

'A gamechanger for those who want to accelerate their business growth with greater inspiration and less risk and frustration.'

Nancy MacKay, CEO and Founder, MacKay CEO Forums

Start With What Works shows you a faster way to grow your business by using the resources, people and customers you already have at hand.

When trying to grow, managers often look outside the organisation for something new. This can create complexity and confusion, and demotivate the people who are in the business already. With practical tools and templates and a variety of new mindsets to adopt from real-life examples, you'll discover ten principles you need to:

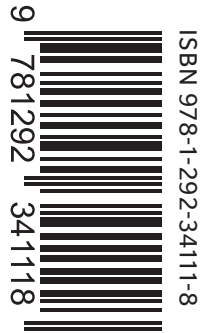
- Understand why it's often quicker, cheaper and safer to look more closely at what you have already
- Create growth using existing resources before making risky new investments
- Recognise overlooked assets and activate their potential to accelerate your business

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Start With What Works

Andy Bass

Start With What Works

A faster way to grow your business

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Foreword by Rory Sutherland, Vice-Chairman of Ogilvy

Chapter 1

Why Start with What Works?

Leave the Moonshots for Later: Just Getting into Orbit Can Be Transformational

Imagine for a moment that you're running a long-established car and truck manufacturer. Like leaders in many industries, your world is being up-ended by the most dramatic confluence of technological, environmental and political changes anyone can remember. And frankly, new competitors – unencumbered by legacy technologies and traditions – seem better suited to those changes.

How should you respond, for example, to self-driving vehicle projects by Silicon Valley tech companies such as Google's Waymo or Elon Musk's Tesla? There are many options you might consider. If you have the investment funds and can attract one of their Rock Star employees to run it, you might try to emulate their 'moonshot'¹ approach by developing your own autonomous vehicle. Or maybe

you could fund a bunch of startups and hope that, even if they can't beat the disruptors head-on, they'll develop valuable intellectual property you can license out for use in others' self-driving cars. Or perhaps you could try and get involved in some kind of joint venture. I'm sure you can think of other options too.

But consider something Daimler has done. They've produced automated (not *autonomous*) versions of their trucks, fitted them with snow ploughs and programmed them to keep the runways at Frankfurt airport clear in the winter.

That's a pretty restricted move. Instead of trying to change the world, it deals with one idiosyncratic situation. It's certainly not something you could call a moonshot. Daimler's Mercedes Benz trucks are driverless, but not fully self-driving. They don't have all the sensors and intelligent decision-making to adapt to any road traffic situation. *But* they are out there now, and in this restricted but very useful case, they are:

- operating without drivers in the cab (so the airport, which has been spending €23M annually on snow clearing and de-icing, doesn't need a bunch of drivers sitting around on standby all winter);
- moving Daimler into services: recognising that many customers just want to get a job done, rather than to own and maintain a product;
- getting Daimler a reputation for high-uptime driverless solutions that are available now;
- learning in real-world situations, and getting their people involved in a different kind of innovation;
- opening up a new market: forty other airports with similar weather patterns are potential customers for just this solution, and there may be many other specialist applications that they can then move into in other industries.

While Google's Waymo, Tesla and the rest sink huge resources into high-profile, high-risk developments that are very hard for most companies to pull off – both financially and culturally – Daimler

has done all this by reconfiguring what they already had or could incrementally develop. It's an approach that all businesses, regardless of size, can learn a lot from.

What have you got, and what else can you do with it?

We've talked about Daimler. Now let's start thinking about you. Where are the existing resources in your business that you could reconfigure to create new growth? Let's find out by having a sneak preview of ideas you'll meet in Chapters 4 and 5.

I'm going to be talking about three levels of resources: I term them generic, hidden and implied resources. I'll explain them all fully in due course, but let's have a look at implied resources – in some ways the most powerful – and see how they might work for you.

In the hunt for implied resources we look at what is already working and ask, 'What *must* be there in order for this to work, and what else can we do with it?'. This is where your truly unique assets might be lurking.

This thinking is applicable whatever size your business.

- **Large company.** Amazon Web Services (AWS) was launched when Amazon realised the internal capabilities that they had developed to run their main e-commerce website could be sold as a service to paying customers. As of 2020, AWS has grown to offer more than 200 services and controls more than a third of the cloud computing market, twice as much as its closest competitor. It has consistently been the most profitable division of Amazon and its primary profit driver.
- **Mid-sized company.** Lotus Cars has developed notable expertise in vehicle dynamics through its long involvement in motorsport and high-performance car manufacture. It capitalises on that know-how through its consulting arm Lotus Engineering, which consults on vehicle dynamics, suspension design and advanced propulsion systems for clients such as Tesla and Formula 1 competitors.

- **Smaller company.** Specialist software house IO Studios wanted an easy way to track its sales pipeline. The company was signed up to a well-known customer relationship management (CRM) system. The problem was that nobody liked using it, so they didn't. The company decided to use their coding skills to develop a CRM for themselves – one that they would actually like using. One day a client saw it and, impressed, asked if they could adopt it too. After other clients showed an interest, IO Studios built and launched a commercial version called Salesradar with customers ranging from freelancers to giants like Costco.

IO Studios used the same strategy as Amazon and Lotus. When they noticed that others shared a problem they had solved for themselves, they acted entrepreneurially, packaging up their solution into an attractive commercial version to seize the opportunity.

Could you do the same? Here are some questions for you to consider.

- Where have you developed solutions for your own problems that, like Amazon and IO Studios, you could package and sell to others facing similar challenges?
- What internal processes are you so good at that, like GoCompare, who provide cost-comparison software for other financial services businesses, and Ocado, who provide grocery retail technology for other supermarkets, you could offer to other people, too?
- What have you learned in the course of business that, like Lotus Cars, you could advise on or even teach others?

There's plenty more to say about all three levels of resources, and we'll cover these in the following chapters.

Starting with what works can make you a formidable competitor

The ideal business strategy is so hard to copy that you can tell your competitors all about it, and they still won't be able to copy you. Think of some of the most written-about companies in the world,

like IKEA, Southwest Airlines and Apple. They are the subject of voluminous case studies. Every business school student studies them. Many people have tried to copy them, yet they continue to thrive. They are hard to copy not because their strategies are secret, but because they have developed their own unique ways of doing things. So while their competitors might know all about *what* they're doing, they can't really copy it because they can't figure out exactly *how*. Finding and building on the hidden resources you've developed in the course of business is a great defence against reverse engineering, because it makes you hard to copy.

A shift in mindset

We're going to look at how to create new growth opportunities – and lead the organisational change necessary to realise those opportunities – using the resources you already have at hand. That is, you'll learn to call upon your existing people, customers, relationships, intellectual property and know-how before making expensive and potentially risky investments in external solutions.

It sounds simple – like what most organisations are surely doing already – but very often it's not. Frequently, managers discount the value of their familiar resources, and instead, they look outside for something new.

Why do leaders discount the value of familiar resources? After all, when they acquired them, they will have had to have made a convincing investment case. They must have thought they were pretty good at the time. There are a number of reasons why perceptions of existing resources degrade over time.

- There's a strong connection in most cultures between the idea of 'new' and 'better' – and conversely of 'old' with 'not as good.' The latest iPhone or Samsung Galaxy is supposed to be the best one yet, isn't it?
- We can't help categorising. If you've always thought of your business as an engineered *products* company, for example, it can be hard to imagine your existing 'product people' providing new

value-added *services* that you realise will better meet your customers' emerging needs.

- It's not easy to be 'a prophet in your own land'. Many long-standing employees have seen their contributions discounted in favour of those of a new hire, even when the newcomer simply tells the boss something the employee has been saying for years.
- When it all looks too complicated, there's an undeniable appeal to starting again with a blank sheet of paper.

So there's a bias towards new resources. But discounting existing resources in favour of new ones can be both demoralising for incumbents and very wasteful. I've found that rather than bringing in fresh resources, it's often a lot quicker, cheaper and safer to help leaders see existing resources with fresh eyes. This book shows you how to recognise overlooked potential in existing resources, and how to flip the right switches to activate that potential.

Box 1.1

Is a new signing the answer to all of a team's prayers?

I was recently discussing these ideas with Paul Faulkner, the former CEO of the storied English football teams Aston Villa and Nottingham Forest.

As I talked to him about the bias towards new resources, Paul started to laugh.

'This is exactly what it was like running a football team,' he explained.

'I lost count of the number of times the coaches would ask me for: 'Just one more player.' I'd reply to them that there was little point buying even the best striker in the world if the team couldn't gain and keep possession of the ball and then supply it

to that striker. I'd urge the coaching staff to work on rethinking what we did with the existing squad. I figured that then, if we did buy an expensive new player, we'd be better able to use them. And maybe we'd find that the players we already had – including last year's star signing that the coaches now seemed to be less enthusiastic about – could really flourish and bring us the results anyway.'

Starting with what works lowers your risks

Paul Faulkner (see Box 1.1) wanted his team's football coaches to do more with the existing players. It wasn't just about money. It's also about risk. Here are some of the concerns I hear from leaders seeking advice about growth.

- I'm concerned that, if I bring people in from the outside, my own people will be sceptical, or even resentful.
- I'm scared that if I bring in someone who doesn't understand what makes our business distinctive, instead of helping us, they'll inadvertently damage us.
- I might consider spending more money if I knew it would work, but what if it doesn't?
- I'm worried if we try to change and go the wrong way, that having brought in loads of expensive resources, it's going to be hard to stop the train.
- It would be better for this to be less visible until I'm happy it's going to work.
- If I bring in expensive high-profile solutions and it goes badly I'll look like an idiot.
- I don't want to commit to a methodology that might not work.
- If I bring in resources from the outside it might demoralise and cause resentment among the people doing good work already.

Start with what works

When you start with what works, you avoid all these risks. And if you do then decide to bring in outside resources to further your efforts, you do so from a base of knowledge. You're much more likely to get good results.

What's Your Organisation's Capability for Starting with What Works?

Most organisations have huge reserves of hidden wealth. I help organisations take perspectives they don't normally take, and see opportunities they don't normally see. Then I help them seize those opportunities, which can lead to huge productivity increases without capital investment.

How capable is your organisation of starting with what works?

Figure 1.1 provides a way for you to assess yourself.

There is a questionnaire for each of the two dimensions, below.

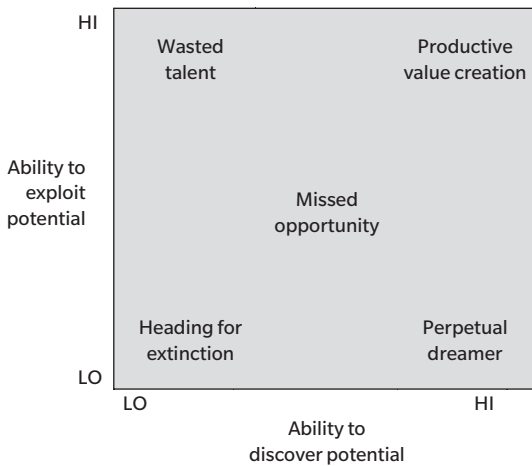


Figure 1.1 Ability to start with what works

Ability to discover potential

Below is a checklist for you to assess your organisation's ability to uncover hidden potential:

	Agree	Disagree
1. People focus on customer results, not just products, processes and technology.	<input type="checkbox"/>	<input type="checkbox"/>
2. Employees seek out unarticulated needs of customers.	<input type="checkbox"/>	<input type="checkbox"/>
3. People bring insights from customers to the attention of senior management.	<input type="checkbox"/>	<input type="checkbox"/>
4. If an employee has an idea with potential, that idea will be treated well.	<input type="checkbox"/>	<input type="checkbox"/>
5. People from different parts of the business can figure out if they have pieces of the puzzle that could be of use to their colleagues.	<input type="checkbox"/>	<input type="checkbox"/>
6. Employees co-create new ideas with their customers and suppliers.	<input type="checkbox"/>	<input type="checkbox"/>
7. People who challenge assumptions intelligently are valued and rewarded.	<input type="checkbox"/>	<input type="checkbox"/>
8. The company makes sure to hear from people outside our industry, as advisors, as employees, and as speakers.	<input type="checkbox"/>	<input type="checkbox"/>
9. People are prepared to face complaints and critical feedback from customers.	<input type="checkbox"/>	<input type="checkbox"/>
10. People are often trying ideas out to see if they have traction.	<input type="checkbox"/>	<input type="checkbox"/>

Scoring

1 point for every 'Agree'.

HIGH	10–9	Forward-thinking, mentally agile organisation. Open to new ideas and to challenges assumptions. If you are also excellent at changing so that you can bring these insights to fruition, you will be a world-beater!
MED	8–6	Quite innovative. But there's scope to make a step change of progress.
LOW	5 or less	Stuck in the mud.

Ability to exploit potential

Below is a checklist for you to assess your organisation's ability to exploit uncovered potential:

	Agree	Disagree
1. The organisation has ways to experiment with new combinations of resources.	<input type="checkbox"/>	<input type="checkbox"/>
2. We will consider cannibalising an existing line of business if we think it necessary for long-term sustainability.	<input type="checkbox"/>	<input type="checkbox"/>
3. People prototype things to see what works, rather than having endless debates on the principle of whether things will work.	<input type="checkbox"/>	<input type="checkbox"/>
4. People are used to modifying their roles, teams and assignments.	<input type="checkbox"/>	<input type="checkbox"/>
5. People don't use the excuse, 'I would think strategically, or innovate, but I have too many short-term operational things to do.'	<input type="checkbox"/>	<input type="checkbox"/>
6. People put customer interests ahead of vested interests.	<input type="checkbox"/>	<input type="checkbox"/>
7. Funds can flow to great opportunities, even if unbudgeted at the start of the year.	<input type="checkbox"/>	<input type="checkbox"/>

	Agree	Disagree
8. There seems to be a rule, standard, code, or 'custodian' that forestalls almost every good idea.	<input type="checkbox"/>	<input type="checkbox"/>
9. We have huge change initiatives, with loads of up-front communication, kick-off meetings, trainings and certifications, but actual results are slow to show up.	<input type="checkbox"/>	<input type="checkbox"/>
10. It is safe, from a career point of view, to pursue a good opportunity that may nonetheless fall short of expectations.	<input type="checkbox"/>	<input type="checkbox"/>

Scoring

Give yourself 1 point for each 'Agree' *except* for questions 8 & 9, where you get a point for 'Disagree'.

HIGH	10-9	You are like the crew of the Enterprise! Make it so, and it happens. With strong insights you will be irresistible. Just make sure you avoid complacency and keep improving.
MED	8-6	Like many organisations, you have scope to improve your agility.
LOW	5 or less	Always on the wrong foot.

Your return on investment (ROI): hidden wealth from hidden gold

Think about your company. Of all the opportunities you had to manifest hidden wealth yesterday, what percentage do you think you seized? Think about it: even if you are operating well, if you're only finding 75% of the opportunities and you only exploit them to 60%, you could have a huge productivity jump if you just looked at things differently.

How Do You Start with What Works?

Here's a preview of ten principles I have found to apply across the widest range of situations, in sectors as diverse as manufacturing, media, technology, universities, construction and financial services.

As we look at each principle in the course of the book, we'll see examples you can think about and discuss with your team. These are evocative of the 'start with what works' mindset, and invariably trigger fruitful discussions and insights.

But then we'll get even more specific, and discuss tools and templates you can use to look with fresh eyes at the resources you already have. You'll learn how to apply them to the situations you face, so that you can identify new opportunities, and turn those opportunities into action.

Principle One: Recombine existing elements so they create more value

You can practice a kind of business alchemy. The alchemists attempted to create gold by recombining basic elements. Their idea was to create something of greater value not by adding something new, but by remixing what was already there. In a way, successful record producers, literary editors and sports coaches can be seen as being involved in a kind of alchemy. So can business leaders. Like Cardinal Health and MAN Trucks, you can often recombine and repackage existing elements to solve a bigger, more valuable problem, and do it in a way that has favourable economics both for the customer and for you. We'll look at a number of tools to help, including *The Carwash Technique* and *Profit Amplification*.

Principle Two: Escape from fixed purposes

For reasons we'll review in Chapter 2 – including a tendency to see resources in terms of fixed purposes – we can easily overlook hidden resources that could serve as platforms for growth. In this chapter,

we'll see how some companies like Amazon Web Services, Lotus Cars and LEGO have utilised hidden resources to achieve fast and profitable growth they hadn't even anticipated during their earlier business planning. We'll use a tool called the *Hidden Resource Inventory* to scan for hidden resources and clarify the platform for growth that you may already have but be overlooking.

Principle Three: Reverse engineer yourself

In this chapter, we'll be drilling deeper into the details of your own unique vault of what I call your *implied* resources. An implied resource is something that logically must be there for the things you do to work. I find that people often overlook or discount these resources. We'll see how to use the thinking patterns of computer programmers to uncover implied resources, and look at how they can be applied to create growth and reinvention, even in tricky circumstances.

Principle Four: Let the world teach you

In this fast-moving world, beware of grand plans laden with unwarranted assumptions. Even plans resting on highly plausible analysis regularly turn out to be ungrounded. Pursuing such plans wastes a lot of resources. Yet if you ask the world the right way, it will teach you what works, giving you a confident basis for scaling things up. So use what you already have to test your assumptions before you waste money. This chapter will show you how, like Zappos and others using disciplined experimentation, you can identify the key assumptions which could sink a business idea and test them in the real world as early and cheaply as possible.

Principle Five: Watch what actually happens

Customers are often unable to articulate their needs or predict their buying behaviour in imagined scenarios – a fact that limits the value

of traditional market research. When Disney launched their stores, they built a realistic mock-up on a spare movie lot, invited people in, and watched what actually happened. This unfiltered approach – using existing resources – provided much better information than externally commissioned interview responses. Marriott followed a similar path in developing their time-share villas, achieving higher revenues from smaller spaces than predicted. You can similarly find or set up situations to discover valuable insights from what actually happens.

Principle Six: Find the few things that really make a difference

Experts can easily fall into a trap: they build products and design services based on their own view of what is required and end up adding features the customer doesn't appreciate. Companies like GE are working to avoid such over-engineering. They ask: 'Where are we working hard to deliver things that the customer isn't noticing, or simply doesn't care about? Could we do better on the 'less is more' principle?' We'll look at tools to identify factors that make the real difference.

Principle Seven: Use very plain words to describe how you want things to be

As your offerings change, your organisation will have to keep up. When people are talking about a change that's needed in their organisation, they bandy about words like *transformation*, *communication* and *engagement* and everyone nods. But what the heck do these words mean? Unless you get really clear, you'll be tempted to buy in generic 'transformation programmes', 'communication trainings' and 'engagement tools'. These generic 'solutions' are often time-consuming and disruptive. They are at best blunt instruments, and at worst, irrelevant to the real issues affecting your business. In contrast, when you describe those issues, and your desired outcomes, in very plain words, many can be sorted out by your own

people, with minimal outside assistance. We'll see how the *TV Documentary* technique can lead you to the precise, actionable information you need.

Principle Eight: Look beyond 'Us and Them'

'Us and Them' stories abound inside the organisation. These stories foster attitudes that waste endless time and energy. They are sources of stress and unproductive conflict, and they make it particularly hard to create joined-up experiences for customers. When sales is blaming production, or managers are blaming employees, and everybody is blaming IT or finance, it's much tougher to bring fresh ideas for using existing resources to fruition. We'll look at both direct and indirect ways to work with stories in order to challenge assumptions about 'Us and Them', thereby creating conditions for positive change.

Principle Nine: Bring customers inside

Most companies talk a good game about being customer-centric, but even the best ones perform patchily. The customer-centric leader has to deal with the fact that it's natural for employees to think of customers as being 'outside' the business. After all, in physical terms, they don't live in your buildings (they come into retail outlets of course, but only as visitors from the outside, and they rarely show up at head office, the call centre or the factory). Significant numbers of employees, regardless of level, rarely if ever meet a customer in person. To the extent customer-facing staff get replaced by chatbots, this will become even more true.

Your customers know more about what they will buy than you do, but their views are often barely known to employees. Sometimes those views are even dismissed by the company's technical experts who think, 'What can I learn from *them*?' Businesses as different as McCain and Lego have benefited from bringing insights from their existing customers into the very centre of their companies. We'll look at ways you can do that too.

Principle Ten: Give control to get control

As they seek to execute their plans, leaders flit between two troublesome stances: micromanagement and ‘Somehow Management.’ The former limits the organisation’s awareness to those things the leader knows of personally – a debilitating constraint. The latter substitutes magical thinking for rationality – that easily leads to an uncoordinated mess. A breakthrough leadership strategy needs to balance management control and staff autonomy. To pull this off, we’ll learn from military strategy, including the *REWARDS* format for delegating missions.

In Summary: Here’s the Plan

I hope I’ve excited you about the hidden gold waiting to be discovered and exploited. Here’s what’s ahead:

The ten principles in depth

In Chapters 3–12, we’ll look at each of the Start with what works principles in detail, with plenty of exercises, frameworks and questions to consider with your team.

Getting started, releasing change

Chapter 13 will save you time and smooth your path. As you start to apply the Ten Principles, you’ll be making changes in your organisation. We’ll look at why you should be cautious about driving change, and instead learn to *release* it. We’ll also see why, though the timing never seems ideal, the best time to start is right now.

Making it personal: you go first

The best way to grasp the idea of starting with what works is to apply it to yourself. This is equally true whether you're an established leader or an ambitious individual contributor. In the Epilogue, I'll show you how to apply start with what works to take your personal strategy to the next level.

Additional resources

The e-Appendix – at basscluser.com/swww – provides further help in applying the start with what works approach in your organisation.

Before we meet those principles, though, let's look at how people block themselves from noticing their business's hidden potential.

