

How a Coffee Cup Can Transform Your Business



White Paper

"To do business differently, managers must learn to see differently. Seeing differently means learning to question the framework through which we view competition, competencies and business models. Maintaining status quo is not a viable option. Unfortunately, too many companies develop pathology of reasoning, learning and attempting to innovate in their own comfort zone."

It is a simple and inert object that is familiar to all of us. We use it, sometimes abuse it and likely give it little thought. But examining a coffee cup is very revealing. It teaches us to recognize how our perceptions, assumptions and habits constrain our thinking and creative abilities. The lessons of the coffee cup are analogous to business. Understanding and practicing them not only removes these barriers to innovation but become the impetus for transforming how we view our business, how we think about our opportunities and ultimately how we compete.

Prologue

A little girl was told by her parents, "never open the cellar doors for you would see things you are not meant to see". One day, while her parents were away, the little girl opened the cellar doors. What did she see?

This question has been posed to countless numbers of people that include company CEOs, middle managers and frontline employees. Each has provided amazingly similar responses. The most frequent answer has been Christmas presents. Spiders, darkness and "Spot the dog" are common answers as well. And of course, there are always edgy answers that fall into the morbid or perverted categories.

But what did the girl really see? She saw blue skies, birds, green grass, and sunshine. She was, in fact living inside the cellar and opened the door to look out. Most people, when they hear the answer react in disbelief. Not disbelief in the answer itself, but rather in the fact that they did not see that answer. Why is it that so many intelligent, highly educated people could not see

the possibility of her being inside the cellar?

We Are Prisoners of Habit

To a large degree, most of us are prisoners. Bound by our inner self and external environment, we are confined to a cell with impervious walls of perceptions, assumptions and personal habits. We are conditioned to think and act in a certain manner. From birth, our brains have been wired to form a schematic that governs the manner in which we think. Our childhood experiences, family values, social upbringing, religious beliefs, and education are major drivers that help to define these neurological channels that form the basis for our actions and behaviors.

If perceptions and habits form our individual cell, then the environment surrounding us contributes to forming the high, outer prison walls. Consider that most legacy organizations have a lineage or traits of mass producing World War II-era companies. With hierarchal organizations of lines and boxes, departments, and operating units we have formalized job descriptions that stake out individual and group 'territories' within the organization. These become boundaries that have a confining effect on people.

Consider further, the fast pace of our lives today. With near ubiquitous access to increasing volumes of real-time information, we are overloaded and barely have enough time simply to skim the surface of what we really need to know. The need to move faster than our competition to survive in an increasingly interwoven global market forces us to a mode of action. The Japanese characterize American business as a 'fast gun, slow bullet'.

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"The important gives way to the urgent, the future goes largely unexplored and the capacity to act, rather than the capacity to think becomes the sole measure of leadership."

- Gary Hamel

Meaning Americans are quick to shoot the gun, but the bullet takes a long time to hit the customer's target. We are moving so quickly and juggling so many balls in the air at one time that we have lost the luxury to think about what we're doing for the sake of taking action.

Finally, most companies, both public and private alike, are under relentless pressure for financial performance. In a recent Bain & Company study, 86% of the executives surveyed said they want to be more innovative in how they manage their businesses. Because they lack the tools and processes to be more innovative, they naturally default to cost cutting strategies to manage their company's profitability.

Through years of conditioning we learn to tolerate prison life. Our perceptions, assumptions, habits and effect of the environment around us have become engrained. These are the constraints obscuring our ability to see the possibilities. These are the prison walls that do not allow us to see that the girl could be in the cellar.

The Great Escape

Imagine, looking at any situation (e.g., involving your company, competition, customers, employees, products, services, and technology, etc.) and seeing what everyone else sees, but think what nobody else has thought. Imagine immediately seeing that the girl could be living in the cellar. Imagine the proliferation of this capability in every individual, in every role across an entire organization. Imagine naturally and intuitively breaking through the prison walls

to see what is on the other side.

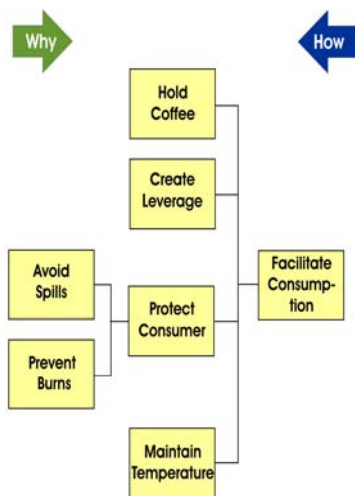
The methods (e.g., process, techniques and tools) needed to break-through the prison walls of perceptions and habits are incredibly simple. One such tool is Functional Thinking. A very powerful technique, once applied it instantly removes the facade of habit from any subject. To better understand this technique, consider the following as a means of introducing the notion of functions:

- Everything performs a function. Products, services, processes, technology, actions taken, methods; all perform functions.
- How we operate today, (e.g., the present-state) simply represents the manner in which we elect to perform functions.
- Functions that exist in our company are the exact same functions that exist in our competitors. It is 'how' we perform those functions that create competitive differentiation.
- In its lowest form, a function is expressed as an action verb and measurable noun.

To apply Functional Thinking is to simply look at any object, process or situation and ask 'why' it exists. Respond with an action verb and measurable noun and you have identified one of the underlying functions being performed. For example, what is the function of a wrist watch? An appropriate verb-noun response could be 'Indicate Time'. Remember, the actual wrist watch is the present-state manner in which we elect to satisfy or perform that function.

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What is the overall function of an ink pen? ‘Make Line’ is certainly a logical verb-noun response; but think about a pen for a moment. It is actually a physical extension of your hand and mind. It dispenses ink to make a line that eventually forms an image (text or a picture). Maybe a more appropriate function of an ink pen is to ‘Convey Thought’ or to ‘Visualize Thought’. This example highlights the real power of functions. First, it requires you take the time (and opportunity) to really think about the subject, in this case an ink pen. Secondly, the verb-noun selection has a profound impact on our thought and creative process. There is a very significant difference between ‘Make Line’ and ‘Visualize Thought’.

Still, to use a third example, what is the function of a coffee cup? Similar to the girl and the cellar, this question has been posed to numerous audiences. With only rare exceptions, the response to this question is always ‘Hold Coffee’. After all, it is what a coffee cup does. Or at least, it is what we assume or perceive a coffee cup to do.

Let’s examine the characteristics of a coffee cup further. What is the function of the handle? ‘Create Leverage’. Why is the base of the coffee cup flat as opposed to being pointed? ‘Avoid Spills’. Why is the wall of the cup so thick or made of certain material? ‘Prevent Burns’ or ‘Protect Consumer’. All of these are valid functions of a coffee cup. Given time to examine the coffee cup further, we would identify a surprising number of functions being performed.

Again, what is the function of a coffee cup? Figure 1 shows the logical relationships of these

verbs and nouns, revealing the overall function of the coffee cup is not to “Hold Coffee”. Instead, by answering the question to ‘why do you Hold coffee’; ‘Create Leverage’, ‘Protect Consumer’ and ‘Maintain Temperature’ reveal the coffee cup actually ‘Facilitates Consumption’.

Now, let’s assume that you are being tasked with inventing a new coffee cup. To complete this task you establish three separate, multi-functional, five-member teams. Each team has a single marker and one blank sheet of paper. You give the first team an actual coffee cup and ask them to come back in 20 minutes with their ideas. The second team is given a piece of paper containing two words: ‘Hold Coffee’. You ask them to focus only on those two words and return in 20 minutes with their ideas for holding coffee. Finally, you give the third team a piece of paper containing two words: ‘Facilitate Consumption’. You ask them to return in 20 minutes with their ideas for facilitating consumption of coffee,

Will the ideas from the three teams be similar or different? They will be remarkably different. The first team will return with a modified version of the existing coffee cup. Working with the actual coffee cup reinforces the present state and impedes their ability to see beyond the facade of habit. The results are improved ergonomics of the handle design and visual qualities of the coffee cup. Fundamentally, their new ideas are simply modifications to the old coffee cup.

The second team will generate much different ideas than the first team. Not being confined by the physical coffee cup and focusing only on

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"We believe companies that do not embrace innovation as a core value will fall to global competition."

- Innovate America, Dec 2004; published by the Council on Competitiveness

"Hold Coffee" will offer a greater, less inhibited space for creativity. Still the third team's ideas will be much different from either of the other two teams. Figure 1 shows that 'Facilitate Consumption' is a higher-order function than 'Hold Coffee'. Again, with no reference to the present-state coffee cup and by concentrating on a higher order function further heightens the opportunity to uncover innovative, even breakthrough ideas.

Now apply Functional Thinking to your business. Instead of examining the characteristics of the coffee cup, identify the functions performed by your products, services, sales, operations, and accounting. In fact, ask yourself to identify the overall function of your own business. When this simple question is asked to a team of senior executives, you'd be surprised by the varying answers. We have been programmed to assume or perceive a coffee cup holds coffee when in fact it facilitates consumption. Similarly, we perceive our business is 'X' when in fact it may be 'Y'. The implications of this discovery will be significant.

Why So Much Interest in a Coffee Cup?

In an odd way it is analogous to your business. Like the coffee cup, we assume so much about our business. We look at it everyday, live it everyday, probably take it home with us every night and, on occasion, maybe even abuse it. We allow ourselves to be trapped behind the present-state facade of how we elect to conduct our business. Like the coffee cup, we don't take the time to

think about our business; to view it through a different set of lenses or uncover the underlying functions being performed. We are too accepting of what is making it much more difficult to see the possibilities of what could be.

Closing Thoughts

Every organization has an inherently substantial but (too often) latent source of potential energy. Converting this potential energy to kinetic energy, harnessing, and focusing it on the areas that are most critical to its success is the catalyst for that organization to achieve sustainable marketplace advantage.

This energy is generated from a reaction of three ingredients. The first two are the knowledge and experience of a company's employees. Although both are considered a rearview mirror, largely defining how we reached the present-state, they are equally important in the energy formula. The third ingredient is the real catalyst. It is the employee's imagination. The ability to see beyond the facade of habit created by the present-state and imagine the possibilities is the basis of innovation and the pathway to creating the future. The company that can define the future first wins in the marketplace.

The power of Functional Thinking resides in the simplicity of the technique. Used in conjunction with mind-mapping, lateral thinking and value maps, these techniques form the catalyst for business governance and enterprise-wide innovation. The thin facade of habit, perceptions and assumptions form our prison's walls. Break these walls down with Functional Thinking. Use

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About the Author

Mr. Wilt is responsible for the growth and success of Encore's Business Consulting Practice. With over 25 years in engineering, management and business-technology consulting, Mr. Wilt has demonstrated success improving the performance of various organizations. He is a thought leader in fostering enterprise-wide innovation with proven expertise in developing and instituting business, operating and technology strategies that enable sustainable marketplace advantage.

it, practice it, enjoy it. Remember, the first step to seeing something new is to break away from what is old. To see the future you must first separate yourself from the present.

About Encore's Business Consulting Practice

Encore's Business Consulting Practice integrates business prowess, process, people and technology to create powerful solutions that enable the competitive performance of the enterprise. By unlocking the experience and creativity inherent in a company, unparalleled value is created by fueling innovative change that transforms how a company adopts, aligns and leverages technology to materially improve 'top-to-bottom' line performance.