

CHAPTER 1

Disrupt or Be Disrupted

When I let go of what I am, I become what I might be.

—LAO TZU

The year was 1993, and Lee Kun-Hee, CEO of Samsung, had absolutely no rational reason to be unhappy. Since he took over the company after his father's death just six years earlier, Samsung's revenues had soared by an astonishing 250 percent. But Lee wasn't running victory laps. He wanted to help Samsung do even more. So he left South Korea to embark on a world tour to examine how his brand and company were doing internationally.

Lee's first revelation came early in the trip. At an electronics store in California, he was shocked to see Samsung TVs collecting dust on the back shelves, while the store prominently displayed those from competitors like Sony and Panasonic. This visit became Lee's moment of truth; although Samsung's brand was performing well in certain aspects, he believed the company was headed for problems. Samsung had excelled at producing large numbers of low-quality goods, but it offered little in the way of high-quality merchandise. Looking at his products in the competitive context of that California retail store, Lee understood that his company wasn't prepared to compete in the new era, with consumers the world over demanding a sense of luxury and high-quality craftsmanship in their home entertainment.

Samsung's near-term results were strong, yet Lee refused to coast while his competitors led the consumer trend toward high-quality products. Instead he was about to launch one of the most extensive companywide reinventions in business history.

When Lee's global tour took him to Frankfurt, Germany, he decided he was ready to strike. He called in hundreds of Samsung's top executives from around the world and conducted a session that would forever change the face of his company. He delivered a three-day manifesto that laid out the vision for the company's reinvention and path to his vision of success. In this powerful and emotionally charged call to arms that demanded reinvention of every aspect of the business, Lee famously exclaimed, "Change everything but your wife and children." The speech became known as the Frankfurt Declaration of 1993 and marked the company's most significant turning point. Samsung later began distributing a two-hundred-page transcription of the speech to all of its employees.

Today the spirit of reinvention and creative energy sparked by Lee's Frankfurt Declaration continues to reshape Samsung. One division of this massive organization is known as the Future Strategy Office (FSO). This elite group comprises top-performing employees, each a former employee of a separate division of the Samsung Group. Their job in the FSO is strictly preventative: they monitor diagnostics that might reveal mistakes or potential dishonest actions by employees, but also, and more important, the team looks for ways Samsung could fall behind by maintaining the status quo. In this light, their goal is to shed an "outsider's" light on areas where the company risks stagnation.¹

Samsung's commitment to quality still shines brightly as the company continually pushes for better results. In 2012, prior to a smart phone release, inspections revealed that the product's cover texture was off. At the last minute, Samsung workers remade 100,000 covers, finishing the job before shipment and underscoring the company's ongoing push for continuous improvements in quality and design.²

Lee's determination to reinvent his organization has led to incredible growth and prosperity. As of 2013, Samsung was the largest TV and smart phone manufacturer in the world. Revenues topped \$250 billion and net income was reported at nearly \$20 billion. If this wasn't enough to be proud of, the company represented 17 percent of the entire gross domestic product of its home country, South Korea.³

As a leader, it's your responsibility to prioritize reinvention. If your organization has become intoxicated by its own success, your job is to infuse at every level the same creative hunger that launched it in the first place. The market no longer leaves room for me-too players, a principle that applies to both companies and individuals. Remarkable category-of-one products, services, and processes are the driving force of our fist-fighting economy. The choices are clear: disrupt, or be disrupted.

Global markets and rapidly evolving technologies have turned the rules for winning upside down. Hard skills born in the Industrial Revolution, including manufacturing expertise, strong customer service skills, and even accounting excellence, are now outsourced or allocated to technology. As a result, these once-prized skills have become merely the ante to play. Today's victors are turning their winning trump cards in the margins. Creativity is the new, most effectively sustainable competitive advantage; it's the one thing that no company can outsource. That makes disruptive innovation your most valuable natural resource, even though it isn't displayed on the balance sheet.

Reinvention isn't a single event, it's a way of life, a constant process of discovery and imagination. Change is inevitable. The question is, will you drive that change or be driven by it? You can choose to adopt the spirit of reinvention and, in the process, set the tone for both your company and your career. No matter how successful you are, no matter how many awards you've won, no matter how great last quarter's earnings may have been, you are risking it all if you expect your winning streak to automatically continue. Someday another company *will* come and put you out of business. It might as well be you.

Make the Leap to Reinvention

With global financial crises, increasing complexity, and crumbling competitive advantages, I've seen all too many people freeze in the face of oncoming upheaval rather than act. They worry about the negative consequences of change. They overestimate the resilience of the status quo and underestimate the driving need for innovation. They make excuses, close their eyes to the world around them, and lull themselves to sleep with naive clichés such as, “Things will get better on their own,” or, “I'm sure the worst is behind us.” When those phrases begin floating around your mind—or your organization—you can expect that the calamity of unforeseen change is barreling forward, and ready to mow you down.

When it comes to reinvention, getting started is the hardest part of the task, but it's also the most important. In today's warp-speed world, swiftness wins. If you wait to try a new idea until you've carefully orchestrated every possible maneuver, the world will pass you by while you're busy planning. As Rupert Murdoch said, “Big will not beat small anymore. It will be the fast beating the slow.”⁴

The clichéd deer-in-the-headlights meets an untimely death not because it lacks capability, but because it lacks the courage to move. It doesn't really matter which direction the deer moves in as long as it unfreezes and gets moving. Individuals and organizations face the same challenge as they approach the process of reinvention. The first step is always the hardest to take, but it unleashes the momentum you need to overcome stagnation's looming threat and enact meaningful change.

Myth: Achievement occurs through a gigantic epiphany or an all-at-once breakthrough.

Fact: Most things worth accomplishing involve a persistent stream of small advances that lead to something transformational over time.

Even after making a first leap toward innovative change, many of us get discouraged when we can't reach our goals at Internet speed. We get frustrated with the slightest pothole or delay and are too quick to stop trying. We fail to understand that reinvention isn't an event; it's a lifelong process. The process of creative breakthroughs is marked by the same pattern, one that is so often completely misunderstood. Sure, there are bursting moments of creative insight, but the research shows that most creative breakthroughs come by chipping away at a problem. The creative act isn't some magical inspiration that arrives in the form of a lightning bolt. Rather, it typically is a series of experiments and techniques, trials and errors, through which inventors, artists, and musicians crack the code. Even the light bulb, the very symbol of fresh ideas, was the result of over one thousand attempts. That's why the most common traits among successful people are ruthless determination and unwavering persistence.

That's also the reason that the strongest organizations are constantly reinventing. Their executives realize that we live in an era with a rate of change like none other in history and that no one can count on what worked in the past being sustainable. Great leaders view reinvention as mission critical to ensuring their company's survival and prosperity, even during times of strength.

Maybe a first step in harnessing the power of reinvention is to truly shape your understanding of the term. Merriam-Webster defines *reinventing* as "to remake or redo completely."⁵ The Oxford dictionary version is "to change (something) so much that it appears to be entirely new."⁶ For me, a good way to think about reinvention is as the necessary process of proactively crafting a new future.

Too often, people use the words *reinvention* and *turnaround* interchangeably. In fact, these are radically different concepts. Turnarounds are generally reactionary, desperate responses to crushing challenges. Much like a drowning swimmer who will scratch and claw at anything in order to live another day, the goal in a turnaround is simply short-term survival.

The Difference Between Turnarounds and Reinvention

	Turnaround	Reinvention
Timing	After something devastating happens to the company, community, or individual (reactive)	Ideally when a company or person is thriving (proactive)
Characterization	Digging out of a hole, often through spreadsheet-based cost cutting, layoffs, and control by executives or outside consultants	Doubling down on innovation, nurturing a creative culture, letting go of past success, and architecting for the future
Outcomes	Destroys morale and is largely ineffective	Breathes new life, opens new possibilities, drives sustainable growth

There are two key problems with turnarounds. First, the reactionary, shortsighted mind-set driving any turnaround is the exact opposite of the thinking needed to sustain long-term growth and innovation. As a result, turnaround specialists slash costs, crack the whip, and generally put all innovation efforts on hold. Although this is effective in keeping a drowning business afloat, the turnaround mind-set typically damages the organization by stripping away its creative flair.

Second, by the time a turnaround is necessary, it is often too late. Once organizations have stumbled enough to necessitate a turnaround effort, only 10 percent ever regain their market leadership. In other words, a company may make it until the end of the fiscal year, but the scar tissue from failing to reinvent may not be reversible.⁷

Your job is to make sure that your organization never gets to the point that it needs a turnaround. Executing last year's (or last decade's)

game plan with precision may work for a while, but remember: decay, like growth, rarely moves in a straight line. Unfortunately, many leaders skate through the days without recognizing the eroding force of deterioration until it's too late. Unfortunately, deterioration can be easy to ignore.

We start learning that lesson early. Remember how easy it was to forget about your dental hygienist's warnings about brushing and flossing after every meal? After we blew off the advice a few times and saw that our teeth hadn't rotted away, it became easier to forget about the warning altogether—until that fateful dentist visit months or even years down the road when we learned that we had developed cavities or, worse, gum disease. Then in indignant outrage, we asked, “How did this just appear out of nowhere?”

As adults, we understand that tooth decay is a slow process. We can go for years with hit-and-miss dental hygiene before our negative behavior produces a most unpleasant outcome.

Your organization's decay is just as insidious: it may not be noticeable until it's deeply problematic. The only way to ward off the decay of stagnation is to continually practice the organizational “hygiene” of ongoing reinvention. Today's reinvention efforts, in any (maybe every) aspect of your business, are your surest way to avoid unforeseen problems and speed healthy progress down the road.

Leaders understand this prevention concept intellectually, even though many of their actions seem to fly in the face of its message. In the early 1980s, for example, Kmart was heralded as a far superior retailer to Walmart. It was the second largest retailer in the United States, riding high on the seas of its past success: more stores, more merchandise, bigger company, more profits. Yet under the surface, erosion was taking its toll. As Kmart snapped up one discount outlet and competitor after another, it began to lose its brand identity as centralized leadership shifted its attention to other brands under the umbrella conglomerate.⁸ That lack of brand focus and a failure to update stores joined other small, undetected acts that ultimately led to the company's undoing. The depressed chain filed for Chapter 11 bankruptcy in January 2002.

Even the smallest acts of neglect can trigger decay, so you have to be proactive, not reactive, to ward off lasting problems. What's

going on behind the scenes in your own company that could be systematically unraveling your competitive advantage? What small details did you stop caring about in your team that could be leading to a painful crash? The more effectively you drive ongoing innovation and reinvention throughout your organization, the more routine these examinations will become—and the more opportunity you'll have to make a course correction before it's too late.

We all have to accept the fact that change in our business is inevitable. The earlier you can drive reinvention in your organization, the better; delaying only makes your challenge more difficult. Just as it's easier to blow out a match than to extinguish a four-alarm fire, your odds of success are directly correlated to the speed and consistency with which you reinvent.

Learn the Lessons of the Fall

We can learn a lot about the crippling force of complacency and stagnation from the story of two retailers that once commanded a substantial chunk of their marketplace, Borders Books and Circuit City. Both of these organizations suffered what might have appeared to be a relatively rapid decline before they folded. In fact, their downfall rolled out over a period of years, born and fed by a failure to reinvent.

Borders Books was founded in 1971 in Ann Arbor, Michigan, less than thirty miles from my home. It grew to 1,249 stores and employed nearly 25,000 people. In 2009, the company generated nearly \$3 billion in annual sales. Just a few years later, Borders didn't even exist, having filed for Chapter 7 liquidation in 2011.⁹ What went wrong?

At several critical steps along the way, Borders failed to reinvent. When you study the company's demise, you see a series of head-in-the-sand blunders that led to its undoing, including these:¹⁰

- *Outsourcing its online book sales to Amazon in 2001.* What needed to be a core competence of the company was handed over instead of developed.
- *Failure to enter the e-book market fast enough.* Unwilling to fully embrace the idea that books could be enjoyed digitally, leaders

at Borders hesitated at a critical time. As a result, they could never catch up.

- *Betting on the physical distribution of content (both music and books)*. Failing to capitalize on the trends in downloading and streaming, Borders continued to put its bet on CDs and DVDs. Its investment in this shrinking market cost it dearly.
- *Overinvesting in physical stores*. In the same way a fancier carriage couldn't compete with the automobile, expensive retail stores were no match for digital competitors. A bet on bricks and mortar that may have made sense in the 1970s became a liability in an age when consumers moved much of their purchasing power online.

When Borders began hemorrhaging cash in 2006, it was already in a near-impossible turnaround crisis. A once-great brand had succumbed to its own apathy and inertia. Borders could have saved itself by taking action to reinvent its operation while the company was still healthy and strong, when it could afford to take bold moves to strengthen its relevance in a changing marketplace. Had its executives assessed the challenges facing them with the critical sense of urgency necessary for ongoing reinvention, their market position could have been dramatically different. The lesson is clear: quickly adopting future trends rather than clinging to yesterday's success is the only way to ensure long-term survival.

Circuit City, once the nation's number 2 electronics retailer, fell in a similar way.¹¹ Circuit City's crash played out during the first years of the new century, so it would be easy to blame the company's demise on a tough economy or other external factors. But during those same years, direct competitors like Best Buy continued to flourish while Circuit City crashed and burned. Like Borders, Circuit City flamed out from a failure to reinvent.

The company's complacency and shortsightedness was its greatest weakness. Circuit City had been successful for decades prior to 2000, but it failed to manage innovation wisely in the face of larger changes in its industry. As a result, everyone else caught up—and then left it in the dust. Leaders lost their customer base by missing important trends, such as a full embrace of the market for

gaming devices. They stood still while competitors reinvented physical stores, sales promotions, and even customer service. Inventory management never evolved at Circuit City, so competitors were able to stock newer, more attractive items. As Amazon and others built sophisticated e-commerce sites, Circuit City ignored the Web retailing movement instead of viewing it as its biggest opportunity. As executive pay increased, sales and profits plummeted.¹²

A once-great retailer with more than sixty years of success, Circuit City closed its final store in 2009. Had its leaders embraced a continuous process of reinvention and built a culture that celebrated and leveraged innovation instead of ignoring it, the company might still be alive and kicking.

Stories like these seem obvious with the benefit of hindsight, yet the vast majority of organizations continue to operate with the same tunnel-vision thinking that led to the end of Borders and Circuit City. “That isn’t happening in *my* organization,” leaders rationalize. But small, incremental tweaks don’t relieve you of the responsibility of wholesale reinvention. If you are not the driving force of comprehensive change and innovation, you run the risk of being dislodged from your favorable market position. A fall from grace for a multibillion-dollar corporation is exceptionally disturbing, but it leaves behind a powerful lesson. The sinking of a small operation is no less unsettling, especially if you’re the one caught in its downward plunge. No matter what size or type of business we’re piloting, we can use the lessons of these two one-time industry giants to help avoid their fate.

Think Small

The most powerful disruptive innovations often come from start-ups. While big companies are busy protecting the golden goose, entrepreneurs have nothing to defend. Their every thought is focused on breaking norms and inventing a new, improved approach to business.

The good news is that we can all think like entrepreneurs. We can all think small, since this approach is a mind-set and has nothing to do with the size of your balance sheet or worldwide head count. Let’s

examine the difference between small-company thinking versus its bloated counterpart:

Small-Company Thinking	Big-Company Thinking
Embrace risk	Avoid risk
Urgent	Slow moving
Create new ideas	Protect old ideas
Bottom-up (everyone contributes)	Top-down (executives' ideas only)
Idea-centric	Rules-centric
Nimble	Bureaucratic
Fire-in-the-belly	Complacent

If you represent a larger organization, driving the philosophy in the left column is your prescription for long-term growth and success. Creating a culture that supports innovation at all levels is a key priority for leaders in today's fierce business battlefield. If you're part of a smaller organization, these are your main weapons in displacing the complacent giants.

Join Reinvention's Rise

Why would the guy who led the first eighteen generations of the iPod and first three generations of the iPhone leave Apple to build thermostats? How could someone ditch one of the most exciting companies and industries in the world for the staid arena of home temperature control?

Tony Fadell didn't ask that question. Instead, he saw an old-school, stale industry ripe with opportunity for the disruptive force of the design, engineering, and creativity skills he honed at Apple. Tony was a tech devices disruptor for years, and in 2010 he thought it was time to reinvent a different category.

Out of a rented garage in Palo Alto, California, Tony and Matt Rogers set out to create radical change in an industry that hadn't

gone through much ground-breaking evolution since the late 1800s. According to Fadell, “The more we dug, the more we realized, this is a company we must go start. We could save 10 percent of energy costs, and solve an epic problem in a no-innovation, multibillion-dollar market. Why would we not do this?”¹³

From its humble beginning, the Nest Learning Thermostat represented pioneering disruption. In a dramatic departure from the traditional plastic rectangle most homeowners recognize as a thermostat, the Nest device is a beautiful, elegant-looking unit that resembles a round iPod. Its innovation goes well beyond looks; the device uses sophisticated technology to pack a punch with extraordinary simplicity. The Nest “learns” your patterns and begins to automatically adjust to save energy. It has sensors that detect movement so it makes sure it isn’t heating or cooling an empty house. It has a live connection to the Internet, monitoring weather patterns and the arc of the sun so it can make smart decisions and adapt in real time. You can even connect with your Nest remotely from a smart phone if you want to check in, make changes, or see how much energy you are using. Through these features, the Nest saves homeowners 10 to 20 percent on energy bills, and it also makes a big environmental impact.

The Nest, which retails for \$249, sold out within one week of its release in late October 2011. Due to incredibly high demand, its developers said it wouldn’t be available again until 2012.¹⁴ Meanwhile, the basic Honeywell programmable thermostat that we all know was widely available for \$23.49. An unknown new start-up with no brand recognition or giant marketing department launches a new product in an industry it knows nothing about. The innovation is so compelling that the product sells for more than ten times the price of a directly competitive unit. And it was instantaneously so popular that it remained sold out for months. When Honeywell was busy making a slight incremental improvement by rounding the corners on its uninspired device, Nest completely changed the playing field by reinventing the category altogether.

What makes this reinvention effort all the more impressive is the Nest team’s fundamental urgency. The thermostat shipped just

eighteen months after Fadell and Rogers first set up shop in that garage. The two innovators recognized that speed is everything.

Distractions give way to the importance of the task at hand, when people with an urgent calling, as those two did, feel compelled to get the job done. An ambulance driver would never stop for a burger on the way to an accident. A star athlete wouldn't take a call to chat with his grandmother in the middle of an important game. Firefighters waste no time: as soon as the alarm rings at the fire station, the brave men and women respond with instinctive urgency. You can't hesitate on the road to reinvention.

We know that urgency saves lives and wins championships. Why, then, do we allow apathy and sluggishness to slow so many of us down? We can no longer afford the luxury of being laid back: leisurely skating through the workday is robbing you and your company, just as does stealing merchandise from the backroom. Worse, as your competitors wake up and begin to charge ahead with force, you run the imminent risk of getting plowed over. Today the slow lane is reserved for those on the fast path to obsolescence. In order to build healthy careers, companies, and communities, we need to leap into action.

Think about when you have real urgency in your own life: when you are late for your kid's baseball game or piano recital; when you have an assignment due in two hours but still have four hours of work to do; when you haven't eaten all day and you're racing home to dinner. In these situations, you have a heightened level of focus and purpose. To elevate the results in other areas of your life, unleash the same intensity as a firefighter and you'll drive outcomes to new heights.

A New Spin on Reinvention

With nearly 70,000 employees, \$19 billion in annual revenue, a 135-country footprint, and a 100-year legacy, Whirlpool is about the furthest thing from a start-up.¹⁵ Nevertheless, the company believes the most important priority is innovation, so in 1999, it set out on a quest to reinvent itself. Whirlpool's CEO at the time, Dave Whitwam, was convinced that the company needed to escape

what he described as the “sea of white,” the nearly indistinguishable grouping of competitive products. Fervent with this belief and a goal to stay relevant to consumers while enjoying profitable growth, he launched a wide-sweeping overhaul of Whirlpool that changed the company. According to Moises Norena, global director of innovation, “he insisted that every employee would be part of the innovation effort: it would not be exclusive to engineers . . . Innovation would come from everyone and everywhere.”

A great example of Whirlpool’s reinvention efforts was its exploration into the garage. Traditionally the company supported appliances in the kitchen and laundry room to the delight of customers worldwide. But a group of Whirlpool team members had a powerful insight: they realized that many people have well-kept homes but garages that resemble the aftermath of natural disasters.

In research visits to homes, consumers were ashamed of showing Whirlpool’s employees their garage. It became clear that there was no logical way to organize things in the garage, and as a result, the standard for organization was completely different from that of the rest of the house. The garage was a source embarrassment instead of pride.

Whirlpool seized this insight and launched Gladiator Garage Works, a modular approach to garage organization. Beautifully designed workbenches, cabinets, wall systems, tool storage, flooring, and organization systems allowed this innovative company to find wide-open opportunity. Launched in 2002, the brand was earning over \$300 million in revenue less than a decade later while still growing at a significant clip.

Jeff Fettig continued the momentum when Whitwam retired. As CEO, he was driven to unleash innovation and put the full weight of the company behind his efforts. The last thirteen-year innovation sprint by these two committed leaders was one whirling ride for investors too. Revenue more than doubled and the stock price tripled despite two economic crashes and fierce global competition.

Whirlpool leaders expect at least 20 percent of annual revenue to come from new products (less than five years old) for the foreseeable future. Fettig summed it up: “We know that we can best compete by focusing on introducing new and innovative products.”¹⁶

Fighting Crime with Jewelry: The Reinvention of Social Responsibility

Jessica Mindich is a remarkable entrepreneur. Her company, Jewelry for a Cause, designs and sells jewelry and accessories not only to help customers but also to help humanity.

With unbridled curiosity, she stumbled on a program in Newark, New Jersey, in 2011 that was focused on getting guns off the streets.¹⁷ Newark mayor Cory Booker had launched an effort that paid cash for firearms turned in to the city—no questions asked. The program was gaining traction and collecting thousands of firearms (and getting them off the streets),¹⁸ but it faced two big challenges: it lacked enough funding to continue in full force, and storing thousands of illegal firearms was becoming a real issue.

Jessica saw an opportunity to help the community while driving her business. She approached the mayor and offered to take the stockpile of firearms off his hands. Working with local authorities, the guns were sorted, catalogued, and melted down, ready for reinvention. She then launched a new line of jewelry called Caliber, made from the metal of recycled weapons. The jewelry line offers pieces from \$150 to \$5,000, each proudly displaying the original gun's serial number and its origin: Newark. Demand is high, and gun violence is reduced with each sale: 20 percent of every dollar goes immediately back to fund the buybacks for Newark's gun amnesty program.¹⁹

In addition to driving real social impact, her business has grown dramatically from her creative insight. Although she was enjoying strong momentum before the new line, she refused to become complacent and had the courage to try something fundamentally different and truly unique. Her willingness to embrace fresh ideas led to her big breakthrough. That same groove will also lead to yours.

Avoid the Riskiest Move of All

All our lives we've been taught to avoid risk. Follow a traditional career path. Invest cautiously. Don't talk to strangers. Yet ironically, most of us live in an irresponsibly hazardous fashion, and without

even knowing it. It turns out that playing it safe has become recklessly dangerous.

Since the start of the twenty-first century, the world has changed dramatically. Global financial crisis, technological breakthroughs, geopolitical turmoil, and other tectonic shifts in our world should have shaken our belief in the old-school ideology of success through risk aversion. We've had ample illustration of how dangerous it can be to sit back and watch the world move forward without us. And yet, shockingly, most people still play by the old rules, wondering why their results are plummeting as they faithfully follow their old formula for success.

In school, we were taught to follow the rules, guess what the teacher knows, believe there's only one correct answer, and, above all, not make mistakes. Maybe in grade school, it was useful to keep our heads down, do what we were told, and never question authority. But doing that in today's hypercompetitive, constantly changing world is a surefire path to mediocrity. Those who were lulled into a false sense of security were blindsided when corporate downsizings swept through and supposedly loyal customers defected to upstart competitors. It turns out that in this century, playing not to lose seals a fate of crushing defeat. Blandness has given way to boldness, with copycat-boring conquered by originality. What the world now demands and pays handsomely for is remarkable and creative thinking—in businesses, politicians, communities, education, and, of course, individuals. In the past, your job was to do what you were told. But today your organization may be looking to you for answers. The only place that mute obedience will get you to is a field of unmet potential with an abundance of regret.

In addition to the job title on your business card, you need to add the title of *disruptor*. Disruptors challenge assumptions. They shake the status quo. They are curious and creative. They adapt and improvise. They push the boundaries and shatter conventional wisdom. They'd rather forge new ground than blindly salute the flag of the past. Disruptors squirm at phrases such as "we've always done it that way," "that's just the way things are done in our field," and "if it ain't broke, don't fix it." They know that speed and innovation now

trump rigidity and conformity. They know that discovering fresh solutions and unleashing new ideas are top priorities for both success and sustainability.

Disruptors wonder. They dream, explore, harass, discover, challenge, vex, disturb, rattle, break, upset, imagine, push, shatter, drive, offend, risk, and poke. They also win, get promoted, earn more, make a bigger impact, reach their dreams, and change the world. In the words of Jack Welch, the former CEO of General Electric, “If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”²⁰

The story of creative disruption unfolds before us all the time, yet few of us truly embrace the seemingly obvious concept. The creators of the iPod disrupted the music industry, while the masterminds behind the Kindle and other e-books disrupted traditional publishing. These disruptors are changing the game in every industry; yours is no exception. And more than likely, the disruptors in your company are the ones who are getting promoted and reaching their dreams while the rule-following automatons remain frustrated in their cubes.

If you want to avoid life’s biggest risks—mediocrity and regret—you must bring your guard down and raise your creativity. Driving disruption may be outside your comfort zone, but it’s one of the safest things you can do. It’s time to get in the fast lane of original thinking, innovation, and possibility.

Detroit: Catalyst for Change

If history has taught Detroit anything, it’s the inevitability of disruption and the dangers of standing still in the face of change. In 1805, a sweeping fire nearly completely destroyed the village of Detroit. In its aftermath, instead of just rebuilding what it had lost, the village planned a new beginning. Inspired by the design of the nation’s new capital in Washington, DC, Detroit began its transformation from former fur-trading settlement to a real city by laying out its streets in diagonal arteries extending away from a hub just north of the Detroit River.²¹

In the decades that followed, nineteenth-century industrialism took hold, and wealthy industrialists dramatically changed the face of the city once again, building lavish private mansions and impressive downtown commercial buildings. By the end of that century, Detroit's population, just 770 people in 1810, had climbed to almost 286,000, and it was the thirteenth largest city in the United States. The city had its first skyscraper and an electric trolley, and Henry Ford, just one of Detroit's growing number of entrepreneurs, innovators, and inventors, had driven his first test car down the city's streets.²² Detroit had become a cosmopolitan capital known as the Paris of the Midwest, with art museums, opera houses, and grand public spaces, including Belle Isle Park, the work of Frederick Law Olmstead, who had also designed New York's Central Park.²³

During the first decades of the twentieth century, the automotive industry exploded in Detroit, and so did the city's population. Detroit began another transformation, eventually sprawling out to fill a nearly 140-square-mile area with residential neighborhoods, shops, and businesses.²⁴ But by midcentury, yet another wave of disruption began to gather force as many white, middle-class Detroiters and even some factories began leaving the city and relocating to its suburbs. Among their reasons were increasing crime, additional city taxes that were not required outside the city limits, racial tensions, failing schools, and an unsupportive city government that created endless red tape for things like permits, licenses, and inspections. This time, Detroit wasn't already moving on to its next great moment, its next great innovation, its next creative transformation. As wave after wave of disruptive change swept over the city—energy crises, globalization, outsourcing, and automation—Detroit's jobs and population continued to dwindle, taking with them the city's tax base and other revenues.²⁵ Between 1950 and 2012, Detroit's population fell from its peak of nearly 1.8 million to just over 700,000.²⁶ While its revenues remained relatively flat over that period, Detroit's debt had grown to over \$18 billion.²⁷

The disruptive transformation of Detroit's depopulation didn't play out as quickly as the fire of 1805, but it certainly did leave destruction in its wake: abandoned houses, empty neighborhoods,

whole stretches of the city lacking even basic services. Detroit once again began the process of clearing away ruins and reinventing itself, almost from the ground up. Stoked by a new fire of entrepreneurialism, civic responsibility, and calculated risk taking, Detroiters have learned that standing still is no way to survive, let alone thrive. Hungry new-tech start-ups snapped up suddenly affordable space in downtown skyscrapers, bringing new life and energy to its downtown. Pop-up shops take advantage of once-empty storefronts, alongside restaurants and producers of artisanal foods. The reinvention of Detroit is not limited to its downtown corridors. Neighborhood gardens and commercial farming operations now fill some of Detroit's estimated thirty thousand acres of distressed space.²⁸

No single initiative or movement will make everything better in Detroit, but these artists, tech start-ups, visionary business leaders, urban farmers, and other game changers are making a difference as they tackle the rebirth and rebuilding of this city through their own disruptive force. The city will rise from the ashes, just as it has in the past, this time with a new understanding that the fire of change is always smoldering; you can either stoke it to power your own engine of innovation, or stand still and be consumed in the blaze. Disrupt or be disrupted.

Tools for Transformation: Rapid Reinvention

Pretend you are a business reinvention artist. Your job is to come into companies and help them invent the future. Unfortunately, your big presentation is due in ten minutes and you haven't even started brainstorming ideas. You'll have to use one of your favorite techniques: the countdown.

Set a timer for ten minutes and imagine you have \$100 million at your disposal. Resources are nearly limitless, and your job is to dazzle your client, the CEO. Who is the client you're working for? Your neighborhood diner. That's right, the local burger joint that's been doing things the same way for decades. Have fun and imagine all the possible ways you could shake things up. Shoot for quantity instead of quality, and don't let costs or execution risk inhibit your thinking. See if you can generate thirty-five or more big ideas in this short time. Consider everything from new menu items to overhauling the

experience, to new economic models such as a subscription service instead of per item charge. As a business reinvention artist, think of all the ways you could disrupt this simple and stable business.

Extra credit: Do the same exercise for your own real-world company. Pretend you're an external business artist instead of your current internal role, and see what you can imagine by taking an outsider perspective with tons of capital to invest.