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## 5 Ways Big Companies Can Pivot Like Lean Startups

WRITTEN BY: [Brian Millar](#)

BY LOWERING THE BARRIERS TO BREAKTHROUGH IDEAS AND MATCHING THEM TO UNDERSERVED NEEDS, LARGE COMPANIES CAN RECLAIM THEIR REPUTATION FOR INNOVATION.

64 6

Innovation. You've either got it or you haven't. Right now, Procter and Gamble hasn't. Its recent mediocre results have been blamed on a drought of new blockbusters. It's not alone. Microsoft has been panned for bringing so little to market, and even Apple's share price has sagged recently as the market tires of tweaks to their existing techno-slabs.

Has the corporate world run out of ideas? Nah. When I walk around big global corporations, I'm struck by the number of brilliant new products and services being developed. But most never make it to market. And of the ones that do, about 70% fail. There has to be a better way to get products onto shelves that people actually want, and to ensure that big, world-changing ideas get greenlighted and launched. Fortunately, there is.

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05 / 17  
TWO THOUSAND  
AND THIRTEEN

INFOGRAPHIC OF THE DAY

## MACHINE. IT'S CALLED THE STAGE GATE PROCESS."

began life as a crowdfunding site, and Paypal originally enabled Palm Pilots (ah, Palm Pilots) to beam money to each other. In Silicon Valley, it's rare to find a company that became an overnight success; most of them radically changed direction at least once. In Valleyspeak, it's known as *pivoting*.

Pivoting means that new technologies don't get wasted. They get repurposed. At Sense Worldwide we work with some of the most innovative companies on the West Coast, companies that pivot like ballerinas. We also work with many big ol' organizations. We think there's a lot that Cincinnati can learn from Cupertino. Here are five things:



### 1. FEWER GATES, MORE PIVOTS

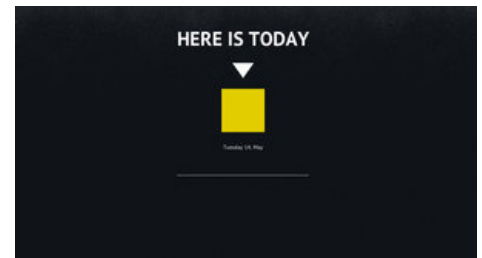
Most big organizations are idea-generating machines. But they also contain an idea-killing machine. It's called the stage gate process. Stage gates work a bit like that gym full of spiky obstacles in *Kung Fu Panda*. A product has to get from one side of the process to the other without being whacked by anything. Instead of a long-moustached dog (was that monk dude a dog?), the tests are set by a bunch of vice presidents. Will it make \$50 million in its first year? Will it work in Japan? Will it compete with our existing products? Swish. Crunch. Yelp.

## "WHAT IF YOUR PROCESS FORCED INNOVATIONS TO EVOLVE RATHER THAN DIE?"

In theory, anything that makes it alive through this gauntlet should triumph in the market. Except as I said earlier, 70% of new products fail. As a predictor of success, stage gates are about as useful as throwing somebody in the river to see if they're a witch.

What if your process forced innovations to evolve rather than die? The pivot process works like this: At an agreed interval, technologists, insight specialists, and marketers come together to match up technologies and needs.

We've found the best way to do this is with a pivot workshop. The innovation team brings along the technologies they're working on plus any side projects or shiny things that have caught their interest. The insight people bring along as many consumer needs as they can.



Infographic of the Day: Infographic: Compare Today With Every Day That Came Before

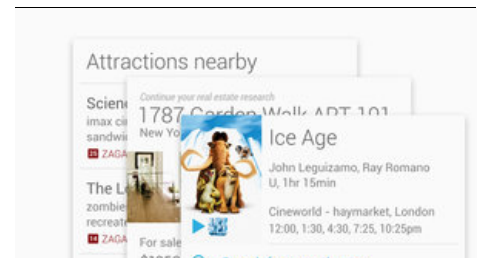
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The next bit is simple. Match the technologies to the needs. Currently, this app helps you get organized. People also need to be healthy. Could it make them healthy instead? If a technology matches a need that it's not currently serving, then you have an opportunity to pivot--if the opportunity is big enough. During a recent pivot process, we repositioned an expensive packaged good as a cheap labor-saving appliance. The product relaunched on a different shelf and has become a runaway bestseller.

## 2. INSIGHT FEEDS THE BEAST

The pivot process is a hungry beast; it's hungry for insight into consumer needs. You must approach every pivot session with a big bag of needs. Quantity is more important than quality, as it's all raw material for the workshop.

To gather those needs, you need to think like a lean tech startup:

- **Go wide, not deep.** In his recent book, ex-P&G Marketing supremo Jim Stengel confessed that his company would spend hours quizzing consumers about dryness in diapers, without ever trying to understand their broader lives.
- **Don't overthink stuff.** No insight is perfect; capture an opportunity and move on.
- **Get your head out of your business, or anything that looks like it.** What can banks learn from salty snacks? What can cellular operators learn from airlines?

## 3. PLAY, DON'T TEST

Think of Google Glass, a perfect example of a technology that's currently in search of a killer use. So Google is creating a great glass playground. It sold 2,000 pairs to developers, and created a competition to suggest uses for the product. The best of the 8,000–10,000 respondents to the #ifihadglass hashtag were sent a pair to play with.

Nobody is asking these people to do satisfaction surveys. They're asking them to go crazy with a technology and see what happens. Some of the most profitable products in the world were playful consumer hacks--text messaging, for example.

## 4. IT'S ALL ABOUT THE STORIES

"Hi, I know you invested a ton of cash in our mobile fashion shopping app for women. But people are mainly using it to save photos of their favorite things. We want to create a site that helps them do that. Can we have, uh, twice as much money?" The investors bought the story. They coughed up the cash. Pinterest was born.

Somewhere in your organization there's an individual or a group who greenlights a project. Maybe it's the ExCo, maybe it's the head of production. To pivot a product, you're going to have to tell them two stories. First, you're going to have to un-sell them something they've already invested in emotionally and financially. Then, you're going to have



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### FROM THE EDITOR

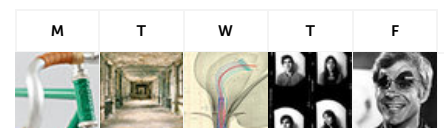
Thanks for stopping by Fast Company's Co.Design. If you've been a reader for some time, you'll notice that we've just unveiled a brand-new redesign. **YOU CAN READ ABOUT THE THOUGHT PROCESS BEHIND IT HERE.** Our content, of course, will be the same: Our focus is on highlighting the world's best examples of design and innovation, working in concert. We started this site with a few simple premises in mind. First, design is a window onto the world at large, and the culture we live in.

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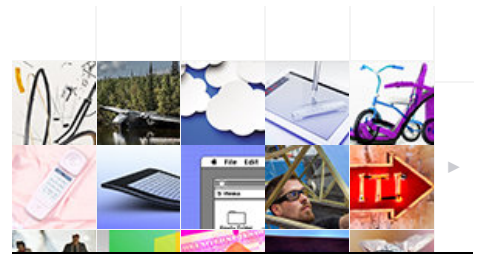


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to sell them something new. So make your stories really compelling. That's where insights come in.

How did people abuse your prototype? Is it a great technology serving a lousy need? What's the scale of the new opportunity? You're going to have to take all the data you have and turn it into something the management team will feel in their gut. A friend at a brewery recently told me that they produced short runs of different beer glasses and seeded them to local pubs. They asked the bar staff to count which beer glass was stolen the most. When they found the one customers thought was too nice to give back, they had a great story to tell senior management--and their new beer glass rolled out globally.

#### 5. EVERYTHING IS A PROTOTYPE. INCLUDING YOUR COMPANY.

In the age of the motorcar, Hermès realised that saddle making wasn't such a hot industry anymore. So it matched their technology--exquisite, indestructible leather making--to a new need: women's accessories. After 50 years of making computers, IBM became a consultancy. Lamborghini once made tractors, and Abercrombie and Fitch made shotguns. All these pivots began with an insight about an unmet need.

For too long, research has been the force that killed most fresh thinking in companies. It's time for researchers to help innovative ideas to evolve, survive, and flourish. To do this, any CEO who wants to be a leading innovator needs to move on from stage gates, focus groups, and user panels and find ways to work faster, leaner, and smarter.

It's time for innovators at the P&Gs of this world to pivot.

[ILLUSTRATIONS: [Light Bulbs](#) via Shutterstock]



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