovation.

PART 4 → ADAPTIVE INNOVATION 143

Engineers, designers, and scientists have invested billions of dollars to perfect human creativity. By applying the best of their proven practices to your own field, you can think big while acting small. You can rapidly create new opportunities.

PART 5 → INFECTIOUS MESSAGING 159

Well-packaged stories travel faster than ever before. Unfortunately, most marketers are stuck in a world dominated by traditional advertising and clichés. By cultivating infection, your ideas will resonate, helping you to leap ahead of the competition.

LET'S CREATE THE FUTURE

In my desperate, two-decade search for an idea, I enrolled in an MBA program. I hoped the classroom would inspire my discovery, but then I sat through class after class, questioning my decision. What had I done? How would any of these courses help me be an entrepreneur? Then something happened that changed my world.

My marketing professor, Jay Handleman, said, “Today, we’re going to talk about the hunt for cool.” My mind sparked awake. What was he talking about? We read Malcolm Gladwell’s famous 1997 article, “The Coolhunt.” The article spoke about how cool works and the entire profession of studying trends and culture to figure out what’s next.⁵ I was blown away. How did I not know about this? Had I been working at a bank too long?

I was inspired to turn my own relentless hunt into a hunt for cool. I realized I could teach myself to code and build a place online where people could share new ideas, trends, and innovations. I called it Trend Hunter, and it was one of the first crowd-sharing communities.

Having said that, I didn’t think Trend Hunter would become what it is today—the world’s largest research platform, with billions of views. My dreams were more simple because I was coding this site in 2005, before Facebook and YouTube were really developed. The idea of making something that could go “viral” wasn’t as commonplace as it is today. Instead, I was inspired because I thought that someone, somewhere, might share an idea on Trend Hunter that would inspire my big idea. I didn’t realize that Trend Hunter *was* the idea.

I also failed to internalize that this new website was basically my childhood magazine-scouring activity made digital. That means I never connected any of this inspiration to my father until my publisher pointed it out. My publisher asked me to interview my dad to better realize how *his* relentless search for ideas turned into *mine*. So I spent a weekend asking my father all the questions I never asked as a kid.

One week after that interview, my dad had a heart attack and passed away. I was devastated, but when I look back, I realize that if I knew my dad was going to pass, I would have spent my last weekend interviewing him, which is exactly what I got to do.

My dad saw the very beginnings of Trend Hunter, but he didn't get to see it grow. He would have been very proud to see what happened with my little project. In just a few years, our view count went from thousands to millions to billions. We started getting more traffic than almost every newspaper on the planet.

As a research platform, there was nothing like it. Trend Hunter was 20 times faster at market research than anything I'd experienced running innovation at a bank. Using artificial intelligence, 150 million visitors, and a team of human researchers, we could do months of research in hours. We started crafting custom reports for brands, enabling them to innovate more efficiently and to find better ideas, faster.

In 2009, I wanted to write an innovation manual to capture everything I'd learned in my professional hunt for ideas. Titled *Exploiting Chaos*, the book was the right title at the right time. The world started becoming very chaotic, and I was suddenly the "chaos guru." I started getting invites from Fortune 500 CEOs who needed urgent help. A few big clients led to 50 more, then 100, then 200, and now around 700 brands.

Today, Trend Hunter has grown into the largest trend firm and has become an innovation accelerator. We've been very fortunate to work on more than 10,000 custom projects and innovation workshops. We even got to help NASA prototype the journey to Mars!

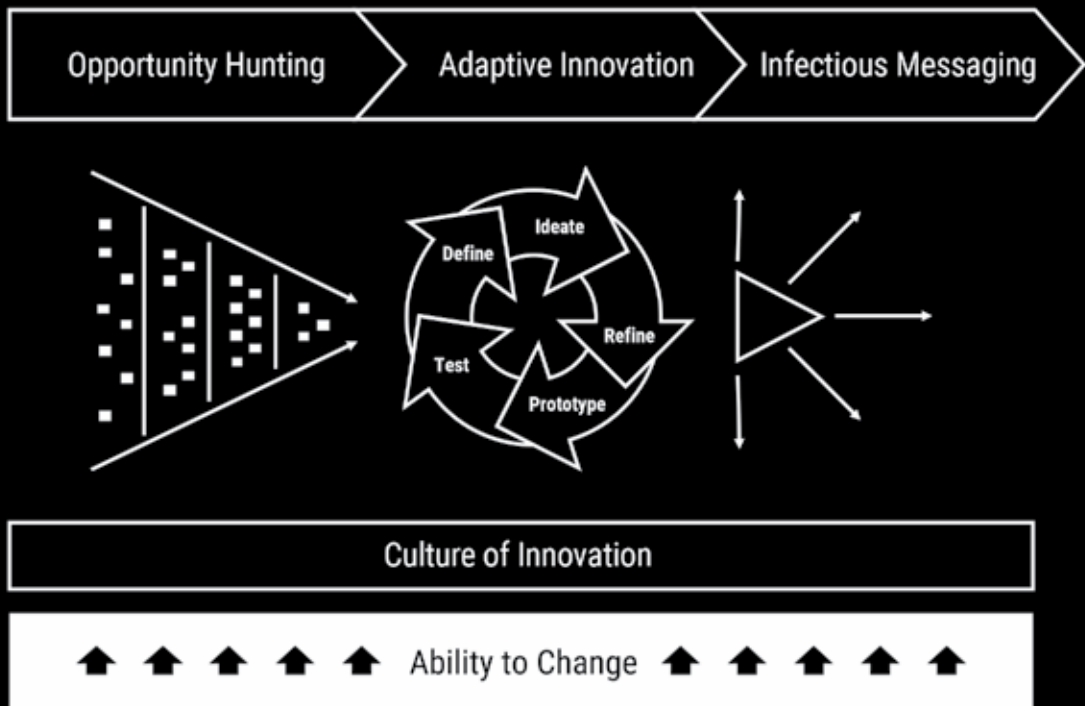
We have learned from each experience and this book is the complete collection of everything we have learned and tried. I truly believe these battle-tested methods will help you realize your full potential, faster. If you want more, sign up for our free weekly newsletter, visit TrendHunter.com, or visit me at one of our epic Future Festivals.

Enjoy the book!

—JEREMY

JeremyGutsche.com

Create the Future Framework



THE ABILITY TO CHANGE



Many people will tell you that culture is the most important thing you need for innovation to happen. I used to be one of them. However, after working with 700 leadership teams and brands, I have come to a deeper realization: whether you are an entrepreneur dreaming of your next idea, an ambitious hard-worker, or a billionaire CEO, the most important trait you need for our fast-moving future is the ability to change.

Master change and you will be in a position to better spot new ideas, act on opportunity, and know how to convince others about your wonderful new vision.

The key is to realize that your ability to change is hindered by seven traps that all relate to your expertise. In many ways these traps are like puzzles, because if you understand how they work, you can defeat them to your own advantage.

WE ARE MORE DEPENDENT ON PAST DECISIONS THAN WE LIKE TO THINK

There are no horses in space, and yet you should expect that there are exactly two horses in space. And while we're on the topic, you should expect those horses to be 4 feet, 8½ inches wide. Why? Because NASA's Solid Rocket Boosters were designed using that exact width. Not coincidentally, but specifically because it's the exact width of two horses.

If you truly want to understand NASA's choice, you have to go back to the Roman Empire. The Romans controlled the most land because they were able to patrol it with their two-horse Roman war chariots. Those chariots would tear up the land, creating deep ruts. If you were a farmer driving your wagon, you might get caught in one of those ruts, resulting in a broken wheel.

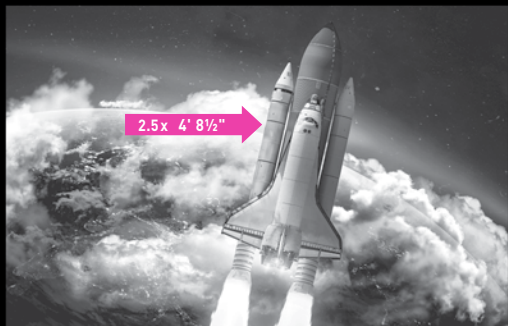
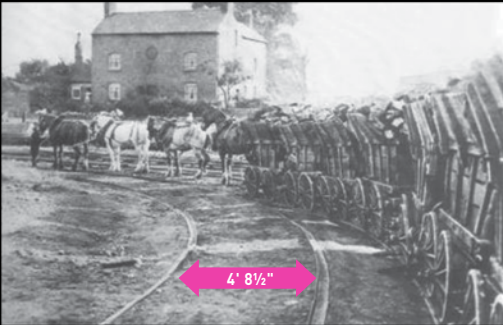
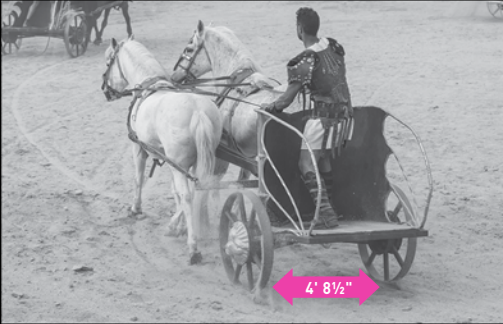
If you were a clever farmer, however, you would measure the width of the ruts and realize that they were 4 feet, 8½ inches wide—the width of the axles on the two-horse Roman war chariot. You would then design your own wagon to match.

Soon, all the wagons were made to be 4 feet, 8½ inches wide. When the first railways were built, they were created specifically for mining carts pulled by horses. So they made those railways 4 feet, 8½ inches wide.

Naturally, the first European trains extended those best practices with tracks that were 4 feet, 8½ inches wide. Americans built their own trains, but by then the ideal width had already been determined: 4 feet, 8½ inches wide.

4' 8 1/2"





Soon, smart people replaced all the train tracks for modern trains that were bigger, better, and faster. The new tracks remained the same size. Even when high-speed trains started going over 200 miles an hour, many of them continued on tracks that were 4 feet, 8½ inches wide.

Logically, when NASA began making and transporting the Solid Rocket Boosters from Utah to Florida, they took into account that they needed to fit on tracks that were—you guessed it—4 feet, 8½ inches wide.

The Solid Rocket Boosters are a bit wider, as they overlap the width of the track, and a few different widths of track have been tested over time. However, the astonishing reality is that we are using the same standard as the Romans and the Solid Rocket Booster widths were determined by the width of two horse butts.

Next time you see an image of the space shuttle, I want you to look closely. There are not two horses pulling it, yet we still rely on the width determined by the Roman war chariots, even in our pursuit of outer space exploration.

Today, this might seem ridiculous, but in each incremental decision, people probably weighed the alternatives and decided to simply stick with what was there before. They stayed caught in a groove.

The takeaway is that we are more dependent on our past decisions than we like to admit. Once a path is set, we often walk down it blindly, failing to question why it was put there to begin with and whether a better path might exist.

EVERYONE WANTS TO MAKE INNOVATION HAPPEN,

BUT NOT EVERYONE BREAKS FREE FROM THE PATH.

TO BREAK FROM THE PATH, YOU MUST ESCAPE SEVEN TRAPS

Over time, it seems that we find fixed paths to travel within, just like those grooved ruts carved by the chariot wagons of the Roman Empire. Long ago, it seemed easier to build a wagon to fit the grooves than to imagine a new vehicle that could chart its own path.

One decision leads to another, and eventually we end up in a place that makes no sense. There are several factors that cause us to stay in those grooved paths, which I call the 7 TRAPS OF PATH DEPENDENCY.

*ESCAPE THE TRAPS, AND YOU WILL FIND
NEW PATHS OF OPPORTUNITY.*

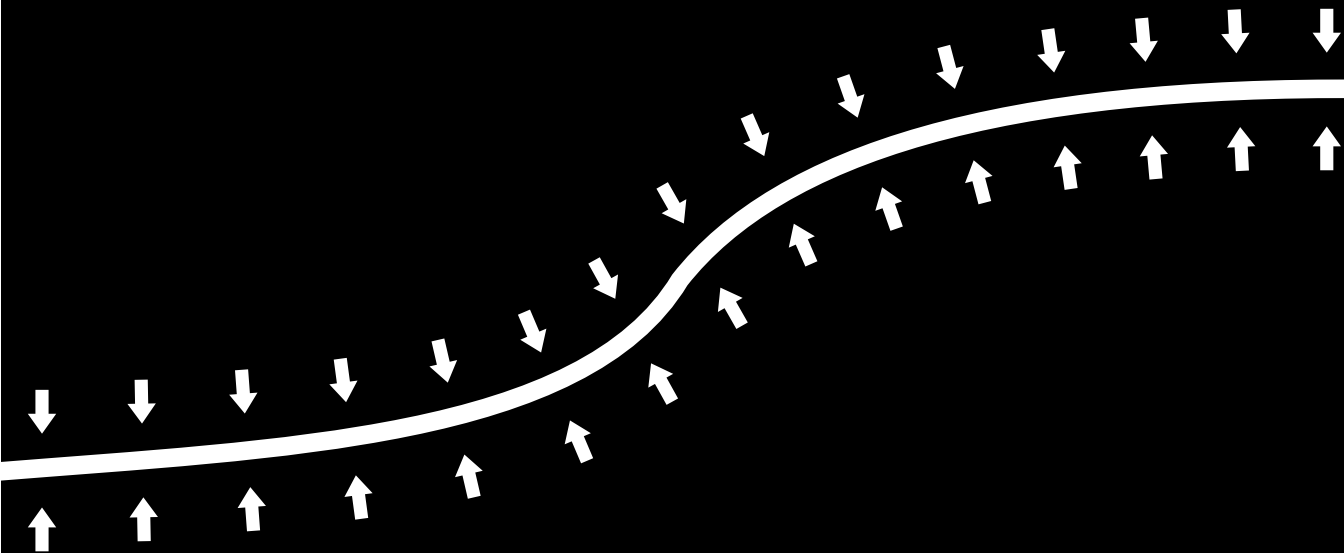
I have been working on tactics for these traps with some of the brightest minds in the world, and by the end of this book, you will be better equipped to break from the path.

If you've ever dreamed about what great ideas might be within your grasp, this section will nurture those feelings and give you tactics and exercises to bring you closer to your full potential. It will give you the push you need to overcome path dependencies, break free from the traps, and move toward something new. You'll develop the tools to engage your next big idea and make change a reality.

*IF YOU WANT TO CREATE THE FUTURE, YOU NEED TO DODGE THE
TRAPS KEEPING YOU FIXATED ON THE PATH YOU ARE ALREADY ON.*

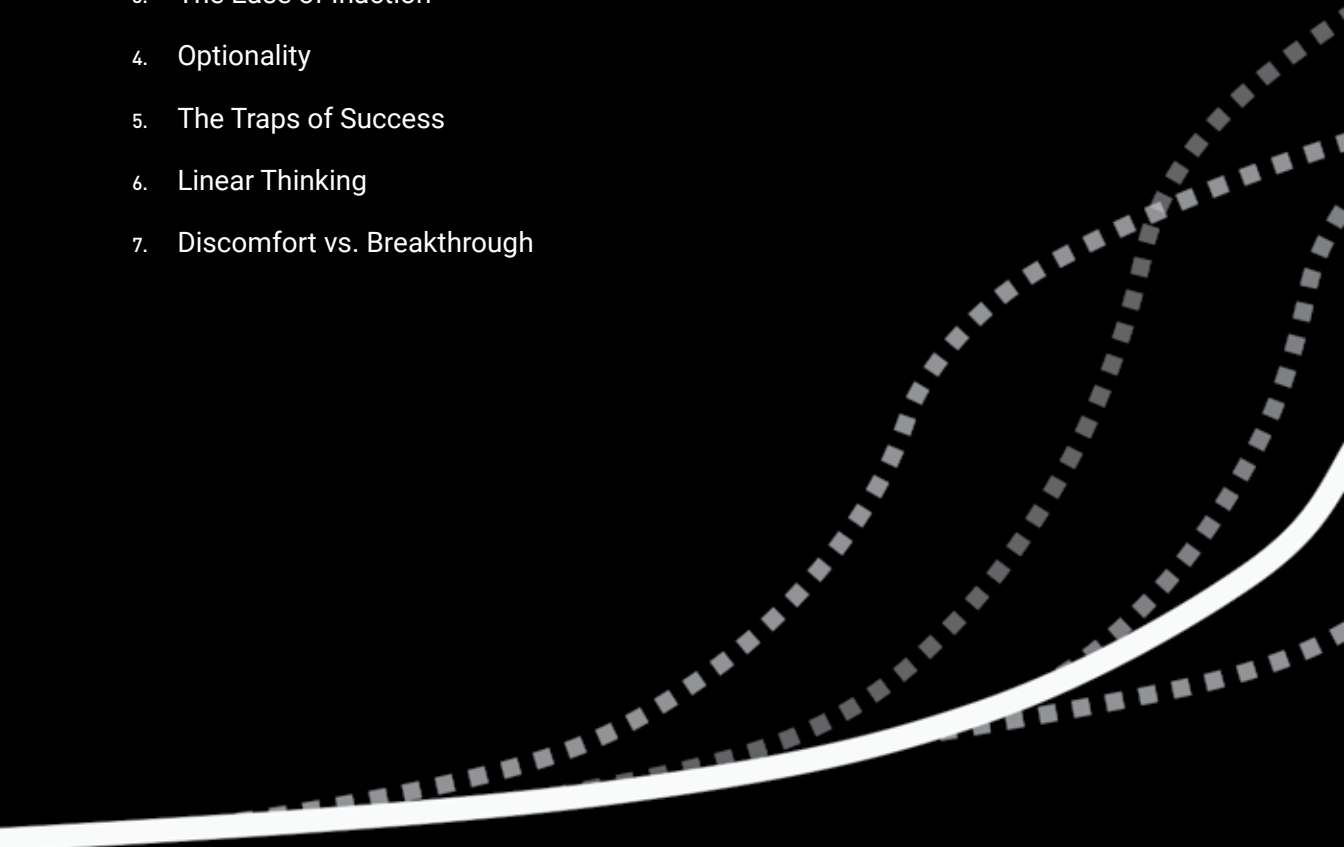
The 7 Traps of Path Dependency

1. The Subtlety of Opportunity
2. Neurological Shortcuts
3. The Ease of Inaction
4. Optionality
5. The Traps of Success
6. Linear Thinking
7. Discomfort vs. Breakthrough



THE 7 TRAPS OF PATH DEPENDENCY

1. The Subtlety of Opportunity
2. Neurological Shortcuts
3. The Ease of Inaction
4. Optionality
5. The Traps of Success
6. Linear Thinking
7. Discomfort vs. Breakthrough





THE SUBTLETY OF OPPORTUNITY

When people miss an opportunity in their own industry, it's not because they were blind to new ideas. Typically, smart people miss out because new ideas seem awkward and different. To find your breakthrough, you need to better spot the subtle clues that hint toward great ideas.

YOUR BREAKTHROUGH IS CLOSER THAN YOU THINK, BUT IT IS EASY TO MISS OUT

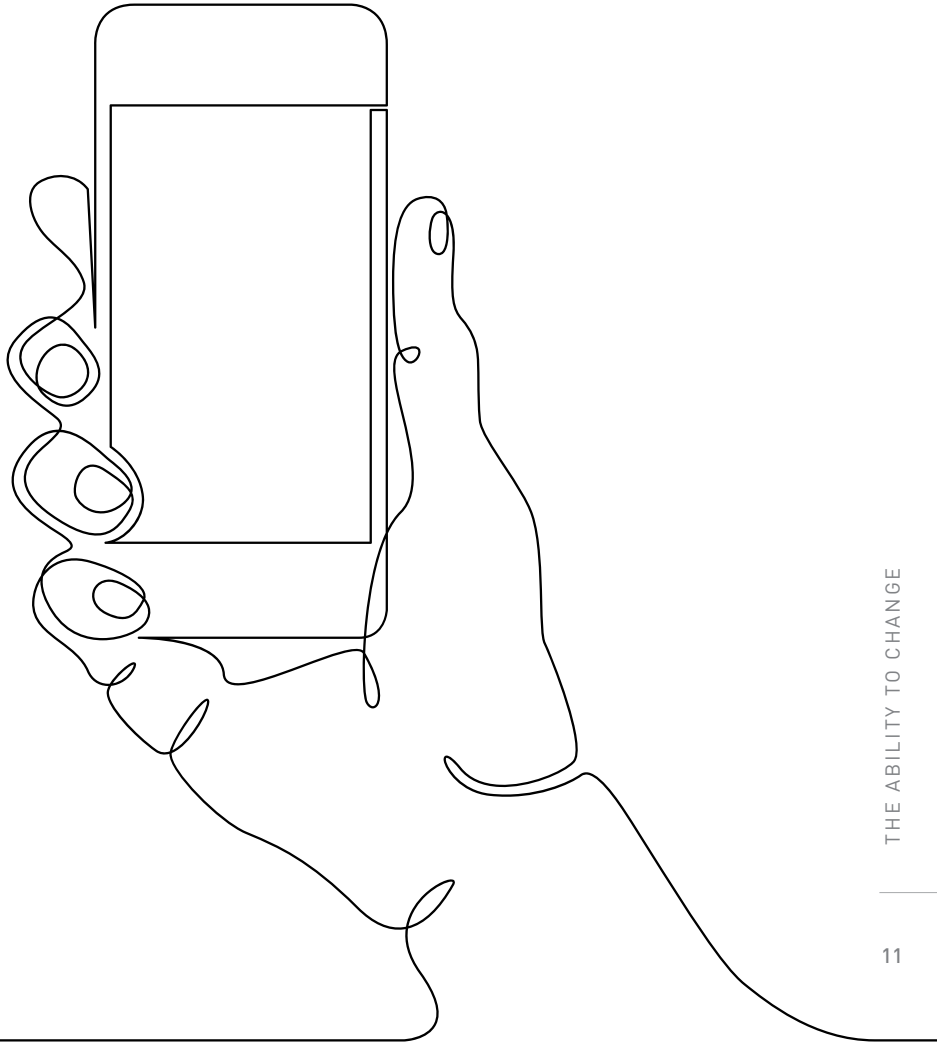
Let me tell you the story of Tony the Inventor. Tony was a relentless entrepreneur at heart, but he struggled to figure out his big idea. He knew only one thing, which was that his idea would be a gadget. He grew his career at a gadget company called Phillips and ascended to the role of VP of strategy and new ventures.

Eventually he came up with a mysterious idea for a hard drive gadget. He pitched the product numerous times, but nobody at Phillips bought into his vision. However, he was dedicated to turning his idea into a reality, so he quit his job and began pursuing his own venture. The problem was that he couldn't raise the money to make a prototype, which would have cost millions of dollars. After two years of trying, he felt his dream was almost at an end.

Before giving up entirely, he approached a CEO buddy and offered all of his intellectual property for his big idea. In exchange the CEO would give Tony the job of making the product. His CEO buddy accepted, despite the fact that the company was struggling. After a few months of innovation, the prototype was ready, and Tony hopped on a plane to take it to the eager CEO. Unfortunately, when he got off the plane, he realized the device had slipped out of his pocket! Luckily, the airline helped him form a search party, and two hours later they found the prototype, which had slipped between two seats. As it turned out, Tony's buddy was Steve Jobs, the company was Apple, and the prototype was the historic first iPod.⁶

Tony became head of Apple's new division, which later became the iPhone, and spearheaded a trajectory that changed the world.

*THE PATHWAY TO GREATNESS CAN BE
FRAUGHT WITH DOUBT.*



THERE IS A SUBTLETY TO GREAT IDEAS.

BE DETERMINED!



EVEN IDEAS THAT CHANGE THE WORLD CAN BE DISCOUNTED BY MARKET LEADERS

Most people immediately understood the potential of Tony's prototype, but the brightest people in the industry did not. Included in the list of notables who passed on the iPod are—

1. **PHILLIPS:** Gave up on Tony, their VP of strategy and new ventures.
2. **MICROSOFT:** Steve Ballmer, worth \$41 billion—"There's no chance!"⁷
3. **MOTOROLA:** Padmasree Warrior, CTO—"Nothing revolutionary about it . . ."⁸
4. **PALM:** Ed Colligan, CEO, worth \$3.4 billion—"[They] are not going to figure it out."
5. **NOKIA:** (market leader with 1 billion customers), Anssi Vanjoki, Chief Strategist—"With Mac, Apple remained a niche [expect the same] in mobile phones"⁹ and switching to Android would be like the Finnish boys who "pee in their pants" for warmth in the winter.¹⁰
6. **BLACKBERRY:** Mike Lazaridis (worth \$2 billion)—"[With Apple's ads] customers are now coming to the store [and leaving with a Blackberry], and so what it's actually done is increased our sales."¹¹

Why did the market leaders dismiss the potential of such a revolutionary product when you and EVERYBODY else immediately realized the smartphone would be awesome? They were too comfortable and confident in their familiar paths.

For the record, Tony would eventually leave Apple to start a new gadget company that was positioned to make a better thermostat. The company was Nest, which he sold to Google for \$3.2 billion.¹²

THE PARADOX OF SUCCESS IS THAT NEW IDEAS OFTEN SEEM

AWKWARD AT FIRST, CAUSING THEM TO BE OVERLOOKED.

SMART PEOPLE OVERESTIMATE THEIR LEVEL OF CONTROL

There was once a guy named Ferruccio who could fix anything. Following WWII, he could turn almost any deserted war machine into farming equipment. Eventually, he started his own tractor company.

When he first became successful, he bought a Ferrari and loved it, leading him to join the Ferrari racing club. It was there that Ferruccio met Enzo Ferrari and told him about an idea that would make the car's clutch better. Enzo got upset. "You stick to making tractors, and I'll make cars," he told Ferruccio.



Turns out, Ferruccio's last name was Lamborghini.¹³ The takeaway is that successful people and companies overestimate their own control and command of their market.

*OFTEN, THE IDEA THAT'S DISMISSED BECOMES
THE ONE THAT TOPPLES AN EMPIRE.*

IRONICALLY, MARKET LEADERS ARE AT A GREATER RISK OF MISSING OUT

Enzo Ferrari wasn't the first market leader to dismiss an innovative idea presented to him. History is littered with instances where a market leader couldn't see the potential in a rivaling idea.

Market Leaders Who Overlooked Great Ideas

- England rejected Thomas Edison's light bulb and said it was "unworthy of the attention of practical or scientific men."¹⁴
- Western Union rejected Alexander Graham Bell's telephone, saying it was "idiotic. Why would any person want to use this ungainly and impractical device?"¹⁵
- The *Kansas City Star* fired Walt Disney, saying he "lacked imagination and had no good ideas."¹⁶
- Kodak invented digital photography in 1975 but didn't adapt and went bankrupt.¹⁷
- HP rejected Steve Wozniak's computer ideas three times.¹⁸
- Atari could have owned 33% of Apple for \$50,000.
- EDS could have bought Microsoft (\$60 million).¹⁹
- Excite could have bought Google (\$1 million).²⁰
- Myspace could have owned Facebook (\$75 million).²¹
- Yahoo could have owned Facebook (\$1 billion).²²
- Britannica could have been Encarta, but they rejected Bill Gates.
- Encarta could have been Wikipedia.²³
- Blockbuster had three chances to buy Netflix (\$50 million).²⁴
- You and I could have been a lot wealthier if we put all our money into Amazon.

MARKET LEADERS CONSISTENTLY MISS OUT ON GREAT NEW IDEAS

BECAUSE THEY OVERESTIMATE THEIR MARKET DOMINANCE.

ALMOST EVERY TALE OF DISRUPTION INVOLVES SMART PEOPLE DISMISSING A SUBTLE NEW IDEA

Let me paint you a picture of an iconic innovator. This is a game of **GUESS THE COMPANY**. Here are a few facts:

- Invented “the most successful single product of all time”
- Invented the mouse
- Invented the graphic user interface
- Invented the concept of email
- Invented networked computers
- Built the foundation for the internet

Did you guess Apple? Microsoft? Or did you know that the correct answer is Xerox? These days, it seems like a trick question, but in 1973, researchers at the Xerox Parc Research Lab launched the Xerox Altos and changed the course of history.

The Altos had a mouse, graphic user interface, email, and everything you needed to copy, paste, and print your documents. The Altos could remind you of upcoming appointments and even had image processing reminiscent of the animated GIFs you see today. This Xerox model was more than a decade ahead of its time. Xerox had more than 1,000 of the Altos stations built, but the product was never sold because the company was too busy harvesting the market for its profitable photocopiers.

SUCCESSFUL COMPANIES OFTEN FAIL TO SEE THE POTENTIAL OF IDEAS OUTSIDE THEIR WHEELHOUSE.

In 1979, about a decade after the Altos project began, Steve Jobs and Bill Gates took tours of the facility. Those on the project, including Larry Tesler, were more than delighted to see someone take an interest in the project. Tesler explained, “During that demo, Steve again got very excited. He was pacing around the room and occasionally looking at the screen. . . . Jobs was there going, ‘What is going on here? You’re sitting on a gold mine. Why aren’t you doing anything with this?’”²⁵



The Xerox Alto, 1973

Ironically, Tesler notes that they only showed Jobs 1% of what Xerox was up to. Five years later, Apple and Microsoft would launch their own Altos-inspired devices.

In the words of Steve Jobs, “Within 10 minutes, it was obvious to me that all computers would work like this someday. Basically, they were copier-heads that just had no clue about what a computer could do. . . . Xerox could have owned the entire computer industry today.”²⁶

IT CAN BE DIFFICULT TO SEE POTENTIAL IN SOMETHING NEW

A friend of mine, Todd Henry, introduced me to the tale of a struggling musician named James. James had talent, but there are millions of talented musicians who never get their music out there. What they need is a big break.

One day, James was approached with the opportunity of a lifetime. One of the biggest bands in the world heard his tracks and invited him to be their opening act. The offer was to be part of a 27-city world tour. It was any musician's dream.

Eager and excited, he walked into his first stadium and faced a crowd of people who were going to hear his songs. He was about to be famous, and he could feel it. He began strumming his guitar and rocking out to his first songs. But the audience was silent. They didn't cheer when he expected them to cheer. No worries—he moved on to the second song. Still more silence. Then he started to play his third song, and the audience started to react—with booing.

It was a terrible beginning, but he persisted. At the second concert, things were different. They started to boo on the first song. By the sixth concert, they booed before he even strummed his guitar. He gave the audience the middle finger, threw his guitar, and quit the tour.

It would be easy to give up when experiencing such rejection. But he didn't. And that's the tale of James Marshall "Jimi" Hendrix opening for the Monkees. Hendrix was playing new, innovative music, and the Monkees' fans weren't ready for it.

*EVEN YOUR BIGGEST FUTURE FANS MIGHT NEED TIME TO
UNDERSTAND YOUR NEW WAY OF DOING THINGS.*

MOST BILLION DOLLAR START-UPS EXPERIENCED AT LEAST SOME LEVEL OF REJECTION

The internet dates back to 1952, but it didn't experience full traction for almost 40 years. The internet's "big break," if you will, happened when the concept of email was haphazardly introduced in the 1970s. By the 1980s, the majority of all internet traffic was email communication.

With that context in mind, Jack Smith and Sabeer Bhatia set out to pitch investors on the concept of Hotmail. Imagine: a service where anyone in the world could get their own email address, absolutely free! It was a relatively simple business model, which could be funded by advertising.

This didn't seem as complicated as you might think, but investors hated it. Smith and Bhatia's idea was rejected 100 times. Eventually, the private equity firm Draper Fisher Jurvetson cut them a check for \$300,000. A year and a half after their launch, Hotmail was sold to Microsoft for \$400 million. Not a bad return.

Other iconic companies that struggled with having funding rejected:

- | | |
|-------------|---------------|
| 1. Google | 5. Amazon |
| 2. Apple | 6. Salesforce |
| 3. Cisco | 7. Airbnb |
| 4. LinkedIn | |

POSSIBILITIES
BEYOND THE
POSSIBLE

WORKSHOP QUESTIONS

- How might you change your weekly routines to ensure you are open to disruptive thinking and subtle ideas?
- What are the most recent ideas that have been suggested and dismissed?
- If you involved 10 people unrelated to your market, what ideas would they suggest for your industry?

TACTICS

- | | |
|---|--|
| 1. Assume you are incorrect. | 9. Study other markets. |
| 2. Be more open to new ideas. | 10. Push yourself to see potential in awkward ideas. |
| 3. Reward and encourage dissent. | 11. Learn about similar companies that missed key opportunities. |
| 4. Designate a Devil's Advocate. | 12. Get outsiders to suggest ideas you might be missing. |
| 5. Discuss the competing alternative to your decisions. | 13. Hire leaders from different markets. |
| 6. Perform case studies about emerging trends. | 14. Host idea competitions. |
| 7. Embrace diversity. | 15. Invite junior hires, outsiders, and customers to a workshop. |
| 8. Actively hunt trends. | |

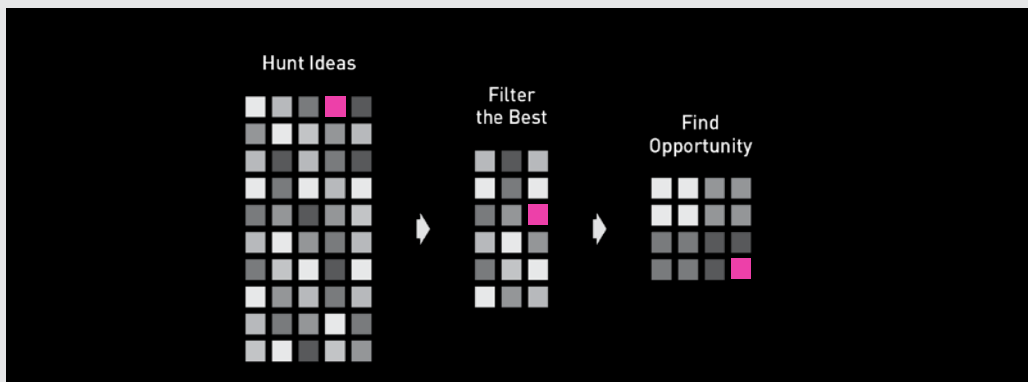
NEXT STEP

To stay on top of opportunity, you have to put in the work.

We often miss out on ideas within our own industries because:

1. We are busy.
2. We feel in control.
3. We get caught in a groove (for the seven reasons discussed in each section of this book).
4. There's too much to track.*

* In fact, I'd argue that the act of getting inspired has become overwhelming and distracting at times, but it's a necessity. You have to make time to scan for ideas, filter down to the best ones, and look for patterns:



The many ways to get better at hunting opportunity will be discussed in an entire section of the flip side of this book. For now, the key takeaway is that you need to force yourself to explore new ideas if you don't want to miss out.

**TRACK INNOVATION RELATED TO YOUR MARKET
AND SET ASIDE TIME TO REFLECT ON WHAT HAS CHANGED.**

WANT MORE?

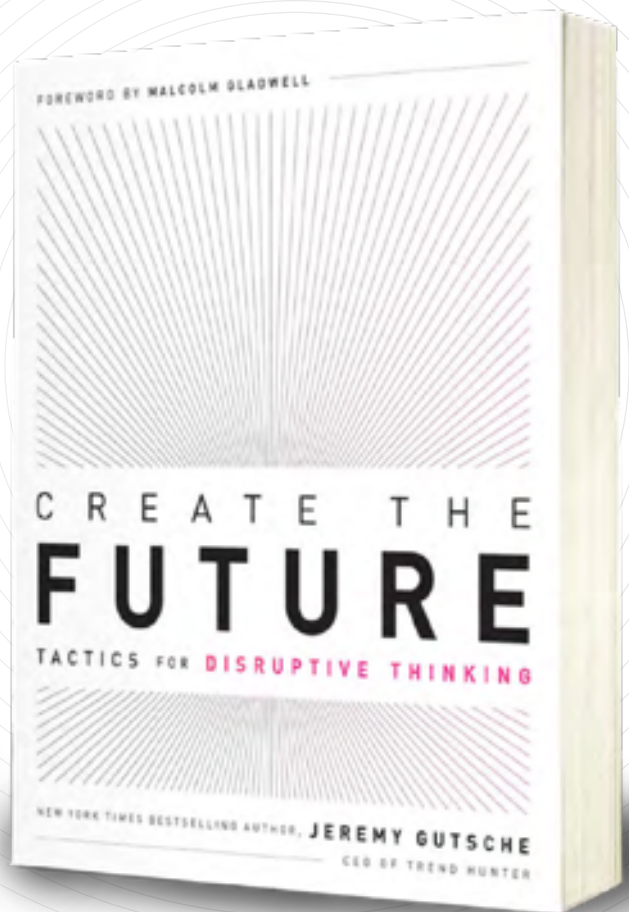
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