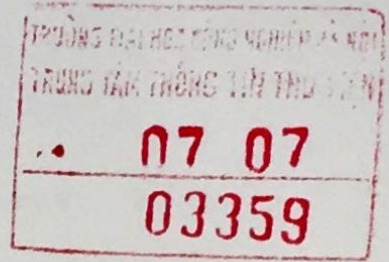


CHRISTIAN MADSBJERG / MIKKEL B. RASMUSSEN

USING THE HUMAN SCIENCES TO SOLVE
YOUR TOUGHEST BUSINESS PROBLEMS

THE
MOMENT
OF
CLARITY

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THE MOMENT OF CLARITY

*Using the Human Sciences to
Solve Your Toughest Business Problems*

Christian Madsbjerg and
Mikkel B. Rasmussen



GIFT OF THE ASIA FOUNDATION
NOT FOR RE-SALE

QUÀ TẶNG CỦA QUỸ CHÂU Á
KHÔNG ĐƯỢC BÁN LẠI

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Introduction

An executive at Intel wakes up every morning with a cold dread over his body. He has spent the majority of his career working toward better laptop engineering, but he can't shake the feeling that laptops themselves will become obsolete in the next few years. Everything he is planning for the future feels wrong.

An employee at Apple senses that things have suddenly headed off course. The executive can feel a kind of disengagement. The energy telegraphs not curiosity and excitement but, rather, defensiveness. It seems like her team is turning inward, not out toward the world.

At TimeWarner Cable, an executive hears the latest numbers on declining cable subscriptions and zero-TV households. His colleagues claim it is a statistical blip, but he can't help but feel nauseous. "I know what's coming," he says to himself, "but I don't know what to do about it."

SOMETHING IS URGENTLY WRONG. You look at the numbers, you hear the presentations, you match everything up with your targets, but you know that none of it is true. Your current business strategy doesn't align with your experience in the world. Maybe you are putting all your energy into silver-bullet solutions. You might be looking over a graveyard of failed product launches. Perhaps you are leaning too heavily on marketing to make your products meaningful. Whatever the warning signs may be, the result is all the same: your business is headed off course. What do you do?

We have spent the better part of the last two decades advising companies in this very precarious state. Our consultancy, ReD Associates, has worked with groups of consumers, users, and customers all over the world, using techniques and theories from the human sciences—anthropology, sociology, and psychology as well as art, philosophy, and literature—to draw out insights too elusive to define with more traditional business tools. Why is customer behavior so difficult to understand? After working closely with *Fortune* 300 companies for almost twenty years, we have an answer to that question.

There is a set of assumptions about human behavior that drives most of our current understanding in today's business culture. We don't talk about these assumptions. Most of us aren't even aware of them. They create the invisible scaffolding supporting our surveys, our focus groups, our research and development, and, for the most part, all of our long-term strategic planning. As will be discussed throughout this book, these assumptions serve us well for some business challenges but not for all of them. And certainly not for the ones involving shifts in customer behavior. The reason for this is simple: the business culture is using the wrong model of human behavior. It is getting people wrong.

How so?

The current understanding of human behavior in business is predicated on a simple model that sees people as predictable, rational decision makers able to optimize a set of predefined preferences. In recent years, business leaders have become more aware of the limitations of this conceit. Slightly more advanced models produced within the rapidly expanding field of behavioral economics now concede that individuals are, on occasion, irrational. And yet, even these newer theories still cling to the fundamental idea that people have predefined, immutable preferences, that everything about human behavior can be understood if we only ask people what they think and feel. This idea is further fueled by the myth that all our decisions are based on conscious or semiconscious decisions. At the core of modern business culture lies the assumption that human beings are best understood by analyzing their brains and the thinking processes that go on there. Because of this assumption, businesses are ever on a futile quest to gain access to people's inner states: if we can only ask the right questions, design the right algorithms, analyze the right data set, the thinking goes, then we will truly understand why our consumers behave the way they do."

When we start to dig deeper into our own lives and the lives of everyone around us, we are forced to concede that these assumptions are wrong. The vast majority of our lives—of our so-called choices—exist below the threshold of our awareness. We are not detached; nor are we mentally aware most of the time. Think back to some of the decisions you may have made in the last ten years. When you decided to get married, did you have a clear way of articulating your value proposition to yourself? Did you create a list of pros and cons and place yourself at the center as an entirely objective arbiter in a future of your own choosing? Or did you get swept up in a mood? Did you feel compelled to make your life look similar