



The Visionary

COPYRIGHTED MATERIAL





GETTING IT

The grand play of life goes on—and you can contribute a verse. What will yours be? Who will remember you and what you have done?

On January 2, 1897, Ragnar Sohlman, a chemical engineer in his twenties, was shocked to read the published last will and testament of his employer, Alfred Nobel. Ragnar had worked in Nobel's laboratory in San Remo, Italy, for three years. His boss was Sweden's most famous visionary, a millionaire who had received patents for his groundbreaking invention of dynamite. Nobel produced dynamite on a large scale across the globe during an era of massive infrastructure development of tunnels, bridges, commercial buildings, ports, and railways, where extensive blasting was needed.

When Nobel died of a stroke on December 10, 1896, the world would soon learn that the great visionary left behind an idea as powerful and explosive as the product he became best known for in life. The world would also

see that Alfred Nobel was a master at choosing Left on Red thinkers to work with him to bring his dream to reality.

When Nobel's last will and testament was published in newspapers across the world, his young protégé Ragnar was shocked to read: "As Executors of my testamentary dispositions, I hereby appoint Mr. Ragnar Sohlman, resident at Bofors, Värmland, and Mr. Rudolf Lilljequist, 31 Malmskillnadsgatan, Stockholm, and at Bengtsfors near Uddevalla."

The will read:

"The whole of my remaining realizable estate shall be dealt with in the following way: the capital, invested in safe securities by my executors, shall constitute a fund, the interest on which shall be annually distributed in the form of prizes to those who, during the preceding year, shall have conferred the greatest benefit on mankind."

This last clause caused great controversy among Nobel's family, the public, and even the government. No man of great wealth had ever done anything as bold and humanitarian before. The will was unprecedented, and no one knew how to execute his last wish.

THE VISIONARY

Nobel no doubt knew that only a visionary could change the world, which is why he chose the man he had mentored in life to execute his dream.

Visionaries see the unseen. They have an uncanny ability to bring wild dreams to fruition from the tiniest seedling. Visionaries are rare and rise up unexpectedly. Sometimes they create world-altering new products and movements, as did Nobel, Microsoft founder Bill Gates,

Apple founder Steve Jobs, and Google co-founder Sergey Brinn. Others are beaten down, victims of their circumstances or fiber, their great visions and ideas held dormant. Nobel was a controversial and forward thinker for his time. His ideas often caused conflict with governments and businesspeople who did not share his vision. But that never stopped him. In life, he changed the business model for development and infrastructure and building. In death, his vision produced positive social change for the world.

This chapter is about vision. It's about getting it and understanding what little corner of the world you want to occupy, conquer, or change. Call it breaking the mold, bending the rules, spinning the wheel of life, or taking a Left on Red, which is generally illegal in most states. The story of Nobel is compelling because it involves risk and reward, paddling upstream, a path less chosen, and most of all thinking in terms of tomorrow and how the memory of who you are will define your legacy.

The grand play of life goes on—and you can contribute a verse. What will yours be? Who will remember you and what you have done? Kind of gives you something to think about, doesn't it? Will you bide your time according to someone else's plan and schedule, or will you do something different?

THE RIGHT ON RED ORGANIZATION

I deal with entrepreneurs, misfits, and people with grandiose ideas that are often translated into businesses that change the world or at least a part of it! So forgive me for saying that most companies do not want to risk thinking and acting differently. They create cultures of process

and order, building products and selling services from that foundation. They are Right on Red organizations, like the major airlines that follow one another down the competitive path year after year, concerned only with what Airline A is doing in the marketplace, instead of considering what *they* can do to effect real change. American makes a change to its cabin interior, and Delta does, too. Delta reduces its airfares in a specific market, and American responds with a competitive fare. Airlines A, B, and C spend more time watching what the others are doing than actually innovating. But every once in awhile a visionary comes along and changes the shape of the box.

When was the last time you heard of a U.S. airline offering in-flight massages like some of the foreign carriers do? Not to say it hasn't been done, or can't be done, or even should be done, but there's a lot to be said for unconventional entrepreneurs like Richard Branson and others like him who just cannot be confined.

LEFT ON RED ORGANIZATIONS

The breakthrough companies that effect world and social transformation are often like Nobel. They think differently and actively seek people who think differently. They are Apple, Google, Second Life, and social change organizations like Ashoka. Ashoka is an organization that envisions a world where *everyone is a changemaker*. A world that responds quickly and effectively to social challenges where each individual has the freedom, confidence, and societal support to address any social problem and drive change. Ashoka CEO Bill Drayton puts it this way: "Social entrepreneurs are not content just to give a fish or

teach how to fish. They will not rest until they have revolutionized the fishing industry."

But where do these changemakers come from? Some are born, some are created by external life events branded on their souls. Nobel had been homeschooled with no traditional rules to follow. He was sheltered from the traditional educational system with its rows of desks and order and process, and it made no difference to him what had or hadn't been done before. This is often true for many entrepreneurs who create phenomenal ventures and businesses that make most people scratch their heads and wonder, "Why didn't I think of that?" To an individualist, the only thing that matters is what can be.

In the venture capitalist arena I see this all the time. Someone thinks of an idea, presents it, but doesn't have the courage or brains or street smarts or perseverance or ideation or network IQ to make it happen. And then, sometimes, along comes a person with all of those things, and more.

IF AT FIRST YOU DON'T SUCCEED

Thomas Edison invented a lot of things, most famously of course the lightbulb. Most people know that he failed several times before he succeeded, but he actually failed more than *one thousand times* to invent just that one product! Finally, somewhere along the way it worked—voilà! All of a sudden, who cares how many times he failed? The fact is he invented a lightbulb. Recently, there was an article that highlighted the richest, most successful, formerly bankrupt entrepreneurs, executives, and billionaires. The moral of the story? Try and try again. I've failed

enough to know that when you're delivered a knockout punch you just have to get up again.

One of my biggest failures in business was an endeavor I refer to as BuildNOT though we actually named the company BuildNet, a business that evolved as a major league play to capture the building industry by storm. At first, it was the biggest and most amazing deal I had ever been a part of. Keith Brown, the CEO, was a true visionary with charisma, strong morals, and high intellect. We were the first ones in the deal and helped develop the business plan while building a top-shelf management team. Next came the first big merger with Fast—a large construction software business from General Electric. Soon the business took on a life of its own, acquiring more than 80 percent of the desktop and scheduling work flow software used by builders and a substantial part of that used in the suppliers' back offices. This meant if it rained and a jobsite had 40,000 parts spread all over a dirt lot and the builder needed to put them together again, the computers would notify vendors not to deliver more that day. It was a system of organization and inventory for builders. Also, because most builders work using the 80/20 Rule, they could directly order materials for the entire home and set up their critical path to manage everything from payments to work flow and subcontractors. Eighty percent of all homes that builders build are exactly the same, so the bill of materials can be auto-input and used over and over again as a standard. Only 20 percent are customized. This makes for a great use of the 80/20 model.

Now, the problem. Much of the business was leveraged with stock and debt to acquire other businesses. Some of us pushed the company into going public early

to use investor funds to pay down debt, and we even raised \$120 million for the deal, which, at that time, was the largest private raise in the region. But the senior team members made a tragic decision. They decided that building a deeply integrated back office tying all the systems together under one umbrella for the ultimate B to B system was the best way to use the \$120 million, even though the business was doing more than \$100 million in revenue at the time. But this tactic didn't make sense. Because we owned the supplier's back office and the builder's desktop, the model was ME to ME, and there was no urgency for B to B. Get it? They didn't.

By the time they filed a Form S-1 to go public, the bursting of the dot-com bubble closed the window on IPOs. A year earlier the company was massive. A year or so later it was winding down into bankruptcy. I would have made more than a hundred million dollars on that deal, but what can you do? You can't always hit 'em out of the park. The moral is to control your deals and businesses as long as you can. Bring in the best management, the best money, and the smartest people and make sure they all buy into a common vision. Or at the end of the day, some things might be out of your control and you might get a knockout punch.

It is a simple and basic fact that any visionary, no-box, Left-on-Red thinker living among us will sometimes fail and often be looked at cross-eyed. Sometimes their crazy antics will be ridiculed (think Branson, Bush, Trump) even while they are leading the pack. Whether you agree with them or not, being a visionary is hard to comprehend and difficult to capture. If it were easy, everyone would be doing it.

WHERE ARE ALL THE VISIONARIES?

For the most part, companies tend to hide, stifle, or tuck away visionaries in a dark room or in a cubicle. Only today's best of breed companies perpetually seek employee anomalies, regularly solicit ideation, and use every means necessary to improve their businesses. They seek and find dynamic new products and markets to develop by continually cultivating the intellectual base within their business.

Ultimately, these companies find ways to cultivate intrapreneurship, vision, and new ideas. They provide a business environment that promotes and influences innovation, keeps vision and imagination flowing freely, and supports failure and risk taking with tolerance. These are the companies that see the entire movie and not just one image or static point in time. Ideas are always flowing, changing, meandering, and cascading into new ideas and actions. Forward-thinking companies nurture visionaries.

If one goes a step further out onto the business branch, there is a distinction between forward-thinking organizations, large or small, and the next level: the breakthrough businesses.

Breakthrough businesses rarely become noticed until it is too late to play catch-up. These are the companies that are built by underrecognized visionaries that otherwise would have created the breakthroughs for some big company. As a venture capitalist who has seen a lot, it's been my experience that most breakthrough businesses begin as ideas in the heads of visionaries inside corporations, which they finally escape to start their own businesses. Often the results are so powerful that social change occurs, and the fabric of industries is torn and

sewn back together to form new fashions. Many times, all of this happens when everyone else is asleep at the wheel. These are the companies with Venture Intelligence. They are big, bold, and fearless, and their leaders go beyond forward thinking. These are the people who live way outside the box—or never saw one to begin with. When these types of entrepreneurs lead organizations, the result is a culture emboldened to succeed with vision that's instilled in the fiber of everyone from the receptionist to the CEO. Most often, they influence and create an atmosphere that rewards taking a Left on Red without getting a ticket.

These companies have an *it* factor and an organizational DNA that acknowledges that the contingency plan may be better than the original, not just a substitute. Failure is just a way of discovering that something doesn't work. When Plan A doesn't pan out, these organizations find a way to ignite Plan B or C, and the contingency plan becomes a strategy for the future that thrives, dominates, and perhaps even changes the world.

TACTICAL TAKEAWAYS

- Plan B may be better than Plan A. Be open to it. Think big! Really big! If you're an intrapreneur, think differently and strive to bring new innovations to your organization.
- If you're an entrepreneur trying to start a big business do not settle for a small segment of the market—own the market. Use every resource you have and “perfume the pig” as we say. Get dressed up for the dance with management, a great board, great investors, great advisors, and most of all great PR.

- Leaders take note: If a visionary is paired with too many dream killers, his visions may lie stagnant. If a visionary is cultivated, his vision can change the world.

Insider's Viewpoint

**Glenn Armstrong, VP Business Innovation
Amway**

Innovation is a way of life: This is an aspirational goal. To achieve this, companies must unlock the potential of their employees and surround themselves with thought leaders, allowing everyone to think differently and creating open cultures where innovation is celebrated.

It's the freedom to swing for the big bold ideas that transforms industries and businesses, and that kind of freedom and culture can't develop and spread like wild-fire without a mandate from the top. It requires strong, dedicated leadership, an innovative mindset of always thinking and rethinking, and buy-in for all corners of the organization. That's the road to building a culture of innovation.

Amway posted \$7.1 billion in sales in 2007, which was *12 percent more* than 2006. Thirty-nine of our 55 Amway markets posted sales increases with impressive results in Asia, Europe, and Latin America. It's a perfect example of a company built with an innovative spirit that has been able to link its heritage of innovation to execution and results, with the thread of legacy tying it all together.

Doug DeVos and Steve Van Andel run the business their fathers built back in the 1960s. The premise then and now is to help people live better lives, and significant family wealth has been given to children, hospitals, charities, education, and other nonprofit efforts, that will make a lasting legacy and impact on the world. In the end, that's what true innovation is about. Transformation to create businesses, products, services, and lives of abundance.

Amway is an organization that has been able to create a culture of oneness and a business of dedication to its people, with integrity. Doug and Steve have learned from their fathers, yet further enhanced their vision and corporate culture around entrepreneurship, constant change, and innovation. It is truly incredible to see a company sweeping the world and moving with such speed, while accepting all ideas and foresights without pride of ownership. Doors are literally always open. All employees are encouraged to think inside the box, outside the box, and with no box at all. My role is to guide a program of innovation that will build business opportunities for all Amway stakeholders, incubate and nurture new ideas, and to bring new ideas, services, and product to benefit consumer's lives. What a great opportunity.

Prior to coming to Amway, I was honored to work with Bill Wrigley, a fourth-generation Wrigley who inherited the company, and I saw legacy in action firsthand. Bill understood that innovation is what built the company, and it was innovation that would provide the path forward. He was focused on innovation,
(Continued)

and immediately constructed a beautiful functional building dedicated to it! It is the Global Innovation Center located on Goose Island in Chicago, a soaring glass innovation greenhouse with inspiring atriums and creative spaces to foster innovation. This center sparked innovative thought and action around the world. I've been fortunate to be involved in these great innovation efforts, and it's been amazing to witness large legacy companies with founders and family members who hold a true passion for the business and desire to influence and change people's lives for the better.

At Amway, our core products range from nutrition to cosmetics and from home care to water treatment. The quality of the products is exemplary and in supplements and skin care we have the best of nature and the best of science. With a high-quality team and family-oriented business ethic, we're focused on creating a winning innovation culture. This will get the entire organization involved and expand the thinking and actions beyond their comfort zones. And that's an integral part of legacy. Being willing to take a left on red by thinking differently, to innovating and bringing great ideas to fruition.