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INSIGHT

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Is Reality the Enemy of Innovation?

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It drives me crazy when I get the argument, "Well Roger, the reality is...." The instant I hear the expression "the reality is," anything that follows is just "blah, blah, blah" to me.

Why? Almost everything that we think is real is actually a construction of inferences and interpretations that we misinterpret as reality. And unfortunately, the belief that we are directly observing and understanding 'reality' discourages us from trying to change it. Hence our concept of 'reality' is the enemy of innovation.

The 'reality' assertion happens all the time. I recall a fellow board member, Tony M., arguing with me during a board meeting, "Roger, the reality is that we can't sell this division right now." In fact, we could (and did) sell the division, but it didn't appear that way to Tony because the things to which he paid attention didn't add up to the possibility of sale.

Tony didn't see his view as a model of reality, but as reality—direct, pure, and clean. That is why he didn't say, "I don't think we can sell it," but rather "the reality is we can't."

When we see 'reality,' we act to confirm and reinforce that 'reality', whether it is real or not. So if we were to conclude that 'the reality is' that consumers won't pay a premium for quality—for example, they won't pay more than 99 cents for a four-roll package of toilet paper—then we won't even try to provide more quality. Instead we will provide a generic product and spend our resources on price promotions that enable retailers to hit the 99-cent price point.

Self-Fulfilling Prophecy In this context, the consumer will wait to buy his toilet paper until it is on special at 99 cents and thereby exhibit what is logically interpreted as superhigh price sensitivity. In doing so, he reinforces the 'reality' that toilet paper consumers won't pay a premium for quality.

Inadvertently, these prophecy-fulfilling consumers reinforce the belief that we can identify 'reality' when we see it, whether it is a 'reality' about customers, colleagues, competitors, distributors, suppliers, family, friends, or relatives.

The problem with the rush to define 'reality' is that very few people are inclined to try to change reality. Why would you? You can't change reality. Why would you try to change, for example, the laws of physics? In the late 17th century, Sir Isaac Newton made a number of observations about properties of physical objects and came up with a set of basic laws of physics.

Braving Change For over two centuries, these laws were considered immutable reality. We know now that Newton's Laws were nothing more than his interpretation of a set of observable features of moving objects. When Albert Einstein came along, he demonstrated that a different interpretation of the observable world would generate a different 'reality' that we now know as the general theory of relativity.

It was no small task for Einstein to take on two centuries of 'reality'. In fact, it is stunning that he did and that he prevailed. He had a better time of it than Galileo.

The treatment of interpretation as actual reality has a chilling effect on innovation. Reality is there to be accepted, not challenged. It is a bit like the expression "possession is nine-tenths of the

law." Once something gains the stature of 'reality' it becomes the law, and any related innovation is suppressed.

Seed of Scientific Thinking I had long wondered why there is such a predisposition in the modern world to classify things as 'reality' and only recently got a compelling answer when I met a clever guy from Australia named Tony Goldsby-Smith, an ex-philosopher who heads a consulting firm called 2nd Road (www.secondroad.com.au). He traces the problem back to Aristotle or, more specifically, to a tragic partial interpretation of the Greek thinker.

Modern scientific thinking arguably stems from Aristotle, whose classic book *Analytics* laid out what may have been the first truly comprehensive view of how to reason scientifically from observation to rigorous conclusions. While many other philosophers and scientists have built on and contributed to the practice of analytical reasoning, Aristotle gave us the kernel.

Goldsby-Smith points out that Aristotle made an important distinction that has been almost entirely overlooked in the modern history of analytical thought. He divided the world into parts: the first in which things cannot be other than they are, and another in which things can be other than they are—a simple but powerful distinction.

Alternate Reality The former is typified by the physical world in which a rock is a rock and can't be anything else. In this world, Aristotle's *Analytics* lays out a fabulous toolbox—rigorous, objective, quantitative analysis whose goal is to establish and document the reality of the situation.

The latter, where things can be other than they are, is the world of people, of organizations, of cultures. For example, a badly performing organization can be something else—a great organization—if someone figures out how to turn it around. For this entire domain, Aristotle explicitly argued that analytics is an inappropriate tool.

Instead, in his book *Rhetoric* he described the proper thinking tools: conversation, invention, and intention. In *Rhetoric*, the object of endeavor is not the description of what is real but rather the creation of something that does not currently exist; that must first be imagined.

Full Circle The great pity for innovation, creativity, and possibility is that the modern world has adopted *Analytics* as the universal thinking dogma rather than as an approach its inventor saw as being useful in just one specific domain.

Innovation and creativity require a fundamentally different approach. Many believe they require a new way of thinking but, ironically, they require a very old way of thinking, brought to us by the same man who created the analytical model we need to replace: Aristotle.

One could even go so far as to argue that Aristotle was the original Design Thinker. In *Rhetoric* he argued for the power of collaborative conversation to generate new ideas. He stood for having the intention to invent something new where nothing currently exists. This required the thinker to engage in abductive reasoning in addition to deductive and inductive reasoning, all concepts that modern designers hold near and dear.

Creating the Future But back to 'reality'.... Analytical reasoning seeks out and reveres reality. As long as we apply analytical thinking to things that can be other than they are, we will convince ourselves that what we have now is 'reality' and we will be both blissfully ignorant of the possibilities that could be and comforted that there is nothing to do but accept the situation.

Instead, our core assumption should be that we are not looking at 'reality' but rather seeing just another model—one that is likely to be imperfect. If we start with that assumption, we open ourselves to imagining better, different models. With that mindset, we can create the future rather than reinforce the past. With that mindset, we can be Design Thinkers.

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