



**THINQUE FUNKY**  
UPGRADE YOUR THINKING

ANDERS SORMAN-NILSSON

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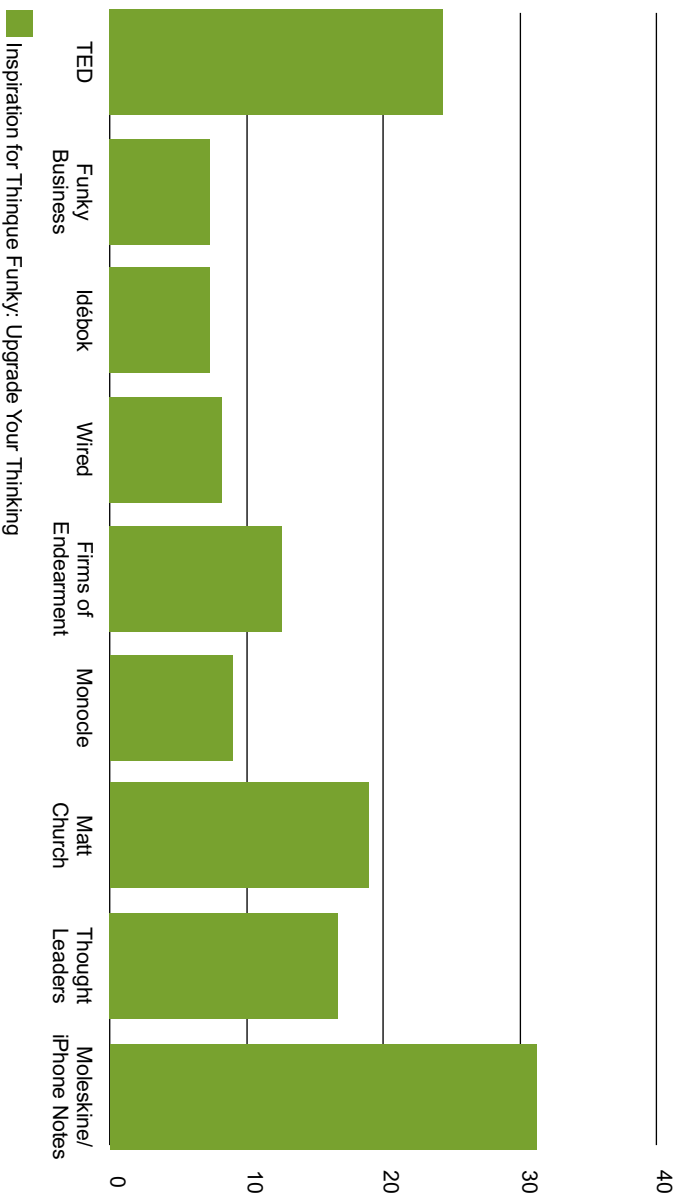
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**Thinque Funky:  
Upgrade Your Thinking**

by  
Anders Sorman-Nilsson



This manifesto is dedicated to

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'For every traveller who has any taste of his own, the only useful guidebook will be the one which he himself has written.'

Aldous Huxley

## Forethought

This manifesto is based on a true story. It is a tête-à-tête between your head and mine.

It is based on my idea rants, neophilia and version of thinking, which are the synthesised conduits for ideas, insights, and realisations that have come before. It is a combination of collected wisdoms of old, and breakthrough ideas of new, blended together in a thought exchange.

This manifesto is my attempt at codifying, synthesising, and connecting the diverse thoughts which are shaping our world.

It emerged from my subjective thinking on the world, the models with which I deconstruct trends and business affairs, my moleskine diary musings in airports and cafes, my electronic note entries from the lotus position, my idea jolts from the cross-trainer at the Darlinghurst gym in Sydney, the paper napkin scribbles in my lounge chair, and blurry memories of red-wine stained conversations with friends, family, strangers, colleagues and peers.

It is designed for you.

The engineering of this manifesto was conceived to help you make sense of the whacky world we are living in. It is your antidote to apathy, complacency and cynicism. It is designed to jolt you out of your comfort zone, and challenge your status quo, extend your awareness from your local supermarket to the idea bazaars of Bangkok, Bangalore, and Buenos Aires and to the moorish innovation of Marrakesh, Mumbai, and Muscat. While the middle of the world is where you live, I want this guide to be equally applicable and navigable to you whether you live in Jalalabad or Jukkasjarvi, Manhattan or Missoula.

This manifesto's purpose is to make you think in new ways, to notice the nuances, to focus on the fabric of a changing world, and to contribute your own ideas in doodles, scribbles, and brain dumps throughout the book.

tête-à-tête  
|'tät ə 'tät; 'tət ə  
'tət|

noun

1 a private conversation between two people. See note at **conversation**.

2 an S-shaped sofa on which two people can sit face to face.

adjective &

adverb involving or happening between two

people in private :

[as adj. ] *a tête-à-*

*tête meal* | [as adv.

*] his business was conducted tête-à-tête.*

ORIGIN late

17th cent.: French, literally 'head-to-head.'

Unconscious and torrential ideation, preferably on a napkin or coaster.

The interaction between you and the book.

### manifesto

[,manə'festō]  
noun (pl. **-tos**)  
a public declaration of policy and aims, esp. one issued before an election by a political party or candidate.

ORIGIN mid 17th cent.: from Italian, from **manifestare**, from Latin, **'make public'**, from **manifestus** **'obvious'** (see **manifest** <sup>1</sup>).

### zeitgeist

[ˈtsiːtʃaɪst; ˈzɪt-]  
noun [in sing.]  
the defining spirit or mood of a particular period of history as shown by the ideas and beliefs of the time : the story captured the zeitgeist of the late 1960s.  
ORIGIN mid 19th cent.: from German **Zeitgeist**, from **Zeit** **'time'** + **Geist** **'spirit.'**

Do not preserve it in its fresh format. The books that I am the most closely attached to are those that have been my travel companions, who have lent their pages to support the musings of my pen, whose edges have been quickly folded to dog-ear an insightful quote. They have been artistically stained with the timeless trademark of a single origin espresso-cup, lovingly served as a makeshift pillow for my head on my journey across an international border, or brusquely used as a wake-up whack on the side of my head by an endearing friend or brother.

Make this manifesto worth so much more than the total of typefaces on the page. Decide what **idea dance** you choose to engage in with this partner. Do you wish to be swung around, to let yourself passively enjoy the coordinated moves, vibes and sidesteps, or do you prefer to step forward with Latino passion, and build a charged chemistry which challenges the manifesto as much as it challenges you?

Your move.

This **manifesto** revolves around the central tenet that the world you have created is a result of the version of thinking that you have operated on so far. Unfortunately this thinking may have also produced problems that cannot be solved with the same version of thinking software that created it. To evolve, it is critical that you upgrade your thinking.

At the core of this manifesto sits the Thinqe Funky Model. This evolutionary metaphor maps and compares three primary versions of thinking with the **zeitgeists** represented by a 1.0, 2.0, and 3.0 world.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
webolution	web 1.0	web 2.0	web 3.0
time	1990-2000	2000-2010	2010-2020
quality	defunct	dys/functional	funky

In this sense, our metaphor is a leap that unites two worlds (or three versions as it were), with the objective of indicating paradigm shifts in global thought patterns - what this means for your life, organisation and business, and secondly how to rewire your brain to deal effectively with that change. Change does not care whether you can't be bothered, don't care, or don't believe in it. It is independent-minded and happens whether you like it or not. True story.

Metaphors instruct and expand how we think about particular phenomena. Just as a 'melting-pot' is the most common description for multicultural societies like America or the UK, it also limits our understanding by suggesting that multiculturalism is a messy soup with ingredients that may or may not work together. In this way, I would like to suggest that you think of the Thinqe Funky Model as a Global Positioning System (GPS), which on a triangulation basis gives you an accurate description of your current location in relation to landmarks around you. Similarly it provides you with flexible guiding principles assisting you in navigating a path to your destination, a path that is mapped through elevated satellite thinking. The landmarks it describes are landmark versions of thought that have dominated a particular era - 1.0 representing 1990-2000, 2.0 representing 2000-2010, and 3.0 representing 2010-2020.

Thinking  
with an elevated  
perspective.

*Memorandum: one cannot describe reality; only give metaphors that indicate it. All human modes of description (photographic, mathematical, and literary) are metaphorical. Even the most precise scientific description of an object or movement is a tissue of metaphors\**

*John Fowles*

This manifesto is filled with these tissues\* of metaphors because of the centrality that the Thinqe Funky Model occupies. My philosophical stance is that of the optimistic model seeker - a person who doesn't believe that there is a right answer, just the best answer available right now. In this sense the model is in constant *beta-mode*, and always under development. I presume that all models are fallible, including this one. This does not mean that it should be rejected. Until it is eclipsed by a better option, the best present model should govern, and this model invites you to use its framework to guide your thinking about the now and the future.

'I suspect that thinking about intelligence has been strangled through not disentangling the what-is-given from what-needs-to-be-discovered senses of intelligence.'

R L Gregory

As with all things evolutionary and change-focussed, this model is more fuzzy evolutionary than divisional.

This book is **fractal**. It is equally applicable to your individual business brains as it is to your company's business brains.

It follows the mantra of Dieter Rams,<sup>1</sup> that:

Good design is innovative  
Gives a product utility  
Is aesthetic  
Makes a product easy to understand  
Is unobtrusive  
Is honest  
Is long-lived  
Is consistent down to smallest detail  
Protects the environment  
Good design is as little design as possible.

I would like to add though that this manifesto should leave you feeling comfortably disturbed - a measure of good design in the 21st Century.

My wish is that this manifesto will give you some new thought credits, and encourage you to upgrade your thinking from 1.0 and 2.0 to 3.0. I hope you allow me to be your navigational companion as you start on your journey toward Thinking 3.0.

## fractal

['fraktəl]

Mathematics

noun

Fractals are useful in modeling structures (such as eroded coastlines or snowflakes) in which similar patterns recur at progressively smaller scales, and in describing partly random or chaotic phenomena such as crystal growth, fluid turbulence, and galaxy formation.

ORIGIN 1970s:

from French, from Latin *fract-* 'broken,' from the verb *frangere*.

'The future is disorder. A door like this has opened up five or six times since we got up on our hind legs. It is the best possible time to be alive, when almost everything you thought you knew is wrong.'

Tom Stoppard



# Chapter I Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0
DEFUNCT	DYS/FUNCTIONAL	FUNKY
1990-2000	2000-2010	2010-2020
WEB 1.0	WEB 2.0	WEB 3.0

**Metaphor**  
 The Thinker Funky Model is like a GPS framework that you need to successfully navigate the current and future business landscapes.

**Statement:** The world has changed - and it's a little out of whack.  
**Explanation:** You and the people in your organisation must upgrade your thinking in order to master this new age. The design of your thinking determines all of your results in this whacky world, and the wilder, whackier and funkier you're thinking, the better positioned you are for success. This manifesto maps the three prevalent thinking versions currently operating in the world, and enables you to upgrade your thinking so that your mental GPS is programmed to avoid traffic jams, potholes, and dead-ends, and instead move you into the overtaking lane.

**Main sources**

*TED.com*

*Harvard Business Review*

*Monocle*

*Wired*

*Fast Thinking*

*Trendwatching.com*

*WGSN*

*Smart Company*

**Main Case Studies**

Firms of Endearment by Sisodia, Sheth, and Wolfe

Funky Business by Ridderstrale and Nordstrom

A Whole New Mind by Pink

Peak by Conley

The Whole Brain Business Book by Herrmann

**Main Design Inspiration**

A synthesis of:

Moleskine Diary

Bookbinders Design

Ideboken by Haren

Ted.com

Le Cool

Positioning Matrix by Church

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust
global issues	polarised	unilateral	third way
intellectual capital	IQ	EQ	FQ

## CHAPTER I

### It's Time to Upgrade Your Thinking

The world has changed. And it's a little out of whack. Things ain't the same way they used to be and that is exactly how they are meant to be. Kids are now excelling in second life, but flunking in first life, Maslow's (Needs Hierarchy) has been flipped on its head, and Australian Rugby League players are now metrosexuals. Since 2000 the Chinese have become capitalist, Muammar Gaddafi is now a respected member of the international community and *Big Brother* is finally off air in Australia. The business bookshelves have seen apocalyptic titles like 'The End of History', 'The End of Science' and 'The End of Microeconomics', and new whacky titles like 'Freakonomics', 'Wikinomics' and 'Karaoke Capitalism' have replaced them. Because of (Moore's Law) computer power doubles every 18-24 months, smashing old thinking domains to smithereens, and when parents give kids career advice they don't know whether the jobs they recommend will exist by the time the kids finish school. It used to be that we had to learn one new skill every year, then it was every month, then every week. When is it going to be every hour? And if you didn't think you had enough of a whack on the side of the head already, there's Generation Y demanding to be self-actualised in your workplace. How is your brain keeping up?

I have a firm belief that in order to keep up, stay relevant and be successful in this new, whacky and uber-competitive era, we actually need to funky up the way we think. To think the same as you always have is to fall behind. The things that used to make you successful no longer work, your old thinking is now taken for granted, and your problem-solving abilities are now commoditised or digitised. Welcome to a whacky new world where all the old rules are defunct.

Think for a moment. Today the gaming industry significantly trumps the movie industry, entertainment has been decoupled from its old monopolistic shackles by virtue of the internet, and the legislative process is so out of whack with the speed of technological change that governments around the world are taking a back-seat and are choosing not to make new laws on (VoIP) because they do not fully grasp the concept yet. It is estimated that in 2010 the amount of technological

maslow's hierarchy of needs is predetermined in order of importance. It is often depicted as a pyramid consisting of five levels: the first lower level is being associated with Physiological needs, while the top levels are termed growth needs associated with psychological needs. Deficiency needs must be met first. Once these are met, seeking to satisfy growth needs drives personal growth.

moore's law describes a long-term trend in the history of computing hardware. Since the invention of the integrated circuit in 1958, the number of transistors that can be placed inexpensively on an integrated circuit has increased exponentially.

VoIP (also VOIP) abbreviation voice over Internet protocol, a communications protocol that allows for telephonic communication via the Internet.

information will double every 72 hours. 3rd generation fibre optics pushed 10 trillion bits per second down a fibre in 2008, the equivalent to 1900 CDs or a 150 million simultaneous phone calls - every second.<sup>2</sup> Alleged war criminal and ex-dictator Radovan Karadzic recognised that in these whacky times the best cover in *capitalist* Belgrade from 1995 to 2008 was to pose on television as a famous holistic healer by the name of Dr. Dragan Dabic. This gave rise to the new epitaph SNAD - Sensitive New Age Dictator - in the process. It used to be that popular culture was defined by the intelligentsia. Now these glitterati have become debased, access to fame democratised and internet superstars rise to fame on YouTube as professional amateurs - flipping the entertainment industry's traditional hierarchy on its head. In the aftermath of the 2006 film *Borat* not everything is quiet on the emotional intelligence front either, where dealing with *email obesity* is now seen as a *key soft skill* to thriving in the workplace.<sup>3</sup> Sometimes I wonder how we are not extinct.

## funky

['fʌŋg'keɪ]

adjective (

**funkier**,

**funkiest**)

informal

**I** (of music)

having or using

a strong dance

rhythm, in

particular that

of funk: some

excellent funky

beats.

- modern and

stylish in an

unconventional

or striking way:

she likes wearing

funky clothes.

ORIGIN late

18th cent. (in the

sense [smelling

strong or bad]):

from **funk**<sup>2</sup>.

The world has changed and gone into whack-mode. A tsunami of progress has been unleashed by seismic thinking clashes, drifting economic imperatives and timely global events. We face a choice to (**funky**) up the way we think about the world or get whacked on the side of the head by momentous forces. We have a choice to either be early adopters of new ways of thinking about the world, business and politics, or take a neo-Luddite derriere view leading to a VIP pass to irrelevancy in the mental ghetto. Your thoughts?

For example, how are you handling technological change? Do you romanticise the letter, fax and phone? We have had 28% compound growth per year for the last 50 years in information technology.<sup>4</sup> We need to stop romanticising the rustic. The only way to deal with technology that depends your job or business is to get out in front of it, or it will get out in front of you. As Wal-Mart director Jack Shewmaker says, '*the world is changing and Wal-Mart has to change, but I'm not sure it is changing fast enough*'. I am not either. Your brain is right in the maelstrom that is 21st century change.

Even human evolution is speeding up in response to our changing environment. For example, in Asia genes that suppress body odour and produce dry ear wax are apparently flourishing while in Africa, malaria-thwarting genes are increasing.<sup>5</sup> A new field of genetics called epigenetics is emerging, illustrating

that we can in fact express our gene structure differently during our lifetime to deal with external environmental pressures, upsetting both the Crick-Watson conception of DNA structure but also giving Darwin a whack on the side of the head.<sup>6</sup> The emerging science of neuro-plasticity meanwhile is proving that our brains also change throughout our entire lives and adapt to external stimuli, such as reading this very sentence. In fact, Eric Kandel won the Nobel Prize for showing that when you learn something new, the wiring in your brain actually changes.<sup>7</sup> Rupert Murdoch said in 2008, '*the world is changing rapidly. Big will not beat small anymore. It will be the fast beating the slow*'. It is not whether you have fast smarts in spades that ultimately matters, but the version of thinking that you employ that determines your compatibility with these changing times. The world is paradoxically simply too complex for older (not related to human chronology) versions of thinking to comprehend. You may need to upgrade. The question is whether you wish to?

Not only can the brain learn new tricks, but it can also change its structure and function, even in old age. It has been found that the greater use of a particular muscle causes the brain to devote more cortical real estate to it,<sup>8</sup> just like dandelions on a suburban lawn. Equally scientists at Harvard Medical School have proven the ability of mere thought to alter the physical structure and function of our grey matter. So just imagining practising a particular skill, like playing the piano actually results in the same re-organisation in the brain as actually playing it. This is why doctors are now using a method called *constraint-induced movement therapy* which coaxes next-door regions in the brain to take over the function of damaged areas in stroke patients. The brain can, and is, rewired all of the time. This is the reason why my grandfather, Holger, complained of a phantom toe during his last years when he tried to scratch his amputated stump, knowingly or otherwise experiencing the results of his brain rewiring. In this sense the very structure of our brain: the relative size of different regions, the strength of connections between them, even their functions, reflects the lives we have led. Like sand on a beach, the brain bears the footprints of the decisions we have made, the skills we have learned, and the thinking versions we have engaged. All of a sudden, a tsunami of change has swept those foot-prints away and is telling you to upgrade the way you think in order for you to earn your entry ticket to that beach. Mind training matters.

Let me explore with you where this conviction that we need to upgrade our thinking comes from. I am Swedish and when you think of Sweden you probably think IKEA, massages, porn, Scandinavian design, Bjorn Borg and Abba. In Sweden, if you're 'osvensk' - unSwedish - it is a compliment. So is it any wonder the Swedes are a little whacky, funky and different in their thinking styles? So my parents decided to send me away to a German school in Stockholm to learn how to be logical, rational, practical and sensible. 'Ordnung und Disziplin' was the school motto and we had to sit IQ tests at the age of 6 to weed out the creative kids. Now, some of us cheekily snuck through anyway. But despite its focus on discipline, correct grammar, and traditional German values the great thing about the school were the linguistics. So from year 1 I had to learn German - little blonde boy doing his best to even just be elementarily thinking in Swedish. For those of you unfamiliar with European languages, German and Swedish are about as similar as Darryl Summers and Brad Pitt. Then, from year 5 I learnt English, but in German, while still trying to think in Swedish. Then, Maths, Physics, Chemistry, Geography all in German while trying to think in Swedish. Then French, in German, while trying to think in Swedish. So I had a little mini-UN General Assembly happening inside my brain, that was trying to make sense of the world around me. So I think a little differently.

And, I believe that your brain is the killer app in these whacky times. Your brain is an elaborate, collaborative network of 1 quadrillion cells. That's one hundred billion cells communicating with 10,000 of their mates via Instant Messenger. And just like you upgrade your computer software every few months to battle bugs, viruses and keep abreast of technological change, so you need to upgrade the way you think. The value of intangible assets that are the result of thinking has ballooned from 20% of the value of companies in the S&P 500 in 1980 to 70% today.<sup>9</sup> Baruch Lev, professor of accounting at New York University argues that intangible assets accounts for more than 50% of market capitalisation of America's public companies. The proportion of US workers doing jobs that call for complex skills has grown 300% as fast as employment in general.<sup>10</sup> If you have to involve brawn in your work, you're not valued in this (brain age). Remember MasterCard's 'Priceless' campaign to underscore the value of the intangible? Economist Jonathan Kendrick's work shows that the overall ratio of intangible to tangible resources in

The current age which supersedes the information age.

modern companies has shifted from 30:70 to 63:37 during the past 70 years.<sup>11</sup> Consider your laptop. 20 years ago 80% of the cost was the hardware, and 20% was the software. Today that is reversed. The soft stuff is now the hard stuff, and it is the hardest stuff to nail. The best way to outperform the competition is to out-think the competition.<sup>12</sup> In this whacky world, the wilder, whackier and funkier you're thinking, the better positioned you and your company are to prosper, self-actualise and grow.

Finnegan totally gets this. Who's Finnegan? Finnegan is my cat. I have always been a dog person, so it took my partner at the time 18 long months to persuade my logical, rational, ex-legal brain that having a kitten was a really good idea. She had to put forward an analytical and progressive business case outlining the advantages of a cat v a dog. Even though she and our friends tried arguments like 'it's better having a manly cat, than a pussy dog', it wasn't until she said that Burmese kittens 'are just like dogs' that the penny dropped for me. So, now when I come home, there's little Finnegan inside the door, shaking his tail, and licking my legs. And I may just have heard a little bark the other day! So Finnegan gets that in this whacky world, in the house of Anders, he also has to think like a dog. Excuse the poor segue but I think we all need to be dogmatic about challenging our old thinking dogmas in the age of the brain.

Two millennia ago, people thought the world was created in a week (some creationists and 'intelligent design' adherents still do), a thousand years ago humans thought that the sun moved around the earth, five hundred years ago, people thought the earth was flat.<sup>13</sup> Consider which old, crusty, cob-webbed thinking versions restrict you when it comes to successfully navigating the future.

Why thinking? Well, thinking is the *F-word* of innovation. We all swear by it, sometimes we curse it, and we all like to say we do it more often than we actually do. It is not a naughty word any more. In fact, it is the *ultimate* in change management. And the version of your thinking; both its form and function, determines all of your results in this whacky world. In the 2008 IBM CEO Study, 80% of respondents said they expected significant change in the future. The 'change gap' - the ability and capability to deal with that change is what separates the winners from the losers in our new economic system.

## Paradigm shift

Paradigm shift (sometimes known as extraordinary science or revolutionary science) is the term first used by Thomas Kuhn in his influential book *The Structure of Scientific Revolutions* (1962) to describe a change in basic assumptions within the ruling theory of science.

In fact, thinking is what makes the world go round in the age of the brain. Macquarie Bank is all about 'forward thinking', Apple 'think different', Lenovo 'new times, new thinking', IBM 'think', Allens Arthur Robinson 'clear thinking' and Credit Suisse 'thinking new perspectives'. Even Splendour Sugar have jumped on the band wagon with its 'Think Sugar, Buy Splendour' tag line. The world and the capitalist system spins on an axis of thinking. In fact, capitalism is derived from the latin word for head. It is the fruits of our thinking - our Return on Thinking - that should be the ultimate key performance indicator (KPI) today, both for individuals and organisations seeking to future-proof themselves.

Thinking is back *en vogue*. Several publishers are launching new series of books designed to help us understand the ideas of great thinkers and writers. Icon Books for example have recently relaunched its 'Introduction to...' collection which deals with concepts as diverse as post modernism and existentialism. Similarly there is the Japanese number game Sudoku which illustrates that the public has a huge appetite for testing their thinking. The game was launched in 2008 in a mobile 10 minute version which can be played on Apple's iPhone. Professor Kawashima's 'Brain Training: how old is your brain?' aims to stimulate five key areas of the brain through Sudoku, simple maths, memory, and syllable tests and reading aloud, which Kawashima believes energises the brain more effectively than silent reading. The game has been programmed onto the hand-held Nintendo DS for even wider appeal, and had already sold more than 12.98 million copies by March 2008, in less than three years.<sup>14</sup> So has the information age done anything for our entry into the brain age? Well, internet usage has been shown by researchers at UCLA to counteract the natural slowing of thought that occurs with age.<sup>15</sup> Thinking is funky.

We are living in the brain age, the age of ideas, the conceptual age, the age of transcendence, the age of exponential growth: whatever you choose to call it, the *zeitgeist* of our times has changed. The paradigm shift rate is doubling every decade,<sup>16</sup> and the question is 'how exponential is your own thinking?'. The world has gone flat, international boundaries are ceasing to exist, and all of a sudden the playing field has levelled, which means your brain is playing chess against the best players in the world.




I call this new competitive environment thought apartheid. Unlike the South African system of apartheid this is the most merit-based system ever to have existed in the world. No longer does colour, creed, sexuality or minority status matter. The only thing that matters is your willingness to constantly learn, unlearn and relearn.

Most of us are stuck in old ways of thinking. There is a myth of progress and too many people believe that they are advancing in tune with global change - they mistake the accumulation of scientific knowledge for the advancement of humankind. In fact as philosopher du jour John Gray points out, human intelligence is now fundamentally out of whack with scientific and technological knowledge.<sup>17</sup> What about your intelligence?

A good example of the disconnect between our human intelligence and our knowledge are mobile phones, whose technological capability far outstrips our current mobile phone behavioural competencies and needs. The answer to the question 'do you sell a phone that doesn't do much?', is a resounding 'No' in most of the stores that you go to. Similarly, even technology is sometimes too powerful for its own good. The 2008 iPhone which I adored, was so powerful - in its second inception, that when you used all its funky new features, the battery life faltered as it was unable to sustain the amount of technological synapses the iPhone fired on. Another example of this disconnect between information and intelligence is the constant workplace whingeing about the plethora of email received. These are people struggling to keep up with the information-obese world that we are living in! Get a spam filter, or at least upgrade your time management skills!

Welcome to the brain age.

There is a divisive line in the world between individuals and companies who truly step out, upgrade and think, and those that operate on pedestrian autopilot.



"The world  
has changed  
- and it's a  
little out of  
whack!"

The crazy thing about all of this is that your brain is not only competing against other human brains. It is competing with artificial intelligence, computers, and Moore's Law. Following the latter's exponential technological explosion, it took US \$5 million to sequence the first human strand of DNA, US \$3 million the second time, and in 2005 we could sequence a human being for a US \$1000, which is giving rise to new exciting products like DNA art and DNA perfumes based on your own unique sequence. This is allowing companies like Dupont to grow a form of polyester that *feels like silk, in corn*. President Obama has lifted the Bush-imposed ban on stem-cell research. This changes all the rules of life. The US Library of Congress now contains less data in its entire volumes than the amount of information coming out of a good Genomics lab every month on a compound/exponential basis.<sup>18</sup> When you lay a Moore's Law graph next to the speed with which gene data is deposited into the genebank at super exponential speeds, even Moore's Law shrinks to insignificance. This is putting pressure on our computers to evolve at rates even higher than Moore's Law. What does this mean for you? In an agricultural economy the difference between richest and poorest, the most productive and the least productive, was 5:1.<sup>19</sup> In the brain age that ratio is 427:1 so your thinking version across disciplines is what really matters.<sup>20</sup> While neophobes may claim that artificial intelligence is worse than natural stupidity, I am not so sure. Do you want to upgrade?

The Flynn-effect illustrates that the average IQ score has increased by 3 points each decade during the entire history of IQ testing.<sup>21</sup> This means that an average person living in 1900 with an IQ of 70 would be considered mentally retarded by today's standards. Darwinism evidently selects for intelligence, yet we still accept as true convenient myths about our inability to adapt during our lifetimes. Today's kids believe that ignorance is sin - the 8th deadly sin in a world of ubiquitous googling. 'Achievers' are popular kids these days, prized above those who play sports, are good-looking or are in the 'in-crowd', according to UK research.<sup>22</sup> Intelligence is a sought-after quality amongst today's youth, who say that 'the large number of ignorant people in the world gets on their nerves' and who also agree they 'hate stupid people'.<sup>23</sup> And while initial research in the field of EQ (emotional intelligence) suggested that EQ improves with age,

the most recent research into generational EQ trends shows no significant differences between Veterans, Boomers, Gen Xers and Gen Yers in today's workplace.<sup>24</sup> So while we are becoming dynamically smarter, our brains still struggle to cope with change, *Big Brother* is still on TV in most Western countries, and 'Are You Smarter than a 5th Grader' keeps humiliating adults who have stopped thinking, learning, unlearning and relearning. It seems a new class of thinking (illiterati) are dominating popular culture. Bring the (cognoscenti) back.

## illiterati

[i(l)'litərɪti]  
noun

The opposite of the Illuminati, who take pride in their high level of knowledge and learning. An Illiterati takes pride in the fact that they are ignorant and refuse to learn (adjust their paradigm) often to the severe detriment of those around them.

## cognoscenti

[kɔːnɪ'ʃənti;  
kɔːnɔː-]

plural noun  
people who are considered to be especially well informed about a particular subject : it was hailed by **the cognoscenti** as one of the best golf courses in Europe. ORIGIN late 18th cent.: from Italian **cognoscenti**, literally 'people who know.'

Our mental expectations are violated every day. Our old wiring is continuously exposed for its limited mental bandwidth. I encounter this complacency, apathy and cynicism every day in my business. In 2007 I was in discussions with a major Australian bank to run a program on change and performance management for one of their departments. In the end we did not work together, as the bank did not want me to talk about *change*. A year later, the department was outsourced to India, and hundreds of people lost their jobs. I hear the distant sounds of their mental dial-up slowly making the connection.

We *think* we think, but sometimes that isn't so. What we perceive is based on past experience, and in a world that is moving this fast that is no longer good enough. The video-gaming industry now trumps both the entertainment and music industries. Electronic Arts (EA) earned 2.5 billion in 2003 (4.02 billion in 2008): more than the combined revenue of that year's top-ten grossing movies, and in 2007 EA ranked 8th on the list of largest software companies in the world. Nintendo's *Mario* series of video games has earned more than 7 billion over its lifetime, double the money earned by *all* the *Star Wars* movies.<sup>25</sup> Yet many people do not yet take the gaming industry and its thinking seriously. Perhaps because it seems so juvenile. Many a parent have been heard complaining about their gaming-obsessed kids. Yet doctors who play a minimum of 3 hours of computer games per week complete laparoscopic surgery 27% faster, and make 37% less mistakes than their non-computer-game-playing colleagues.<sup>26</sup> Business models and the education system are getting whacked on the head by momentous change.

The future is near-at-hand, yet we have no concrete idea what will happen tomorrow. We are now attempting to educate 1st

year school children who will be retiring in 60+ years. We have no idea about the future. We don't know what is going to happen in 5 years, let alone in 60, yet we are educating a new generation based upon the same thinking version we engineered for a time gone by. To illustrate this point, I heard educator Sir Ken Robinson tell a story about a little school girl who was sitting in art class drawing. The teacher walked up to her and asked "Sirena, what are you drawing?" whereupon Sirena answered "I am drawing a picture of God". Confused, the teacher responded "But, Sirena, nobody knows what God looks like". Unperturbed, Sirena looked up and said "they will in a minute". Kids' inner human software engineer is prepared to be wrong and that is a necessity for being able to thrive in a whacky world, yet our education systems are engineered to educate people out of creative or funky thinking. We should all adopt this adaptive beta-mode of thinking that kids have.

Yet nobody's thinking. The great modern philosopher Buddha said, '*the no-mind no-thinks no-thoughts about no-things*', an apt social comment about the state of thinking in the world. Have you ever experienced standing at a crossing, having evidently pushed the button, just to have one of the other pedestrians come up to press the button again? Will green come faster? I don't think so. Collectively humans believe and trust that the price of \$19.95 is more considered and accurate than \$19 dollars. 90% of coronary bypass patients return to the same damaging life styles that led to their medical condition.<sup>27</sup> The Brits still drive on the left side of the road. In *downunder* Australia, the northern town of Darwin is known as the 'top-end'. In 1978, 914 people committed revolutionary mass-suicide in Jonestown, Guyana. *Big Brother* was a smash-hit around the world for nearly a decade. We still trust skin care products that are stamped with approval from the 'Vitamin and Rejuvenation Institute in Switzerland' [insert your country's spruik equivalent here]. Iraq's weapons of mass destruction in 2003 were based on the idea of mass-delusion. Over 90% of Australians believed that convicted drug smuggler Shapelle Corby was innocent. And the Finns believe Santa Claus is from Finland when he's in fact from Sweden. Everybody knows that.

There was a beautiful ad on television a few years ago for Berlitz language education. There was 'Hans und Frank' at the

German coast guard, both sitting in a bunker on the North Atlantic German coast. It is Hans' first day of work and he is a little nervous, chewing his nails and biting his lips. Frank is the old sturdy German guy who is instructing his younger apprentice in coast guard technology. "Das ist das wichtigste Gerat, das ist das wichtigste Gerat, das ist das wichtigste Gerat" etc, meaning that is the most important piece of technology you need to be aware of today [so as not to stuff up on your first day of work]. Hans is staring overwhelmed at the beaming lights and the flashing radar, and trying to make sense out of all of these instructions. Frank: "Ueberlebensradar" - survival radar. Feeling like he has completed the briefing, Frank gives Hans a slap on the shoulder and is off to get a soy latte. So, there's Hans by himself, first day of work, German coast guard, looking rather uneasy and praying that Frank will get back soon. All of a sudden there is a crackly message on the transmission, "mayday, mayday, mayday, mayday. This is the British fleet commander" [thick Essex accent]. Hans responds nervously [in a thick German accent]': "Hallo, zis is ze Tcherman Kostkard speaking". The British commander: 'mayday, mayday, we are sinking, we are sinking!'. Hans, looking slightly more relaxed: 'vot are you zinking about?'

When it comes to successfully navigating this whacky business landscape I believe we need to think or sink, think funky or be defunct. Why? Problems like Hans' miscommunication, startlingly new innovation, change management and global issues cannot be solved using the same version of thinking that created them. Einstein said that '*problems cannot be solved on the same level of consciousness at which they were created*'. Consequently, if we want to stay relevant, be competitive, and successful in this new age we need to renew and elevate the version of thinking we are employing.

This *is* an era that requires a whole new version of thinking.

Let me illustrate this with a business example. Much of the music industry is still operating on old versions of thinking. The fast-evolving digital age is delivering more choice and more free content, with the result that CD sales have fallen 54.6 percent from their peak in 2000.<sup>28</sup> The music industry is morphing so fast that it is difficult to tell what represents a winning strategy. That the music industry is in

dire straits is no secret, and labels like *Artists Without a Label* are springing up in competition to the old dinosaur labels of the past. Music sales were down 10% just in 2007, the number of songs downloaded 'illegally' outnumbered the number of legal downloads 20:1, and digital downloads have moved from 0% of the music market in 2003, to 15% in 2008.<sup>29</sup> In 2007, Justin Timberlake's *Future Sex/Love Sounds* was released in 115 products and formats (including ringtones, mobile full-track downloads, video, iTunes, and others) which sold a total of 19 million units. Only 20% of its sales were CDs. This represents a clash of thinking version with external reality.

Some musicians get this. Peter Gabriel recently stated that *'it's time to put the corpse of what we know as the record industry in the ground and let some other beautiful things start to grow out of it'*.<sup>30</sup> Record company Atlantic sold 51% of its music digitally in 2008.<sup>31</sup> Even Lars Ulrich, drummer at Metallica, and the staunchest opponent of Napster's file-sharing initiative in the early noughties, is now embracing 'free' as the next evolution of the music industry, with Metallica officially launching a YouTube website dedicated to Metallica fans who have re-mastered/ and sampled Metallica's old hits like 'Enter Sandman'. More than 8 years (worth of thinking) had passed since Ulrich made an ill-considered and off-trend trip to the Napster HQs with the names of 300,000 Napster (allegedly criminal) users who had shared Metallica songs through the network, and the band has since been trying to salvage its reputation by embracing, at long last, the realities of online music. It may well be the *'the end of the world as we know it'* as REM sang in the 1990s. It seems even heavy metal heads have accepted the new reality we live in, and are able to make the leap from the cultural wastelands of threatened irrelevancy.

The thinking development in children is relevant here. Swiss developmental psychologist Jean Piaget's extensive work with children revealed many insights about what happens as children move through different phases of development (or what I'd call versions of thinking for adults). One of the most significant insights was the concept of equilibrium/disequilibrium. Essentially, whenever the child's experience/ interaction with the environment yielded results that confirmed her mental model, she could easily assimilate the experience

## noughties

*['nôtēz]*

plural noun  
chiefly Brit.

the decade from 2000 to 2009: [as modifier] *the eighties hero will be duly updated for a noughties incarnation.*

ORIGIN 1990s: from *nought* 'zero', on the pattern of *twenties*, *thirties*, etc.

## Jean Piaget

(9 August 1896 – 16 September 1980) was a Swiss philosopher and natural scientist, well known for his work studying children, his theory of cognitive development and for his epistemological view called "genetic epistemology."

[until Web 2.0 Ulrich was happy]. But when the experience resulted in something new and unexpected, the result was disequilibrium [like Ulrich's bout with digital downloads]. The child may experience this as confusion or frustration [or an angry petition against a world that refuses to abide by your mental model]. Eventually the child changes her cognitive structures to accommodate, and account for, the new experience, and moves back into equilibrium (until the next paradigm shift). You need to constantly upgrade your thinking version.

*Infectious repetitis* is unfortunately the most common form of idea-bug present in the world today. Constant disequilibrium in other words. The good news is that one can apply evolutionary thinking to our own way of thinking,<sup>32</sup> to investigate our thinking models afresh, and break out of pedestrian autopilot. The choice lies with you as to which ideas you adopt.

## meme

|mēm|

noun

Biology

an element of a culture or system of behavior that may be considered to be passed from one individual to another by nongenetic means, esp. imitation.

Enter memetics. Why is an understanding of memes so important? A meme is a replicating idea - almost like an idea-bug. In a sense it is an information-packet with chutzpah. Memetics gives us a new view and thinking about where we are going next. Memetics is based on universal Darwinism. The idea is simple yet it explains all design around us. Quick re-hash: Darwin said that if you have creatures that vary and if there is a struggle for life so that nearly all creatures die, and if the very few that survive pass onto their offspring their genes, then those offspring will be better adapted to the circumstances in which all of the environmental pressures happened than their parents were. This is the evolutionary equation. The principle of universal Darwinism is that any information that is varied and selected will produce design. The information that is copied is the replicator. The *selfish gene* as Richard Dawkins called it. Therefore we should focus on ideas that are empowering as opposed to disempowering. This is why we need to choose a thinking style and version that will support us as opposed to disenfranchising us.<sup>33</sup> Our brains are expensive, painful to give birth to, and consume 20% of our bodies' energy even though they only constitute 2% of body weight.<sup>34</sup> Why? Because they produce memes. And to prosper, these memes we produce need to be compatible with the best of global thinking.



As TED custodian Chris Anderson puts it, 'there has been an amazing revolution in so many diverse, yet interconnected disciplines like cosmology, anthropology, psychology, science, computer technology, neuroscience. What is most exciting about this is that all of this is inter-connected'. A simple example to illustrate this inter-connectedness and need for inter-disciplinary thinking; Madame de Gaulle was once famously asked by 'Time Magazine' what, in the view of her amazing journey, she most desired in life, and the French-woman responded 'a penis' [høpinls]. And I think we all do ... or happiness as we call it in English without a French accent. Anderson continues, 'We can view happiness in geopolitical terms, artificial intelligence terms, evolutionary psychological terms, nonscientific ways. To understand something as important as happiness we have to branch off in all these different directions. To understand anything, we need to understand little bits of everything that surround it.'<sup>35</sup> Synthesis in other words.

**TED**  
**(Technology, Entertainment, Design)** is an annual conference that defines its mission as "ideas worth spreading". The lectures, also called TED Talks, cover a broad set of topics including science, arts and design, politics, culture, business, global issues, technology and development, and entertainment.

The TED conference is about truth, curiosity, diversity: the pursuit of interest cross-disciplinarily. So are the themes in this book. Carefully selected because they inform the whacky world we are living in, because they individually shape the styles of thinking that will make you successful in the future, because nothing can be understood without understanding little bits of all of them.

That is why an understanding of memes is so important to this manifesto. The book will discuss the zeitgeist, memes and landmark versions of 1.0, 2.0 and 3.0 Thinking that is applicable in each theme below.

### **Themes:**

#### ***Technology***

2008 was the year of a new digital/analogue reality. 2008 was the year of the iPhone, Nintendo's Wii and Activision's Guitar Hero Series. While they were released earlier, in 2008 they dominated the zeitgeist and highlighted the spawn of a new era in technological thinking and consumer behaviour. What these gadgets all had in common, other than making their users like me very happy and shareholders even happier (dooh!), is that they all integrated the digital world into

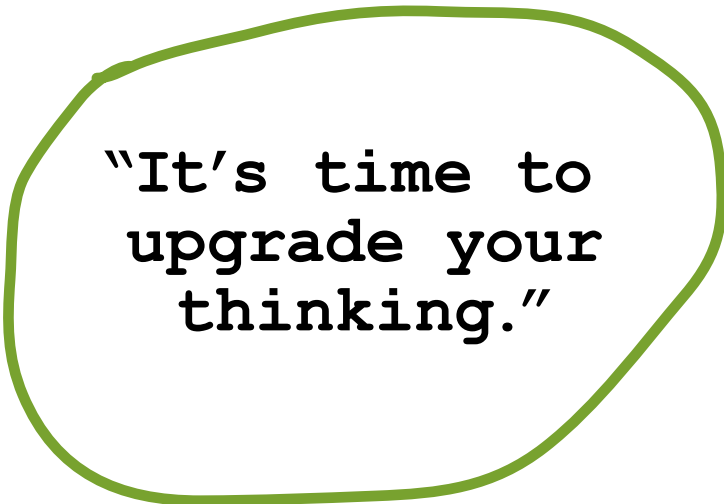
the analogue world in a seamless fashion.<sup>36</sup> In a way you could argue that with devices like these a sci-fi-like mash-up of the analogue and digital has taken place.<sup>37</sup> Emotiv EPOC is a mind-control device (you're doing the controlling) which sits on your head like a helmet, reads your brain's electrical signals, and enables you to navigate a video game just thinking about it.<sup>38</sup> Your involvement in the virtual world is both real and aerobic in the first two cases, while the iPhone's multitouch interface shows the Web's annotations in what computer scientist David Gelernter calls the 'mirror world'. 2008 showed that the 21st century really is a mash-up of the digital and analogue, with a border so blurred it's not really a line at all. Does your brain still notice the difference?

### **Entertainment**

We made mixed tapes from Top 40 hits on the radio, kids remix music themselves; we passively watched tv, kids actively make tv in iMovie. Entertainment evolution has made them different and enabled them to think differently about the spread of culture and entertainment. Now kids are living against intellectual property law and in a democracy we ought to be able to upgrade our legal thinking to be compatible with new creative/productive forms of behaviour, according to Intellectual Property law mastermind Larry Lessig. He goes on to say that the architecture of copyright law has not met this development with much common sense. Every single use of intellectual property bits and bytes produces a copy and thus reduces every emailer to a potential trespasser. There is a growing extremism in response to the conflict between law and use of these technologies. There is growing copyright abolitionism, highlighted in Sweden by the conflicts surrounding Pirate Bay and other file-sharing sites, which shows a different generation diluting general respect for a law that is out of whack with reality. We need an upgraded solution for entertainment that tries to legalise youthful and trendy thinking. Artists and creators need to embrace the idea that their work can be made available freely for non-commercial use, and we need businesses to embrace this opportunity so it can grow on a neutral platform. We need to make sure legal thinking on entertainment is not out of whack with an entire generation's mindset and creativity. Creative Commons is an innovative thinking framework which is in tune with our new reality. It is the platform on which this manifesto has been designed.

## mash-up

noun informal  
a recording  
created by digitally  
combining and  
synchronizing  
instrumental tracks  
with vocal tracks  
from two or more  
different songs  
: is a mash-up of  
Madonna's "Ray of  
Light" and the Sex  
Pistols.



"It's time to  
upgrade your  
thinking."



## ***Business Design***

Funky thinkers understand the implications that in 2006, 1 million American tax returns were done in India. That in China, if you are 1 in a million, there are 1300 other people just like you. That by 2010, India will be the largest English speaking country in the world (it will be China in 2016). That in 2008 the Japanese Emperor's Cup in sumo was won by Kotooshu, birthname Kaloyan Mahlyanov from Bulgaria. Do you?

In 2006, there were 1.3 million college graduates in the US, 3.1 million in India, and 3.3 million in China. Many of today's college majors did not exist 10 years ago eg: new media, organic agriculture, e-business, nanotechnology: what will people study in 10 years time? 73% of *Fortune* 500 companies see outsourcing and offshoring as an important part of their strategy, and Gartner estimates that the global offshoring market in 2007 was worth around US \$50 billion.<sup>39</sup> What are you doing to make sure that the output that your brain delivers is not outsourced or computerised?

Because of outsourcing, computerisation and the flipping of Maslow's Needs Hierarchy the design and positioning of our thinking is becoming even more crucial. The creative, innovative, empathic, and entrepreneurial right-brain is now (at least) on par with the logical, linear, sequential, analytical left-brain.<sup>40</sup> Two human skills have an added economic premium placed upon them in this whacky world: expert thinking, the ability to solve non-routine problems in non-routine ways, and complex communications, the ability to think about a piece of information and manifest that thinking with relevance, engagement and meaning to an audience.<sup>41</sup> In other words, both the *form* and *function* (design) of your thinking, just like any product or service, needs to be shaped from the inside and given a form that engages with the marketplace.

Some educators get this. Ivy League business schools, the educators of business men and women of tomorrow, are now employing constructive listening skills, emotional intelligence and soft skills as compulsory parts of their curricula. A radically small \$18 Million British Pound package to reverse dwindling numbers of students choosing to study science, technology, engineering and mathematics

at university has been unveiled in the UK, *changing the way science is taught to relate it to today's world* and move away from rote learning, recognising that a computational mind is no longer necessarily a competitive mind in the age of the brain.<sup>42</sup> Professional schools for the left-brained professions: accountancy, law, financial analysis, are changing also. At Georgia Tech, the vast majority of students play a musical instrument as a proxy for rewiring. This university is responding to employers who are saying: 'send me people who can think, send me people who can cross disciplines, send me people who can work with others; don't send me technicians. That work's going to India.'<sup>43</sup> This is a kind of thought *intifada* where the right-brain is rising up and is positioning itself as the sexier of the two hemispheres. The design of your thinking has never been more important.

Forward-looking companies like Apple are tuned into this. Remember the 'switch' campaign; Mac: "Hey I am Mac", PC: "and I am a PC". It is almost as if this entire series of ads has been based on the notion of the left and right-brain, with Mac occupying stage right, and PC stage left. Not only does this reflect our brain structure, but subliminally we also associate stage right with the future, and in theatre we associate stage left with the story villain and the past. Apple with this series of ads and its positioning as a right-brained technology company is tapping the capitalist trend from left-brain dominance to right-brain dominance; which is one of six major reasons listed by Tim Cook, Apple COO, for Apple's outgrowing its industry in 14 of the last 15 financial quarters.<sup>44</sup>

There is something to this. It is a seismic shift, evidenced if by nothing else than by the groundswell of PC users *downgrading* to avoid Windows Vista, and the PC diaspora switching to Mac.

Apple's rise is not only explained by its clever positioning, its design, and its emotive elements; broader macroeconomic and psychographic developments mean that the left-brain (without necessary form) is becoming commoditised and digitised. Meanwhile, the right-brain is coming out of the closet, dressed in a shimmy-shammy featherboa and having a mardi gras on your street. It is time to wake up, upgrade your thinking and re-position your business brains. Are you prepared to launch the adaptive part of your mind to take advantage of this new imperative?

## intifada

[ˌɪntəˈfɑːdə]

noun

the Palestinian uprising against Israeli occupation of the West Bank and Gaza Strip, beginning in 1987. ORIGIN from Arabic *intifāda* 'an uprising' (literally 'a **jumping up as a reaction to something**'), from *intifada* 'be shaken, shake oneself.'

## **Culture**

Some future-minded organisations are prepared for this adaptive imperative. Others are not. Do you remember business author Jim Collins' 'Good to Great'? Interesting read, right? Get the right people on the bus, level 5 leadership etc. With all due respect Jim Collins, 'Good to Great' is very '2001'. The thinking that instructs his book is not the version of thinking that will enable organisations or individuals to thrive in this whacky world where all the old rules are defunct. Mr Collins was recently quoted as saying that 'a company need not have passion for its customers, or respect for the individual, or quality, or social responsibility to become enduring and great'.<sup>45</sup> Mr Collins, I beg to differ with this version of thinking - in fact many of the leading companies in the world like eBay, BMW, and Google may well second me. These counter-cultures have embraced elevated thinking in their company ethos. They have a strong focus on delivering synergistic stakeholder returns as opposed to short-term shareholder returns like Jim Collins' 'Good to Great' companies. A funky flock of these companies (as case studied in 'Firms of Endearment' by Sisodia, Sheth, and Wolfe) outperformed the S&P 500 on a shareholders Return on Investment ratio of 10:1 over a 10 year period to June 30 2006, and trounced Jim Collins' great companies on a ratio of 3.1:1 over the same period. The cumulative shareholder returns of these counter-cultural companies was 1026%. While I am not in the game of giving investment advice [quick disclaimer] I would take those returns to the bank any day. These are companies who have upgraded the way they think, the way they position themselves both internally and externally, and the way they operate to maximise their Return on Thinking from their organisational brain trust.

## **Generational Trends**

When I say that nearly nobody's thinking this is of course a generalisation. What I actually mean is that many people and organisations are stuck in old modes or versions of thinking. These old versions are incompatible with the whacky world we are living in, and that world is spinning further out of neural control for pedestrian thinkers. One of the clearest examples of this in my line of work, is corporate Australia, India, US, Sweden and China's inability to engage with a new generation of thinkers in the workforce - Gen Y.

In my research we have psychographically, demographically, and statistically mapped and compared generational trends, and despite some derriere thinkers' ossified conviction that Gen Y is merely an astrological phenomenon and a passing phase, the Gen Y issue is so much more than that. It is symbolically an example of an upgrade and a clash in thinking versions.

Generation Y is not just a generational issue, it is a change management issue. This generation's version of thinking represents, embodies and epitomises the whackiness of the current world. They are responsible for social networking sites and business models like Facebook, they get the open source ethic, and they wonder why on earth their elder siblings, parents and grandparents would choose to be technophobes. Their thinking is the thinking that drives this whacky world. It is a self-fulfilling prophecy, a mutually reinforcing idea architecture, a symbiosis of thinking and doing. For Gen Y technological change and Moore's law is not a revolution, but an evolution. They are comfortable with the digital because they did not grow up with the analogue. More importantly, having experienced the emanation of the internet, terrorism, corporate debauchery, economic prosperity and the war for talent, they think about the world in fundamentally different ways than many of their managers and company CEOs. So to attract them, engage them and retain them, organisations need to ensure they understand the mechanics inside the brains of this generation. They need to upgrade their own thinking to ensure compatibility with today and tomorrow's business brains.

Gen Y thinking may in fact prove to be the ultimate in brain fitness for paranoid baby boomers worried that their brains won't keep functioning as long as their bodies will. Gen Ys have grown up as, and with, multi-function devices; SMSing while doing their homework, while Instant Messaging, Skyping, watching television and pondering how to self-actualise in a world of infinite possibility. They have grown up firing on all synapses and they expect everybody around them to do the same. So if you want to know where the world is heading, look no further than to these workplace babies. Their whacky brains are totally compatible with a whacky world.

derrière

[,derɛ̃'e(ə)r]

noun informal  
euphemistic term  
for a person's  
buttocks.

ORIGIN late  
18th cent.: French,  
literally 'behind.'

Someone that is  
thinking forward  
by looking in the  
rear-view mirror.

## ***Innovation***

### **peer-to-peer**

adjective [ attrib. ]  
denoting computer  
networks in which  
each computer  
can act as a server  
for the others,  
allowing shared  
access to files and  
peripherals without  
the need for a  
central server.

A new social phenomenon is emerging and creating a new form of competition. **Peer-2-Peer** is threatening the music industry, open source software is flipping Microsoft's monopoly, Skype is overturning the telecommunications industry, and Wikipedia certainly trumps Britannica. This reduced barrier to entry caused by lowering price points and collaboration mindsets represents a new set of opportunities for business if they manage to upgrade their thinking to be compatible with this new age.

For example, 'free' is the gift of Silicon Valley to the world. It is also a potentially deflationary force if not handled with an upgraded mindset.<sup>46</sup> This is the reason why the music industry is imploding at the moment. They are facing a phenomenon in thinking they have not faced before. The consequences of cheap telephony like Swedish invention Skype (yes, flying the Swedish flag for a moment) is one of the most powerful economic forces today, where the cost of a phone call from Sydney to Stockholm has gone from over \$ 2 dollars per minute in 1990 to free in 2008 via VoIP. How are you dealing with free?

## ***Psychology and Happiness***

### **DIY**

abbreviation  
do-it-yourself.  
**do-it-**  
**yourself**  
|'du ət fər'self|  
|'du ət jər'self|  
(abbr. DIY)  
adjective  
(of work, esp.  
building, painting,  
or decorating)  
done or to be done  
by an amateur at  
home : easy-to-use  
materials and do-  
it-yourself kits for  
plumbing fittings.

In this upended world, there is an abundance of choice available. Paradoxically, this autonomy is not making us happier. In fact, there is a direct correlation between the amount of choice we have and the amount of unhappiness in the world.<sup>47</sup> So despite material, technological and democratic progress, it seems like our brains have not yet upgraded to cope with this newfound freedom of thought. Life is now a **DIY** project and many people are failing to embrace this responsibility. With so many choices available, people find it very difficult to choose at all and are paralysed by their newfound liberty. Like the character Brooks Hatlin in the movie 'Shawshank Redemption', a man who spends most of his life in Shawshank as an in-mate librarian. Once released, as an old man, Brooks finds that he would rather die than live another day in an unfamiliar world. His character is a tragic example of how the human mind can become so attached to its circumstances (even the bleak setting of a prison) that it simply cannot let go of them.



One dramatic real-world example of this inability to cope with our whacky world is a study by Barry Schwartz based on Vanguard data which showed that voluntary retirement plan participation is boosted by *less*, rather than more choice. For every 10 mutual funds offered to employees, participation went down 2%,<sup>48</sup> which cost the affected employees up to \$ 5000 in matching funds from the employer per year. In the same way that these employees were caught and paralysed in the headlights of infinite choice, many of us are blinded by the opportunities and psychological choice available to us in this whacky world. A problem that will not disappear unless we upgrade our brains.

Interestingly, in navigating life the imagined alternative which comes as a by-product of the whacky proliferation of choice also reduces our happiness *after* having made the initial decision. This shows that many of us have not yet developed the synaptic ability to associate happiness with choice. Opportunity costs subtract from the satisfaction of what we choose, even when what we choose is of extraordinary quality. Combine this with our escalating expectations based on our plethora of choice and you have a set-up for disappointment. Today, a pleasant surprise is an alien concept because we all have such high expectations, and many have not yet upgraded their thinking to actually nourish happiness from this resource of choice. What the Barry Schwartz' 'Paradox of Choice' misses is the fact that it is not choice in and of itself that has failed to make us happier, but peoples' perspective and thinking about that choice. It is not until we upgrade our thinking and inject some gratitude and appreciation, that we can actually feel blessed and begin to implement behaviours which may make it easier for us to make empowering choices in all areas of life.

Could thinking about thoughts in a new way affect not only pathological brain states such as obsessive compulsive disorder and depression but also normal activity? To find out, neuroscientist Richard Davidson of the University of Wisconsin at Madison turned to Buddhist monks, the Olympic athletes of mental training. He found that activity greater in the left prefrontal cortex than in the right correlates with a higher baseline of contentment. His hypothesis is that we can think of emotions, moods and states such as compassion as trainable mental skills.<sup>49</sup> With the help of the Dalai Lama,

Davidson recruited Buddhist monks into his fMRI (functional MRI brain scans) tubes in Wisconsin to measure brain activity during various mental states. During the generation of pure compassion, a standard Buddhist meditation, brain regions that keep track of what is self and what is other became quiet as if the subjects; a. experienced meditators and b. a sample of undergraduate novices, opened their hearts and minds to others. Their brains had to rewire to do that.

Even more interesting were the differences between the adepts and the novices as there was significantly greater activation in a network linked to empathy and maternal love amongst the former. It was as if the brain had forged more robust connections between thinking and feelings with years of mental practice. While the monks were generating feelings of compassion, activity in the left prefrontal cortex swamped activity in the right prefrontal cortex (associated with negative moods) to a degree never before seen from purely mental activity. By contrast, the undergraduate novices showed no such differences suggesting that positive states of happiness is a learnt skill. In essence, the monks' conscious act of thinking about their thoughts in a particular way rearranged their brains. Clearly upgrading our thinking is within our neural capacity.

We are the first generation to be discovering and using this technology of the human mind and brain. Where will you take it?

### ***Diversity***

In 2008, a man called Barack H. Obama was elected as the first black president of the United States. This is extraordinary. Just by his name Barack Hussein Obama, he rhymingly reminds you of the triple-whammy Iraq Hussein Osama. Multi-racial by design, international by schooling, and multicultural in outlook he epitomises a new version of thinking on diversity: its qualities, dynamics and how to shift our thinking flexibility surrounding *difference*. Curiously, the election win was witness to the changing multi-cultural landscape of the US, and its thinking on diversity. An open-minded step forward, no matter what side of politics you're on. This represents a paradigm shift in the zeitgeist of diversity. Whether you're black, yellow, transparent, pink, Koptic, Hare Krishna, handicapped, or Nomadic; difference is back on the agenda, and a new version of thinking is enabling an encompassing discourse.

### ***Ethics and Finance***

In the discourse around what caused the global financial meltdown in 2007-2008, most commentators pointed toward the sub-prime mortgage structure of lending. That is a little bit like saying that a person was killed because a bullet hit him in the head. I am more interested in exploring why this financial structure was in place. Why were money-lenders so happy to endorse low doc loans to unsuitable borrowers, and why had we not learnt anything from 1987 or the corporate social irresponsibility of the early 21st century? It is perhaps the perfect case study of the clash of different versions of thinking. We need to have a radically fresh look at our ethical thinking through a new model. I suggest the Thinque Funky Model.

### ***Global Issues and Politics***

What attracts me about the brain age is that we have closed the gap between imagining and doing. It used to be that if you wanted to make a movie, you needed a Hollywood budget, now you need a digital handycam from eBay and a YouTube account. We have all become capable of being our brains' publishers. We have been freed from the physical 'constraints of matter' because of technological evolution and the democratisation of information. The real-world of global issues and politics has a lot to learn from the digital world in terms of decoupling our ideas from its old shackles.<sup>50</sup>

We respond to fast catastrophes that are similar to movies such as *The Day After Tomorrow*, as in the case of the tsunami or September 11. However our human brains fail to respond with the same immediacy and fervour to slow catastrophes like Africa. A brain gap?

The fight against poverty is invariably linked to the war against terror, and much like the cold war and its concomitant MAD paradigms couldn't be won through military might alone, so neither the war against terror nor the war against poverty can be solved using the same version of thinking that created them. Because of the digital world: think political blogs, email campaigns to eradicate landmines, political brands spread on Twitter, Facebook protest groups against dictators - it is now possible to change the analogue, physical world.

**MAD**  
abbreviation  
mutual assured  
destruction.

This is the time when we can get serious about changing the global landscape. We have changed the zeitgeist from analogue to digital, now we also need to make sure we upgrade the way we think and act to be in alignment with technology's evolution on a global scale.

### ***Intellectual Capital***

We need to radically re-think our perspective on intelligence to keep up with the whacky changes in the world. We know three things about intelligence - it is intellectual (IQ), emotional (EQ) and unique, even funky (FQ). Our results are determined by our ability to constantly raise our intellectual capital and boost our quotients. If we look to the dynamic interactions of the human brain, nothing happens in isolation. In fact, creativity and innovation often comes about because of different disciplinary ways of seeing things. Intelligence is unique to the individual - for the first time in history it has become ok to encourage people to tap their distinct talents, whatever they may be. In fact the quest for self-realisation has been democratised from a privileged few to a majority in the western world. Yet how do the older generations respond to this? We label kids as attention deficit and give them kiddie-speed - often when it is our own software version that's not keeping up with their Flynn-effect-affected power brains. This shifting intellectual capital is deeply affecting the overall positioning and evolution of your brains.

### So what next?

The great business philosopher - Winnie the Pooh - once asked 'have you ever stopped to think, and forgotten to start again?'. I believe that too many individuals and organisations at some point or another stopped to think and forgot to start again. Thinking apathy ran unpunished for many years but in the globalised era of thought apartheid this may land you in the mental ghetto. Ask yourself, if you were a thought broker on a future exchange trading ideas, what would a futures contract on your thoughts be? Are you a funky thinker or a thought polluter? We keep talking about a carbon trading scheme, I believe we need a thought trading scheme as too many people and organisations leave a negative thought footprint on both their internal and external ecosystems of opportunity. My wish is that this manifesto will give you

some new thought credits, and encourage you to upgrade your thinking from 1.0 and 2.0 to 3.0.

Is this possible?

We all have a little bonsai-tree gardener at the back of our minds, twisting, pruning and distorting our branches of great ideas from truly growing large and magnificent. And just like a bonsai tree this gardener has imposed boundary conditions on our thinking, preventing our roots from truly ingesting thought nourishment, mental nutrients, and idea-fertilisers. Yet we all have the mental DNA to let our ideas expand, to position ourselves for the most photosynthesis, and cross-fertilise our thought seeds with those around us to come up with funky and innovative solution in this whacky world. So stop pruning.

I am inviting you to think and operate on a whole new version.

The next chapters will show you how.

**Think This**

What version of thinking might you be operating on?

**Do This**

Upgrade your thinking.

**Visit This**

[www.ted.com](http://www.ted.com)

**Ask the questions:**

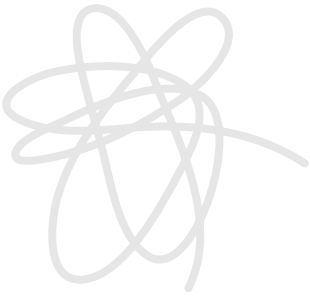
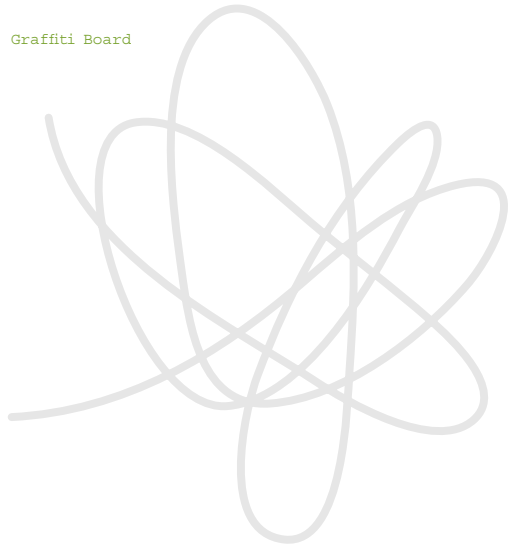
1. Of your kids - are you collaborating internationally on projects in your school?
2. Of their principal - how are you helping my child become 21st Century literate?
3. Of their school board - are you providing the resources and training necessary to prepare students to be successful in 21st Century society?
4. Ask your organisation - what *is it doing* to help YOU to become 21st Century literate! Your kids already get it...

Mental Graffiti Board





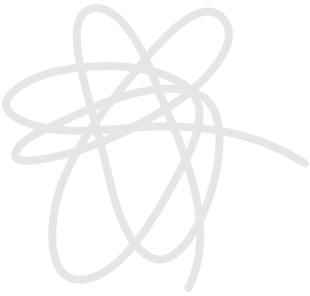
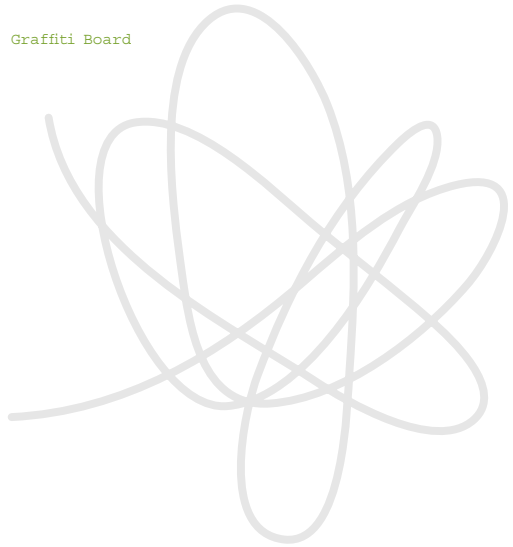
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'They say a year in the internet business is like a dog year... equivalent to seven years in a regular person's life. In other words, it's evolving fast and faster.'

Vinton Cerf

## Chapter II Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

<b>WEB 1.0</b>	<b>WEB 2.0</b>	<b>WEB 3.0</b>	<b>Metaphor</b> Webolution shakes out the incompatible and sorts for compatible, competitive, and adaptive business brains, just like evolution sorts for survival of the fittest.
<b>DEFUNCT</b>	<b>DYS/FUNCTIONAL</b>	<b>FUNKY</b>	
<b>1990-00</b>	<b>2000-10</b>	<b>2010-20</b>	
<b>1ST GEN</b>	<b>2ND GEN</b>	<b>3RD GEN</b>	

**Statement:** You must be compatible.

**Explanation:** The Web is evolving. It used to function on v. 1; Web 1.0. Business models and brains that were compatible with this version of webolution were successful. Web 2.0 requires that you upgrade your thinking to be compatible with the Web's new dynamics. Businesses and business brains who fail to upgrade will become defunct. The Web reflects the best of human thinking and encompasses the present *zeitgeist*. You must understand the dynamics and thinking that shape the Web in order to position yourself successfully in the Web 2/3.0 eras.

### Main sources

*Tim O'Reilly on Web 2.0*  
*Dion Hinchcliffe*  
*Nova Spivack on Web 3.0*  
*Jeremy Geelan*  
*Jonathan Strickland*  
*Richard McManus*  
*Wikipedia*

### Main Case Studies

Comparative Maps of Web 1.0, 2.0, and 3.0 applications  
 Tim O'Reilly  
 Dion Hinchcliffe

### Main Design Inspiration

Kevin Kelly @ TED  
 Wired Magazine

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter II

### The Evolution of Webolution.

<u>WEB 1.0</u>	<u>WEB 2.0</u>	<u>WEB 3.0</u>
1990-2000	2000-2010	2010-2020
1st Generation	2nd Generation	3rd Generation

The Web is less than 5000 days old, but we still do not know *exactly what it is*. The evolution of the Web is central to understanding the manifesto and how webolution through its 1.0, 2.0, and 3.0 versions is affecting our thinking. The founding father of the World-Wide Web Sir Tim Berners-Lee has founded an institute - The Web Science Research Initiative which evaluates the Web not as a system of connections between computers but between *humans*. Berners-Lee is dedicated to finding out what his brainchild actually *is*. What we do know is that the Web is quickly becoming one global machine. There are 100 billion clicks per day, 55 trillion links between all the web-pages of the world, 2 million emails get sent every second, 1 million IM messages per second and the web uses 5% of the electricity on the planet.<sup>51</sup> Every second 1s and 0s measuring half the information stored at the Library of Congress is swooshing around the world in bits and bytes. This is the whacky world of Web 2.0.

We are living in a Web 2.0 (the second decade of the web) world and we are entering the era of Web 3.0, the third decade of the internet. While uniquely different, the evolving incarnations of the Web also represent uniquely different versions of thinking. Our collective intelligence, the 'wisdom of crowds' if you wish, is engaged in a steamy intellectual salsa with webolution. What is not yet clear, as you will see in this chapter, is who's leading and who is being led. I am a lover of linguistically funky words and nomenclature, so while the Web 1.0, 2.0, and 3.0 categorisation is useful to track trends, developments and tipping points, what is even more important is an understanding of the versions of thinking that affects/effects each version of the Web. The

Webolution  
the constant  
evolution of the  
internet.

style of thinking that drives the Web, and its concomitant business models, is the same thinking that your business brains need to exhibit in each new version of the Web in order to remain compatible with the *zeitgeist* of the times.

What fascinates me about the Web is the brilliant thinking that lies behind the interfaces and functions we use every day. Why? As an avid comedy audience member, I laugh not so much at the jokes and the eccentric questions they raise, as to how the comedian had to *think* in order to create a particular punch-line or story. So when I watch someone like Lisa Lamponelli, it is the *internal thinking* which affects the external communication and reality which really excites me, and in that thinking lies the secrets to uncovering the deeper psychology, the connection, and the humorous compatibility which resonates with us and causes us to laugh with the comedian. In the same vein, this chapter maps webolution 1.0, 2.0, and 3.0, uncovers their guiding thinking principles, investigates the nature of your brain's dance with the internet, and shows why we all need to upgrade our business brains to stay compatible with webolution.

So here we go.

The bursting of the dotcom bubble in 2000 - 2001 marked a turning point for the Web. And shakeouts typically mark the point at which an ascendant technology is ready to take its place at center stage; this was the era in which Web 2.0 was to succeed Web 1.0 as the Web's next evolution. The concept of Web 2.0 began at an unConference brainstorming session between Tim O'Reilly and MediaLive International. Tim O'Reilly argued that the dotcom collapse marked some kind of turning point for the Web, and since then the concept has clearly taken hold with 398 million citations currently in Google. While the term has entered our popular vernacular and reached memetic status, there is still huge disagreement about what it actually means and controversy surrounding the nomenclature given to the phenomenon of the second generation of the Web; Web 2.0. According to tech-guru Paul Graham the fact that he *'both despises the phrase [Web 2.0] and understands it is the surest proof that it has started to mean something.'* The fact that so many people feel so passionately about it; just google the term 'Web 2.0' and you will find yourself in the blogospheric version of the

## vernacular

[və'nakylər]  
noun

**1** (usu. **the vernacular**) the language or dialect spoken by the ordinary people in a particular country or region  
: *he wrote in the vernacular to reach a larger audience.* See note at **dialect**.

• [with adj. ] the terminology used by people belonging to a specified group or engaging in a specialized activity  
: *gardening vernacular.*

## blogosphere

['blägəsfli(ə)r]  
noun

the world of weblogs.

**inflection**  
|in'flek sh ən|  
(chiefly Brit.  
also **inflexion**)  
noun

1 Grammar  
a change in  
the form of a  
word (typically  
the ending)  
to express a  
grammatical  
function or  
attribute such  
as tense, mood,  
person, number,  
case, and gender.  
• the process  
or practice of  
inflecting words.  
2 the modulation  
of intonation or  
pitch in the voice  
: she spoke slowly  
and without  
inflection | the  
variety of his  
vocal inflections.  
• the variation  
of the pitch of a  
musical note.  
3 chiefly  
Mathematics  
a change of  
curvature  
from convex  
to concave at a  
particular point  
on a curve.

Israeli-Palestinian conflict, tells us that this is a version of thinking that is qualitatively different from the previous version 1.0 which connotes the webolution of the Web from 1990-2000.

Here is one way to think about webolution: A "Po" (point o /.0 for example) is an idea which moves thinking forward to a new place from where new ideas or solutions may be found. The term was created by Edward de Bono as part of a lateral thinking technique to suggest forward movement, that is, making a statement and seeing where it leads to. It is an extraction from words such as hypothesis, suppose, possible and poetry, all of which indicate forward movement and contain the syllable "po" (neologism for mathematical zero). Po can be taken to refer to any of the following - provoking operation, provocative operation or provocation operation. Also, in ancient Polynesian and Maori, the word "po" refers to the original chaotic state of formlessness, from which evolution occurred. In my world of thinking I believe it is no coincidence that one point o, two point o, and three point o are also po's. In this sense, webolution is a multi-levelled po'ism that moves thinking forward.

The winds of change in the Web world have reached torrent force right now, and nowhere are they blowing more fiercely than around that epicenter of weather activity that's been labeled 'Web 2.0'. There, a perfect storm brewing. Few technology or business commentators have thought beyond the commercial consequences of Web 2.0 and noticed the simultaneous confluence of whackiness which is affecting the world at the moment.<sup>52</sup> Together, both on and offline changes in thinking and behaviour have developed an awe-inspiring power. Such **inflexion** points (or perfect storms) which affect everything, are by their very nature, rare. But that doesn't mean they aren't real and that they don't happen. Ask anyone in the 1,000-mile radius of the epicenter of the Asian tsunami of 2004.<sup>53</sup> These natural forces have the capacity to provide a joy-ride for big-wave surfers educated in their dynamics, but can wreak unprecedented havoc for the unexpecting.



So what is Web 2.0?

Web 2.0 is an example of what the historian Daniel Boorstin would have called '*the Fertile Verge*' - '*a place of encounter between something and something else.*' Boorstin pinpointed such 'verges' as being nothing short of the secret to American creativity. Virginia Postrel sums up what Boorstin was saying as follows: '*A verge is not a sharp border but a frontier region*'. This is kind of like where the forest connects with the prairie, the sand-dunes collapse into the sea, '*a place where ecosystems or ideas mingle*'. These verges between ecosystems of thought, between urban and country, Indians and Europeans '*all mark the American experience*'. It is important to realise that this is of course not an American-centric phenomenon. There is an underlying sense, a feeling, a vibe which underpins the uniquely different qualities of webolution's different versions. The *zeitgeist* is shifting. I believe that there is no physical boundary between Web 1.0 and Web 2.0 - just a blurry verge, an osmotic membrane, a fuzzy paradigm shift or a melting-pot, as with all cases of evolution. And the richness of the verge lies in the cross-fertilisation and new combinations they encourage.

Web 2.0 is a Boom Town, and - as Postrel points out - '*Boom towns break down barriers; they mix together talent from everywhere; they challenge complacency and overturn assumptions. They are sometimes ugly and almost always stressful, but they foster invention, progress, and learning. And they let people chase their dreams.*' In a sense, Web 2.0 is the webequivalent to Richard Florida's description of dynamic talent clusters which host the *Creative Class*; physical cities which attract, engage and retain people who think for a living, people who are 21 or 61, people who are attracted to innovation, creativity and self-expression. Now a place like that exists in our extended, virtual world. The World Wide Web in its second incarnation. It is an entirely new ecosystem of opportunity.

The web /  
online  
version or  
equivalent  
for an offline  
phenomenon.

Now, when you ask people how they'd cope without the internet, most people scratch their heads, frown and exclaim 'not very well', or 'I don't know what I'd do without it'. Yet prehistoric human beings like myself functioned fully and productively even prior to Web 1.0. However, our thinking and behaviours have evolved so much that a world without the internet is beyond our capacity to seriously entertain. The

## Platform

*‘Web 2.0 at its most basic is using services on the Web. Some examples: Gmail for email, Flickr for photo-management, RSS for news delivery, eBay for shopping, Amazon for buying books. That’s why the Web is being called a platform, because all of these services are being built and used on the Web. Why Web 2.0 only now though - hasn’t Amazon been around since 1995? Why yes, but it’s taken until 2005 for broadband and web technology to catch up and reach a ‘tipping point’ - the Web is fast becoming the platform of choice for developers, business, media, public services, and so on.’ - Tim O’Reilly*

question is, what new social networking sites, technologies, upgrades, business models or online behaviours will become so engrained in our way of thinking over the next decade that we cannot imagine life without them? And equally important; what old ways of interacting, which defunct business models, crusty technologies, and what derriere styles of thinking will be unable to withstand the tests of Web 2.0 and 3.0?

Web 2.0 is the business evolution in the computer industry caused by the move to the internet as platform, and an attempt to understand the rules for success on that new platform. Just like there are consistent themes and guiding principles common to the thinking that allowed businesses to successfully make the jump from a 1.0 to a 2.0 world, there will be consistent themes and guiding principles common amongst those who successfully make the leap to a 3.0 world, the nuances of which we can already map.

<u>WEB 1.0</u>	<u>WEB 2.0</u>	<u>WEB 3.0</u>
1990-2000	2000-2010	2010-2020
1st Generation	2nd Generation	3rd Generation

In order to set our bearings, program our GPS, and explore the business landscape of the future, we first need to explore the landmarks of the Web 1.0 and 2.0 worlds and the qualitative characteristics that define the two eras.

Think of this as a fMRI scan of the global brain’s evolution.

<u>WEB 1.0</u>	<u>WEB 2.0</u>
Ofoto	Flickr
Akamai	BitTorrent
Britannica Online	Wikipedia
Personal Websites	Blogging
Publishing	Participation
Content Management Systems	Wikis
Directories (taxonomy)	Tagging (folksonomy)
mp3.com	Napster

\* adapted from Tim O'Reilly

### **Web 1.0 decoded**

Web 1.0 is a **retronym** which refers to the state of the World Wide Web, and any website design style used before the advent of the Web 2.0 phenomenon. It is the general term that has been created to describe the Web before the bursting of the dotcom bubble in 2000-01, which is seen by many as the inflexion point for the internet. Because it is a retronym it is most easily understood in the context of its successor, Web 2.0.

Web 1.0 was the first generation of the Web. During this phase the focus was primarily on building the Web, making it accessible, and commercialising it for the first time. Key areas of interest centered on protocols such as HTTP (Hyper Text Transfer Protocol); the technology used to communicate between web servers and web users; open standard markup

**Retronym**  
 A **retronym** is the modification of the original name of an object or concept to differentiate it from a more recent version of the object, which acquired a modifier or adjective through later developments of the object or concept itself. Examples of retronyms are “**acoustic guitar**” (coined when electric guitars appeared), **World War I** (called “the Great War” or “the World War” until **World War II**) and **analog watch** to distinguish from a **digital watch**.

A hand-drawn green thought bubble with a thick, irregular outline. Inside the bubble, the text "You must be compatible." is written in a black, monospaced, typewriter-style font. The bubble is connected to a simple green line drawing of a person's head and neck on the left side of the page. The drawing is minimalist, showing the top of the head, a forehead with a small mark, and a neck with a few lines suggesting hair or a collar.

**"You must be compatible."**

languages such as HTML (Hyper Text Markup Language); the primary programming language used to write content on the Web and XML (eXtensive Markup Language); Internet access through ISPs (Internet Service Providers like ozEmail), the first Web browsers (like Netscape), web development platforms and tools, web-centric software languages such as Java and Javascript, the creation of websites (like geocities.com), the commercialisation of the Web (like Jeff Bezos' first incarnations of Amazon.com) and web business models, and the growth of key portals on the Web (like early Google).

Here's a collection of strategies Web 2.0 guru O'Reilly considers to be part of the Web 1.0 philosophy:<sup>55</sup>

*Web 1.0 sites are static.* They contain information that might be useful, but there's no reason for a visitor to return to the site later. An example might be a personal web page that gives information about the site's owner, but never changes. A Web 2.0 version might be a blog or MySpace account that owners can frequently update.

*Web 1.0 sites aren't interactive.* Visitors can only visit these sites; they can't impact or contribute to the sites. Most organisations have profile pages that visitors can look at but not impact or alter, whereas a 2.0 wiki allows anyone to visit and make changes.

*Web 1.0 applications are proprietary.* Under the Web 1.0 philosophy, companies develop software applications that users can download, but they can't see how the application works or change it. A Web 2.0 application is an open source program, which means the source code for the program is freely available. Users can see how the application works and make modifications or even build new applications based on earlier programs. For example, Netscape Navigator was a proprietary web browser of the Web 1.0 era. Firefox follows the Web 2.0 philosophy and provides developers with all the tools they need to create new Firefox applications.

Tim O'Reilly suggests that by looking at the websites that were around before and after the so-called dotcom bubble burst, people can see which web strategies work best. By 2000, the Web had been around for several years and many investors were pouring money into small, unproven Web companies. Many

of these companies had no proven means of generating revenue, and eventually the wave of speculative investments crashed. O'Reilly argues that the Web companies that survived the crash did so because their approach was more compatible with the new Web. In his Web 2.0 explanation, he says that the companies that thrived after the dotcom crash learned valuable lessons from the Web 1.0 companies that are no longer around. In other words, the companies and individuals who made it upgraded their thinking versions to be compatible with the new web *zeitgeist-2.0*.

The guiding principle behind the success of the giants born in the Web 1.0 era who have survived to lead the Web 2.0 era appears to be this; that they have embraced the power of the web to harness the *collective intelligence* of the global brain. Google's breakthrough in search, which quickly made it the undisputed search market leader, was PageRank, a method of using the link structure of the Web rather than just the characteristics of documents to provide better search results. eBay's product is the collective activity of all of its users, and the service gets better the more users use it. Wikipedia, an online encyclopaedia based on the unlikely notion that an entry can be added by any web user is a funky experiment in trust, applying Eric Raymond's open sourced dictum that '*with enough eyeballs, all bugs are shallow*' to content creation. Collaborative spam filtering like Cloudmark aggregates the individual decisions of email users about what is and is not spam, outperforming systems that rely on analysis of messages themselves. Even much of the infrastructure of the Web like Linux, Apache, PHP, and MySQL relies on peer-production methods of open source, in themselves an instance of collective net-enabled human intelligence. In this sense the new economics and business models that are reaping the benefits of this paradigmatic shift to Web 2.0 represent a new era in elevated thinking.

And the question is whether your own mindset and your business model is compatible with the thinking design that is currently profiting from this webolution?

Terry Flew, in his 3rd Edition of *New Media* described what he believed to characterise the differences between Web 1.0 and Web 2.0 - as the evolution from '*personal websites to blogs and blog site aggregation, from publishing to participation*'. In other words it is moving from passive to active. On the

same note, he argues that we are moving from 'web content as the outcome of large up-front investment to an ongoing and interactive process, and from content management systems to links based on tagging also known as folksonomy'. The collective, global brain is engineering a new era of thinking and business foundations.

### **Web 2.0 decoded**

According to Wikipedia, 'Web 2.0, a phrase coined by O'Reilly Media, refers to a second generation of Internet-based services – such as social networking sites (like Facebook), wikis (like Wikipedia), communication tools (like Skype), and folksonomies (like Digg.com), that emphasize online collaboration and sharing among users.' Web 2.0 is about dialogue, not monologue.

In essence, if Web 1.0 was about commerce, Web 2.0 is all about people. In the 1990s the internet became a new marketing channel and a new platform for innovative and not-so-innovative business models. It was old school thinking and mental paradigms translated into a new medium - the thinking went that the internet 'is like a TV but better'. Web 2.0 on the other hand represents a shift from the internet as a business tool first and foremost to a social tool first and foremost. Technological natives like Gen Y have begun to shape the Web (think Facebook, MySpace, YouTube, Flickr) and for them technology has always been a social tool first, and a business tool second. This has already, and will continue to fundamentally shift how we need to think about the internet as a facilitator of both online and offline behaviour and thinking. The world, business and the Web is now social first, and commercial second.

If Netscape was the epitome of Web 1.0, Google was most certainly the epitome of Web 2.0. Much like the horseless carriage framed the automobile as an extension of something that is easily understood within our mental bandwidth, Netscape promoted a webtop to replace the desktop. Google on the other hand, began its life as a native web application; no scheduled software releases, just continuous improvement. No licensing or sale, just usage. In simple terms just a massively scalable collection of PCs running open source operating systems plus homegrown applications and utilities.

Google happens in the space between browser, search engine and destination content server, as an enabler or middleman between the user and his or her online experience.

The difference between the successful Web 2.0 company and the unsuccessful Web 1.0 company is an upgraded version of thinking. Of America's 100 biggest industrial firms in 1974, half had disappeared by 2000. The Web's 'dog year dynamic' has compounded this evolutionary shift.

As well as technological refinements, the shift from Web 1.0 to Web 2.0 is a *direct result of the change in the thinking and behaviour* of those who use the World Wide Web. Web 1.0 trends included worries over privacy concerns. Who remembers choosing a travel agent over a credit card transaction because of privacy fears? This resulted in a one-way flow of information, through websites which contained 'read-only' material - most government websites still are by the way. Widespread computer illiteracy and slow internet connections added to the restrictions of the internet, which characterised Web 1.0. I can still clearly remember the crackly fax-reminiscent transmission sound of my dial-up in 1997. During Web 2.0, the use of the Web could be characterised as the decentralisation of website content, which was generated from the 'bottom-up', with many users being contributors and producers of information, as well as the traditional consumers.

This book's website ([www.thinquefunky.com](http://www.thinquefunky.com)) and my business' website ([www.thinque.com.au](http://www.thinque.com.au)) are two examples of Web 2.0 thinking. They integrate microblogging and constant updates through social media like Twitter, Facebook, and Dopplr, enable more interactive and thought-provoking deep blogging on my Thinkue Tank, RSS feeds with the most cutting-edge trend spotting, and user-generated video feeds with consumer feedback, and tagging. Daily, thousands of people dance around on my websites and contribute their ideas, make requests and engage in cross-fertilised ideation. In a sense, the freshness of the brain that is the website can be attributed to its users. If I wasn't such a self-effacing Swede, I would also tell you that many of these invest in trendspotting reports on market developments, special talent reports, and change management updates. There are some really cool fields on the site, where you can fill in your credit card details and do the same, should you wish to. That is a 3.0 invitation-to-buy pitch. Lol ;)



<u>WEB 1.0</u>	<u>WEB 2.0</u>
the mostly read-only web	the widely read-write web
250,000 sites	80,000,000 sites
individual intelligence	collective intelligence
45 million global users	1 billion+ global users
published content	user-generated content
1996	2006

\*adapted from Dion Hinchcliffe

Now the key question in the context of a thinking upgrade is whether Web 2.0 is more about a change in people and society than in technology?<sup>57</sup> Is Web 2.0 really about the Web, or is it in fact about us? I believe the trend to watch is the change in the thinking and behaviour of people on and off the web.

Why?

Because the rise of architectures of participation make it easy for users to contribute content, share it, and then let other users easily discover and enrich it, is central to Web 2.0 sites like MySpace, YouTube, Digg, and Flickr. But this is still just another aspect in the way that we, ourselves, have changed the way we use the Web. Not only have we gained 950 million new internet users in the last ten years, but a great many of them use the internet *differently* now too, with a hundred million of them or more directly shaping the Web by building their own places on the Web with blogs and spaces, or by contributing content of virtually infinite variety. Because much of this Web 2.0 phenomenon comes from mass innovation flowing in from the edge of our networks; that's millions of people blogging, hundreds of thousands more producing video

and audio, hundreds of Web 2.0 startups creating hugely addictive social experiences,<sup>58</sup> sites that aggregate all the contributed content that one billion internet users can create and more. That is a qualitative difference in thinking manifested.

Thus, power and control is shifting to the new creators. As the users of the Web produce the vast majority of content (and soon, even software), they are therefore in control of it and their best thinking shapes it. This shift of control has enormous long-term consequences since the internet tends to route right around whatever central controls try to be applied. The implications for traditional organisations are a tectonic shift in behavioural and thinking patterns and will only multiply as the MySpace generation heads into the workplace in large numbers.

At its most basic, what does webovolution mean for you overtly?

Well, here is the elevator pitch:

"So what do I get out of this Web 2.0?", you ask. The advantages of using the Web as a platform is that the services become more social and collaborative, and geographic boundaries are blown away. A lot of the content is actually created by users. For example all of the reviews and ratings entered into Netflix by its users help make it easier to find and filter the thousands of DVDs that are available on its website. Another advantage of using the Web as a platform is that services can be built using data and code from other services. For example Housing Maps is a 'mash-up' of Google Maps and real estate listings from Craigslist. So Web 2.0 provides services that people can contribute to as well as mix and match.<sup>59</sup> It is DJ culture translated into online thinking and behaviour. One informs the other, and the other informs the one.

Your business brains compatibility with the Web's evolving online/ offline business models depends on your willingness to upgrade your mental bandwidth to accommodate for this change in zeitgeist.

While the innovations and practices of Web 2.0 will continue to develop, they are not the final step in the evolution of the Web. Web 2.0 is not the future of the Web. 3.0 is.


So, just when you thought you had a grasp of the 2.0 world we are living in, I am whacking you on the side of the head with this 3.0 concept. It's been called the 'Semantic Web' the 'Intelligent Web', 'The More Intelligent Web', and the 'Even More Revolutionary Web' and the good news is that it is just around the corner. Because just as India becomes the largest English-speaking country in the world by 2010, so does 2010 connote the official beginning of the third decade of the Web - Web 3.0. The bad news is that it is in fact already here.

The threshold to the third-generation Web was initially crossed in 2007. At this juncture the focus of innovation started shifting back from front-end improvements, towards back-end infrastructure level upgrades to the Web. This cycle will continue for five to ten years, and will result in making the Web more connected, more open, and more intelligent.<sup>60</sup> Hmmm, the web as intelligent - sounds like it may be becoming more human...

<u>WEB 1.0</u>	<u>WEB 2.0</u>	<u>WEB 3.0</u>
1990-2000	2000 - 2010	2010 - 2020
1st Generation	2nd Generation	3rd Generation
read-only	read-write	read-write-execute

### *Web 3.0 decoded*

The 'read-only Web' (1.0) describes most of the websites out there, in that their main purpose is still to serve information to a user. Even though many websites have incredibly slick user interfaces, for the most part they still just deliver information. There are a lot of 'read-write' (2.0) websites out there that allow users to post content (like a blog or forum), comment to each other, tag web pages through social media, and share web content with one another. And then there are the 'read-write-execute' (3.0) sites that provide web services, allowing for programmatic interaction with the website and the service that they offer. Flickr and Google Maps are great examples of this idea, where you can use their



"The Web  
reflects the  
best of human  
thinking and  
encompasses  
the present  
*zeitgeist*."

website if you like, but they also provide an **API** that lets users interact with the services via other applications.

**application programming interface**

['ɒplə'keɪʃən  
'pru:ɒ'grəʊmɪŋ 'ɪn(t)  
ər'feɪs]

(abbr.: **API**)  
noun Computing  
a system of tools  
and resources in an  
operating system,  
enabling developers  
to create software  
applications.

Web 3.0 is one of the terms used to describe the evolutionary stage of the Web that follows Web 2.0. Given that technical and social possibilities identified in this latter term are yet to be fully realised the nature of defining Web 3.0 is highly speculative as is any discussion about a futuristic endeavour. Views on the next stage of the webolution vary greatly, from the concept of emerging technologies such as the Semantic Web transforming the way the Web is used, and leading to new possibilities in artificial intelligence; to the observation that increases in internet connection speeds, modular web applications, and advances in computer graphics will play the key role in the evolution of the World Wide Web.

Web 3.0, a phrase coined by John Markoff of the New York Times in 2006, refers to a supposed third generation of Internet-based services that collectively comprise what might be called 'the intelligent Web': such as those using semantic web, microformats, natural language search, data-mining, machine learning, recommendation agents, and artificial intelligence technologies – which emphasise machine-facilitated understanding of information in order to provide a more productive and intuitive user experience.

Technology visionary Nova Spivack defines Web 3.0 as the third decade of the Web (2010–2020) during which he suggests several major complementary technology trends will reach new levels of maturity simultaneously including:<sup>61</sup>

- \* transformation of the Web from a network of separately siloed applications and content repositories to a more seamless and interoperable whole;
- \* ubiquitous connectivity, broadband adoption, mobile internet access and mobile devices;
- \* network computing, software-as-a-service business models (see Salesforce.com), P2P, Web services interoperability, distributed computing, grid computing and cloud computing server farms (such as Amazon S3);

- \* open technologies, open data formats, open source software platforms and open data (e.g. Creative Commons, Open Data License);
- \* intelligent applications, natural language processing, machine learning, machine reasoning, autonomous agents.

The key thing to mention here is that many of these technologies are already in existence. Not only is the technological infrastructure being built to accommodate these, but simultaneously, just like the switch between 1.0 and 2.0, new thinking versions are emanating to support the new business models. Web 3.0 has also been used to describe an evolutionary path for the Web that leads to artificial intelligence that can reason about the Web in a quasi-human fashion. Some skeptics regard this as an unobtainable vision.

However, companies such as IBM and Google are implementing new technologies that are yielding surprising information, such as making predictions of hit songs from mining information on college music websites. There is also debate over whether the driving force behind Web 3.0 will be intelligent systems, or whether intelligence will emerge in a more organic fashion, from systems of intelligent people, such as via collaborative filtering services like del.icio.us, Flickr and Digg that extract meaning and order from the existing Web and how people interact with it. Related to the artificial intelligence direction, Web 3.0 could be the realisation and extension of the Semantic web concept. Academic research is being conducted to develop software for reasoning, based on description logic and intelligent agents, for example, the World Wide Mind project. Such applications can perform logical reasoning operations using sets of rules that express logical relationships between concepts and data on the Web.

Pfui, how is your brain keeping up?

The founder of Yahoo, Jerry Yang has the following to say about this era of thinking:

*Web 2.0 is well documented and talked about. The power of the Net reached a critical mass, with capabilities that can be done on a network level. We are also seeing richer devices over the last four years and richer ways of interacting with the network, not only in hardware like game consoles and mobile devices, but also in the software*

*layer. You don't have to be a computer scientist to create a program. We are seeing that manifest in Web 2.0, and 3.0 will be a great extension of that, a true communal medium ... the distinction between professional, semi-professional and consumers will get blurred, creating a network effect of business and applications.*

Let me give you a more concrete example of what I believe Web 3.0 already looks like.

We may begin with an easy arithmetic formula  $1.0 + 2.0 = 3.0$ . I believe that the future of the internet, and hence the world we are living in, rests in the combination, connection and synthesis of the best of the best that has come before it. The reason Web 3.0 can see so far ahead is literally that it stands on the shoulders of the gigantic landmarks achieved by Web 1.0 and Web 2.0. It's kind of like that scene in *The Matrix* when Keanu Reeves is asked which pill to take, the blue one or the red one? The 3.0 version would be to take the best of both.

We can already see the merging of the traditional media expertise of Web 1.0 media with the user-generated democracy of Web 2.0. The next webolution will not be another extreme, a black or white, a right or wrong, dictatorship versus democracy- it is a hybrid. It is manifested by the deal that was announced in 2008 between Bertelsmann and Wikipedia. Bertelsmann is of course, the quintessential authoritative media company. The German - owned international empire of publishing houses (Random House), record labels (BMG), magazine publishers (Gruner & Jahr) and broadcasting companies (RTL Group). In contrast, the user-generated information website Wikipedia, with its absence of central authorities, controls or formal editors, is the anti-Bertelsmann media company. Yet these two giants have come together to create the Lexical Yearbook, a more concrete example than the esoteric Semantic Web. I believe this is the real commercial future of the Internet.  $Web\ 1.0 + Web\ 2.0 = Web\ 3.0$ . The future, then, is a mash-up of Bertelsmann and Wikipedia. Everybody wins. With a bit of 'Ordnung und Disziplin', the Germans are able to monetise an innovative, open source American info-hub.

## Publication

of 50,000 of Wikipedia's most frequently searched keywords in a physical book. Subsidiary Wissen Media calls the project a "lexical yearbook" because the topics are much more up-to-date than in classical encyclopaedias.

<u>WEB 1.0</u>	<u>WEB 2.0</u>	<u>WEB 3.0</u>
Online Encyclopedia	Wikipedia	Wiki + Bertelsmann

The same goes for your thinking versions as you will see in chapter IV.

This 3.0 idea is already spreading to other industries like telecomm (Microsoft's Connected Services Sandbox), travel (Travature), government (Wikicrime), media (Radiocloud) and customer relationship management (Faceforce which integrates Salesforce.com with Facebook). Faceforce is perhaps the best example of the blurring that Jerry Yang spoke of, the personalisation of business and hybridisation of our lives. I believe this ability to combine the best of 1.0 Thinking and 2.0 Thinking will position your business brains uniquely in a 2.0 present and 3.0 future.

Business models/brains that are compatible with the predominant zeitgeist of the web are the ones that will succeed. The ability to upgrade the thinking behind those models and make the thinking compatible determines both individual and organisational success at every stage of webolution.



**Think This**

Webolution mimicks and impacts the best human thinking versions - in what ways are you in/compatible?

**Do This**

Sign up for some web 2.0 tools like Facebook, MySpace, and Twitter and start using them. Integrate 1.0 + 2.0 tools to create 3.0 tools like Faceforce.

**Visit This**

[www.webscience.org](http://www.webscience.org) - The Webscience Research Initiative.

**Question**

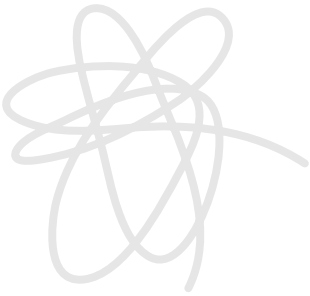
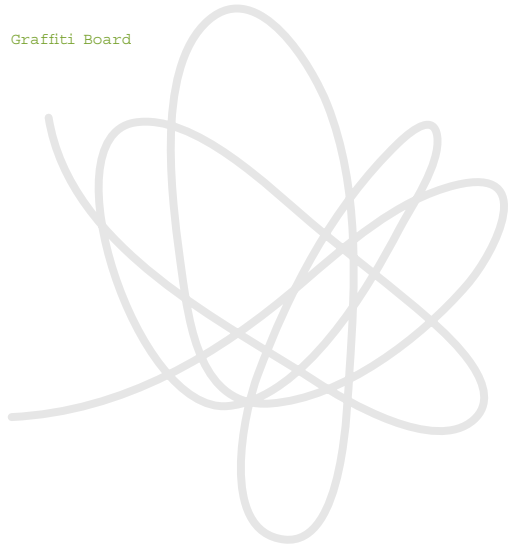
1. In what ways could you be interacting with the web every day that could boost your business brains?

Thought Space:

Mental Graffiti Board



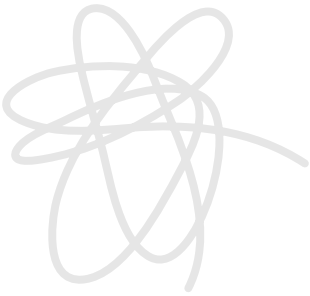
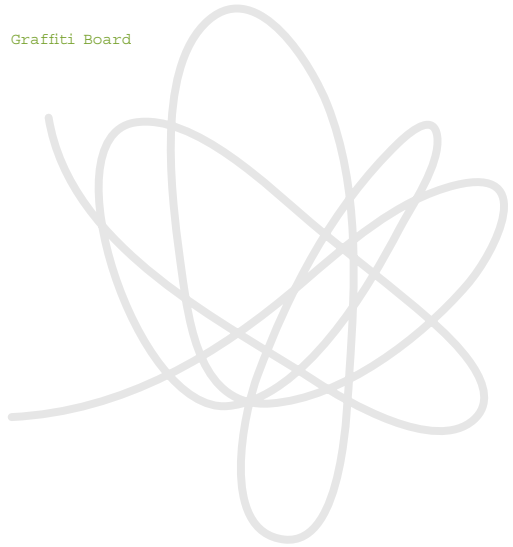
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'A foolish consistency  
is the hobgoblin of  
little minds.'

Ralph Waldo Emerson



## Chapter III Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

<b>WEB 1.0</b>	<b>WEB 2.0</b>	<b>WEB 3.0</b>	<b>Metaphor</b> The internet is a global brain and the human brain is like the internet.
<b>DEFUNCT</b>	<b>DYS/FUNCTIONAL</b>	<b>FUNKY</b>	
<b>1990-00</b>	<b>2000-10</b>	<b>2010-20</b>	
<b>THINKING 1.0</b>	<b>THINKING 2.0</b>	<b>THINKING 3.0</b>	

**Statement:** The internet is a brain.

**Explanation:** To understand the interaction between your business brain and the predominant version of webolution, you need to understand the spec sheets and similarities of both. This will enable you to tweak your thinking to ensure that your thinking is compatible with the 2.0 era, and is able to flexibly navigate the ensuing 3.0 era. Like any new media, the internet impacts not only what we think, but how we think, and the questions is whether you are consciously choosing how you engage with it. Are you choosing change or is it choosing you?

<b>Main sources</b>  <i>Harvard Business Review</i>  <i>Time Magazine</i>  <i>Buyology by Lindstrom</i>  <i>'Is Google Making Us Stupid' by Nicholas Carr</i>  <i>'The New Map of the Brain' by Jeffrey Kluger</i>	<b>Main Case Studies</b>  Dr John Medina  Jeff Stibel	<b>Main Design Inspiration</b>  Neuro-science  TED  A Whole New Mind by Daniel Pink  fMRI scans  Neuro-marketing  Marshall McLuhan
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Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter III

### **The Web: a new metaphor for the brain.**

JFK is wrong. He may have been right when he said '*Man is still the most extraordinary computer of all*'. That was then. Now is now. The future is the future, and the metaphor has changed. Our brains are no longer like computers. James Watson, who won the Nobel Prize for helping to discover DNA described the human brain as '*the most complex thing we have yet discovered in our universe*'.<sup>63</sup> It is not unlike another complex thing we are just beginning to understand. The metaphor has changed.

In fact, your brain is like the internet. And the internet is like your brain. We are effecting monumental and technological changes in the web's evolution, and equally it is physically changing the way we think. Online thinking has never been more closely linked to offline thinking, and online behaviour has never been more closely linked with offline behaviour: with implications for business, psychology, and education and every other field of human endeavour that relies on thinking. The lines between digital and analogue, virtual and real, tangible and intangible are blurring.

It may sound ridiculous, but the internet *is* a brain. Yes, I know, it's not *really* a brain. The internet informs our own brain functioning, and our own brain functioning informs the internet. This insight is going to change the world as we know it, and it will funky up the way we think about thought and the way we think about ourselves. The brain has more neurons than there are stars in the galaxy.<sup>64</sup> Its hardware is a complex network of neurons; its software a complex network of memories.<sup>65</sup> The same goes for the internet, it is a network. Its hardware is a complex network of computers; its software a complex network of websites. In reality the internet is a bit more clunky, slower and smaller than the average brain but the fundamental structure is roughly the same. But at the rate of current webolution the question is whether your brain is upgrading as quickly as we have been moving from Web 1.0 to Web 2.0 to Web 3.0 territory.

Even at a first glance, it is interesting to note that the 'spec sheet' of the current Web compares with the capacity

of the human brain in 2008. Its 55 trillion links are almost the same number as the number of synapses in your brain, the 1 quintillion transistors equal the number of neurons in your brain, and the 255 exabytes of memory is similar to what most of us would have if it weren't for the yearly Oktoberfest. The Web works in similar ways to how your brain works, only your brain is not doubling in power every 2 years. This collaborative machine that we have created currently equals 1 human brain in its power and complexity, but if we look at the rate of increase and interconnectedness in 30 years from now we will have 6 billion human brains, the same number of human brains currently living on the planet.<sup>66</sup> By 2040 the total processing power of this machine will exceed that of the collective human brain trust. Is your thinking compatible with the Web 2.0 world we are living in, and more importantly is it compatible with the 3.0 world we are entering now? Is your brain speaking the same language as the zeitgeist of the global brain?

Just like you have synaptic connections so the internet is heavily linked. With hyperlinking the structural foundation of the Web, in a Web 2.0 world users add new content, and new sites, further embedding hyperlinking as the essential component of the Web by other users discovering the content and linking to it.<sup>67</sup> Much as synapses form in the brain, with associations becoming stronger through repetition or intensity, the web of connections grows organically as an output of the collective activity of all web users. Sites like del.icio.us and Flickr have pioneered a concept called 'folksonomy', a style of collaborative categorisation of sites using a form of mental graffiti called tags (not unlike what you'll see on the subway but without the negative connotations). Tagging allows for the kind of multiple, overlapping associations that the brain itself uses, rather than rigid categories. For example a photo of a puppy might be tagged both 'puppy' and 'cute', allowing for practical retrieval along natural axes generated by user activity.

Peter Russell, author of 'The Global Brain', made this observation as early as 1982:

*Billions of messages continually shuttling back and forth in an ever-growing web of communication, link billions of minds together into a single global brain. And although*

*this network may not yet be as complex as the network of cells in our own brain, if our development continues to accelerate, there is every reason to suppose that the global brain's complexity will parallel that of the human brain.*

In the same vein, Louis Rossetto, founder of *Wired* magazine said that:

*...digital technology and networks are part of the evolution not just of the human species, but of the planet itself. The planet is going to be networked, and a billion brains are going to be connected together, and that will have a profound impact on humans, and on the planet - unlike any that we have seen before.*

In this sense the Web may well reflect the best of human thinking, its interactivity the most sophisticated in human communications, its virtual frontiers a mirror of the sum total of human imagination, its hyperlinks the compounding synaptic connections of a child curiously exploring the world around it.

Next time you are surfing on Google you may notice that there is more similarity amongst search engines and how memories are stored and retrieved in the brain than in the underlying computer architecture. When you're dancing around on various websites think memes and experiences - not hypertext. When you next check out a band on MySpace or update your Facebook account you will see social networks that are developing the way neural networks develop, a way that is different from Metcalfe's Law of networks which is based on more one-dimensional 1.0 thinking. According to Jeff Stibel, neuroscientist and CEO of Nasdaq-listed Web.com, when you observe the internet computing clouds' applications like Amazon, Google and Salesforce.com, you may actually be observing the beginnings of a parallel processing machine (more right-brained) that has the ability to go beyond brute calculations, and into more loopy, creative thinking territory. Stibel argues that the internet today is a growing replica of the brain.<sup>68</sup> He may be right, but the question is one of chicken and egg - are we effecting changes in the internet or is it effecting changes in us? I think it is a two-way street and to position your business brains successfully in this

weird, whacky and wild future, you need to make sure that your thinking software is compatible with each stage of webolution.

Every mobile, iPhone and digital camera have become portals to this connected brain. Everything will eventually become part of the Web. This is already the case with the machine seeing through the pixels of the human experience - whether it is through uploads to pages like Flickr, Facebook or Myspace - the portal opens both ways. In this sense, we are the Web, and the Web is us. To be compatible with the business models of the future, to navigate the political landscapes of the future, and to position your brain to maximise your returns you need to make sure you upgrade your thinking version to be compatible with the development of the global brain. In fact the challenge for us all in the next year should be to introduce an upgraded version of our brains. Just like luxury retail margins are 40-50% higher and luxury manufacturers enjoy elevated margins of 60-70%: by upgrading your thinking version you will command a premium in the market place.

This is the steamy salsa between human brain and global brain. Before we engage in the counter-intuitive exercise of categorising and translating the evolutionary concepts of webolution to your own thinking, let me explore with you why webolution is so crucial to our own human thinking upgrades. An essential part of Web 2.0 is harnessing collective intelligence, which is turning the web into a kind of global brain. In this brain the blogosphere can be seen as the equivalent of the constant mental chatter in the forebrain, the voice we all hear in our heads.<sup>69</sup> It may not reflect the deep structure of the brain, which is often unconscious, but is instead the equivalent of conscious thought. As a reflection of conscious thought, blogs are a powerful mirror of our thinking. Which is why the Chinese government imposes heavy censorship on its citizens' blogging, in a sense imposing boundary conditions on the thinking capacity of the global brain. It seems like the thought police are aware of the blogospheric mirroring of people's thoughts. Even so, in China blogging has been credited with removing Starbucks from the Forbidden City. So the constant mental chatter of the global brain is shifting, changing and re-aligning not only the virtual world, but also the physical world.

The net is becoming a universal medium, the conduit of most of the information that flows through my eyes and ears into my mind every day. If I think back to 2008, this is what my typical day looked like. It begins with groggy-eyed searching for my iPhone which downloads my European and North American 'night-emails' via my wifi connection while I go back to snooze. Onward to breakfast and an espresso in front of my iMac checking Swedish and European soccer scores, a quick, and sometimes procrastinating glance at Facebook, before an offline shower that is frequently interrupted by my VoIP phone. On a quiet day away from the conference and training circuit I might then record a vlog-movie that is uploaded to the blog, upload some stage photos to Facebook, and record my back-brain mental chatter on my iPhone's note section for easy retrieval. This is how many of the ideas for this manifesto were captured. While I am constantly looking at the screen I sometimes wonder who is on the other side? Am I looking out, or is it looking in? Very Orwellian!

As the media theorist Marshall McLuhan commented in the 1960s, media, like the global brain that is the internet today, are not just passive channels of information. They supply the stuff of thought, but they also shape the process of thought, and as we adapt to the new screens we are interacting with, so our thinking is changing. This may explain many teachers' frustrations with children these days, as Gen Ys and Zs cannot seem to concentrate on any one thing for very long. Could this have anything to do with how kids today, or adults for that matter, consume information? Scott Karp, a modern media commentator recently posited the question regarding his *staccato/hyperlinked* style of thinking: *'what if I do all my reading on the web not so much because the way I read has changed, ie. I am just seeking convenience, but because the way I think has changed?'* Are our brains' information appetites on a new diet? Are we unconsciously upgrading our thinking to be compatible with the new world? Is the Web changing the way we think?

A recent study from the University College London, suggests it may well be. Their research showed an entirely new mental diet in the way we read and think because of the way we interact with the global brain that is the internet. They found that people using the sites of the British Library and a UK educational consortium exhibited 'a form of skimming activity', hopping from one source to another and rarely



**"The internet  
is a brain."**

returning to any source they'd already visited.<sup>70</sup> That is the mental equivalent to you just flicking back to endnote 70 to check the hyperlinked reference I attached in the preceding sentence. While we may well be reading more now than in the 1960s and 1970s when the medium of choice was TV, we are now engaging in a new form of reading, and associated with this shift is a new form of thinking.<sup>71</sup> We are how we read. The style of reading promoted by the web with all its hyperlinks is a style that puts efficiency and immediacy above all else, and it may be weakening our capacity for the kind of deep reading that emerged when the printing press made long and complex works of prose like 'War and Peace' commonplace.<sup>72</sup> When we read online, we may in fact become 'mere decoders of information'.<sup>73</sup> Even Nietzsche, whose works of prose significantly changed when he started using a typewriter instead of using ink and feather, agrees - 'our writing equipment takes part in the forming of our thoughts'.<sup>74</sup>

So whether you like it or not, *webolution is* having an effect on your thinking. The question is whether you are consciously choosing your style of thinking or whether the web is simply taking you along for a mental ride. Change doesn't care whether you like it.

Some commentators worry about this development. I think the quality of engagement that the Web enables compared to previous screens we have interacted with far outweighs the negatives that authors like Doris Lessing and other Jeremiahs espouse. Deep reading may be indistinguishable from deep thinking,<sup>75</sup> yet fast thinking is distinguishable from slow thinking. Thinking that is compatible with our new age may be a scarce and valuable commodity in this whacky world. In my mind, it is not an *either/or* as to whether we digest information on the web versus books, but an *and/also*, a third way, by which we publish our thoughts, interact cross-culturally, and engage inter-disciplinarily. This is why we need to upgrade and transcend both the *exclusively* analogue and *exclusively* digital. Instead think *digilogue*.

And as we use what sociologist Daniel Bell has called our '*intellectual technologies*': the tools that extend our mental rather than our physical capacities ie. our brains, we inevitably begin to take on the qualities of those technologies, in this instance the Web. For example, the mechanical clock



which gained critical mass in the 14th century disassociated time from human events and helped create the belief in an independent world of mathematically measurable sequences. The clock's methodical ticking helped bring into being the scientific mind and the scientific man just like Descartes would have wanted.<sup>76</sup> People began to think of their brains metaphorically as operating 'as clockwork' (even though some people's brains are still more like Bangkok fakes), and in the age of information we began to think of them as operating 'like computers',<sup>77</sup> or perhaps even more accurate still now - as the Web. But the changes, neuroscience tells us, go much deeper than metaphor. Thanks to our brain's plasticity, the adaptation occurs also at a biological level. Never before has a communications system played so many roles in our lives, or exerted such broad influence over our thoughts, as the internet today. Yet, we are still in the early stages of exploring just how the internet is re-programming us. The question is whether you are choosing your rewiring or is the Web rewiring you?

If we look inside to our own brain trust for a moment we should realise that trying to map the brain has always been a foolish cartographical activity. Most of the other parts of the human body reveal their nature and their function at first glance. For example the heart is self-evidently a pump; the kidneys a filter. However, we have lacked a suitable metaphor or framework for understanding the brain.<sup>78</sup> In fact as the co-discoverer of DNA Francis Crick said - *'what is conspicuously lacking is a broad framework of ideas in which to interpret different approaches to the study of brains'*. We don't even know how to begin to think about our brains (until now).<sup>79</sup> You have two lungs, you have a heart. You are your brain. Yet mapping the brain has been the mental equivalent of MC Escher's lithograph of two hands drawing one another.<sup>80</sup> So maybe, the thinking goes, if you can figure out a metaphor for how the internet works then you can grasp your own mind. Or, put more scientifically, these findings of basic principles of brain function suggest 'that the underlying properties can be understood using the theoretical framework already advanced in the study of other, disparate, networks'.<sup>81</sup> The Web may hold the key to understanding our own brains, and webolution may provide the framework to explore what kind of thinking version is compatible not just in a Web 2.0 world, but also the Web 3.0 era that we are entering.

Your brain is like the internet. And the internet is like your brain. To be in tune with the present Web 2.0 and the evolving 3.0 world you need to make sure you upgrade from Thinking 1.0 to 2.0 to 3.0. We are living in a 2.0 world at the moment and entering 3.0 quickly. If you're stuck in Thinking 1.0, your thinking may well be incompatible with the current global brain, you may be limiting your connection speed, and confining your mental bandwidth. The people and businesses that are successful and *will be* successful are those that consciously upgrade their thinking to be compatible with the webvolving world we are living in.

**Think This**

To be successful your business brains need to be compatible with the latest Web version.

**Do This**

Upgrade your thinking.

**Visit This**

[www.thinque.com.au/blog](http://www.thinque.com.au/blog) and contribute your ideas on webolution and its relationship with thinking.

Question

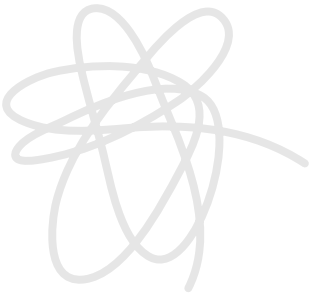
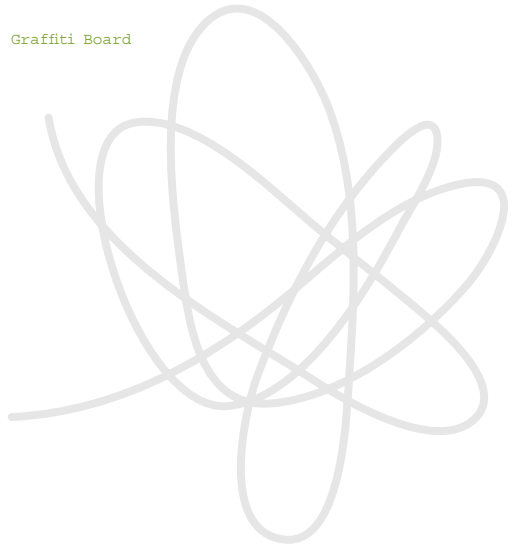
1. How is the Web's thinking impacting you today?

Thought Space:

Mental Graffiti Board



Mental Graffiti Board

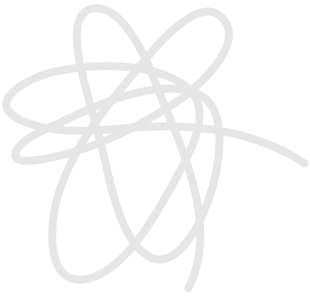
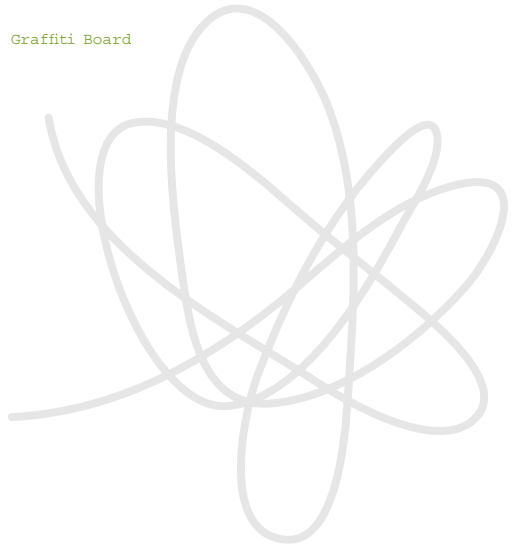


Mental Graffiti Board





Mental Graffiti Board



'The test of a first-rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function.'

F Scott Fitzgerald

## Chapter IV Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> The Thinqe Funky Model is like a GPS. It is a triangulation device which calculates your position in relation to two landmarks, and gives you flexible directions to navigate a constantly changing landscape.
DEFUNCT	DYS/FUNCTIONAL	FUNKY	
1990-2000	2000-2010	2010-2020	
WEB 1.0	WEB 2.0	WEB 3.0	

**Statement:** Upgrade your brain.

**Explanation:** It used to suffice to have a map, stars or a compass to navigate by, but when the landscape is constantly shifting, you need to upgrade the equipment with which you navigate. A GPS is the perfect device for today's environment because it gives you the flexibility to take a left turn, a right turn or a u-turn in order to reach your required destination, even if it means occasionally recalculating your route and taking a side street to get there. Use the Thinqe Funky Model to identify your thinking version and how to position it successfully.

### Main sources

*360 footnotes,  
20 years of  
reading, a child-  
like mind, the  
shoulders of  
giants who have  
come before,  
smart clients, and  
inspirational peers*

### Main Case Studies

Jeff Hawkins  
Kevin Kelly

### Main Design Inspiration

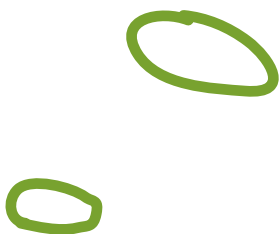
TED's themes  
Webolution  
Charles Darwin  
Software Industry

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter IV

### The Thinqe Funky Model - a GPS for your brain

Thinkers who explore opposing ideas to construct a new solution enjoy a built-in advantage over thinkers who can consider only one model at a time. In essence, the Thinqe Funky Model is 3 models and one model. On the opposite diagram the top three lines give you a sense of what, when, and how we may think of a particular thinking era. The remaining lines correspond to a particular theme, and within each theme an evolutionary metaphor maps the progress from 1.0 to 2.0 to 3.0 Thinking.



<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust
global issues	polarised	unilateral	third way
intellectual capital	IQ	EQ	FQ

## Upgrade Your Brain

A framework, theory, model or metaphor can often be the first step to codifying the thinking around a particular phenomenon, set of data or trends. Just as we were unable to properly consider and understand major milestones in our world history such as the Copernican revolution, Darwinian evolution or tectonic plates until a suitable framework was provided in which to place the evidence, so we have not yet had an easy framework which allows us to understand what thinking versions are suitable for the webvolving, whacky world we are living in. Even though neuro-scientists like Jeff Hawkins believe that computer design and human brains are intimately connected,<sup>82</sup> and thought leaders like Kevin Kelly assert that the internet is replicating the human brain, I am not claiming to put forward a Copernican claim around a thinking upgrade. What I am offering is a designed framework, a model and a metaphor to help you easily determine whether your own business brains, your thinking version, is compatible with the world we are living in, and most importantly the one that we are entering into. I am suggesting that we can liken the evolution in our thinking to a series of progressing versions much like the Web has evolved from Web 1.0, to Web 2.0, and is heading into to Web 3.0 territory. This model is predicated on the belief that webolution is driven by the most innovative human thinkers, that your brain is like the internet, and that the internet is in fact a global brain (see chapter III). Is your thinking software compatible?

The world isn't binary. In fact, in anthropology there is a phenomenon called trialectic logic which says that nothing can fully be described in binary terms as; an either/or, black/or white, right/or wrong. This trialectic thinking underpins the design of the Thinque Funky Model. While the model indicates a progression and elevation of thinking, it is perhaps best thought of as an evolution of development in human thinking versions, as each new incarnation respects and includes the best aspects of previous versions. In the same vein, Web 2.0 has avoided iconoclastically smashing all Web 1.0 applications, and instead integrated and built on the solid and good foundations of Web 1.0. To give you a business case study application of this thinking, Isadore Sharp founder of 4 Seasons Hotels, longed to create a combination of the

'best of a small hotel and a large hotel',<sup>83</sup> thereby creating one of the most successful hotels in the world. In this sense, Thinking 3.0 is a more adaptive version of thinking than 2.0 because it actually draws on the best of 1.0 and 2.0. It's a bit like having the latest browser version, yet you can still view old and new web pages.

Let us debunk the old chestnut that there are only two kinds of people in the world: those who believe that everything can be divided into two categories - and the rest of us. For example, we cannot fully explore our thinking, and themes of our lives, without considering the third alternative. For instance, *'logic without emotion is a chilly, Spock-like existence. Emotion without logic is a weepy, hysterical world where the clocks are never right and the buses always late. In the end, yin always needs yang'*,<sup>84</sup> *power needs to be balanced by force*. While this sense of balance seems to indicate that we are still having a binary conversation, you may have missed the words 'without', 'needs', and 'to be balanced by'. Until we see the relationship between the two, the tension of 1.0 and 2.0 polarity and the grey-zone, we will always underthink in this whacky world.

The habit of underperforming thinking that gets punished by new versions of webolution/zeitgeist.

<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
web 1.0	web 2.0	web 3.0
defunct	dys/functional	funky
1990-2000	2000-2010	2010-2020

A GPS, just like trialectic logic in anthropology, is a triangulation device that gives you your position *in relation* to landmarks around you, for the purposes of you reaching your destination. In this sense we can think of the 1.0, and 2.0 columns (see model) as practical landmarks that identify where you and your business are at or have been on your journey, and use the Thinqe Funky Model to navigate the business landscape of the future. It is designed, just like a GPS, to give you the flexibility in thought and direction to occasionally re-calculate your route, take a side street,

backstreet or even make a u-turn to get back on track to the thinking version that enables you to thrive in this whacky world we are living in. London buses now use GPS advertising with LED panels that show messages matching the bus' geographical position. Intelligent buses are a great example of how to think of the Thingque Funky Model: as a GPS to navigate the landscape and position your intellectual capital flexibly so that your positioning engages with your audience.

Any categorisation is an exercise in simple design (not simplicity). Just like Linnaeus' natural classification fails to properly categorise evolutionary misfits like the Australian echidna and platypus, this GPS cannot be thought of rigidly as a black or white (even though paradoxically it is black and white), binary model (that is why there are three columns). We know from previous chapters that there is still controversy surrounding the discussion of what exactly constitutes Web 1.0 and Web 2.0, particularly in the face of the emergence of Web 3.0. We discussed then that one way to think about the webolution is as web 1.0 as 1990-2000, Web 2.0 as 2000-2010, and Web 3.0 as 2010-2020.

<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
web 1.0	web 2.0	web 3.0
defunct	dys/functional	funky
1990-2000	2000-2010	2010-2020

The model is osmotic, which means that just like water which is essential for brain functioning ideas, concepts and memes can flow through the cell walls of the different columns in a blended fashion. To claim otherwise would be counter-Darwinian of me. The columns do indicate with a high degree of accuracy which thinking version is compatible with which era. As you can see in the model above, Thinking 3.0 is compatible with Web 3.0, as well as Web 1.0 and 2.0, it is funky rather than defunct, oriented towards the future, not the past.



The way to use it is to ask yourself the question (which is also prompted at the end of each chapter) as to whether your thinking is 1.0, 2.0, or 3.0 and thus compatible with the present and future. If yes, awesome. Are you maximising your position and how are you communicating your position? If no, keep getting inspired by examples of upgrades in each thematic chapter.

The structure of the Thinqe Funky GPS corresponds loosely to the thematic design of the TED Conference ([www.ted.com](http://www.ted.com)) with which I have had a secret love affair since 2005. The research for this book is really an attempted mapping project of the entire gene-pool of thought represented by TEDizens and other global thought leaders, so if you'd like to find further concrete examples and case studies, visit the corresponding theme links on Ted.com or on Thinqefunky.com where we also stream these videos.

To help you program your GPS and give you the correct readings, we will move through the model step by step in this chapter by way of introduction, and in detail in the following chapters. This will allow you to fully and easily understand its application areas in the context of your life, the model's dynamic and how to apply it to your own way of thinking. Most importantly you will learn how to use it in order to maximise your Return on Thinking in our whacky world.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0

*Technology*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
technology	analogue	digital	digilogue

Automobile technology is now highly digitised. Cars used to be very analogue with manual gear shifts, clutches, dials for the radio, locks that needed a key, and window-winders. Now we are driving highly digitised cars with automatic gear shifts, no clutch, buttons for the radio or wireless transmission from your iPod, wireless locks, and digital window-elevators. Yet the crucial piece is still analogue - the steering wheel. Automobile technology is therefore digilogue.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue

**Entertainment**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
entertainment	property	free	creative commons

We are living in exponential times. It took cinema 38 years to reach a market audience of 50 million, the TV 13 years, and the internet 4 years.<sup>85</sup> More than 230,000 members signed up to MySpace - today.<sup>86</sup> The screens we are interacting with are changing, and so is our entertainment. We used to passively sit in front of a TV to be entertained as a family unit, then we started to be individually entertained by computer games and the internet via our PC. Now entertainment is mobile, with high definition videos, music downloads, and computer games all in one converged device. This mobile device is our window to the wider world, but is also a window for others who want to experience our world. Entertainment has gone from *one-to-community*, to *one-to-one*, to *community-to-community*. We take entertainment with us wherever we are and we expect it at our fingertips or just a quick download away. This entertainment omnipresence is changing our notions and perceptions of what ought to be available; with piracy, Bit Torrents and new business models challenging the old structures of the entertaining arts industries.

Today's entertainment is more stimulating and challenging for the brain than ever before. This debunks the old notion that television and computer games are mind-numbing. In fact, our cultural DNA is becoming more cognitively demanding, not less. The development of more intelligent televised and web-streamed dramas, such as the multi-layered and complex plot development of *The Sopranos*, *Lost*, *24* and *Dexter* is more intellectually engaging viewing than the one-note entertainment of old. As a *Lost* fan I agree. It is a thrilling show that throws my head into a spin, switches me between the future, past and present and gives me a whack on the side of the head. To stay in tune with the show you have to pay attention, make inferences, and track shifting social relationships. The most debased forms of mass diversion - violent dramas turn out to be nutritional after all.<sup>87</sup>

Entertainment is important for our brains. This is why in developing countries, governments such as that of Burkina Faso where literacy rates sit at 12.8%, are embracing infotainment to ensure their messages reach people in an accessible way. The soap opera *Le Nouveau Royaume d'Abou* deals with real issues of family, religion and relationships. Puppeteering à la *The Muppets* is used for education in Africa, and in the west Comics are utilised to communicate the intricacies of Physics. In other parts of the world, *ElectroPlankton* is a hit music-making application that allows players to create tunes by directing tiny jumpy fish, and the left-brained professions are not far behind with *Phoenix Wright: Ace Attorney*, a courtroom video game drama and *Trauma Centre: Under the Knife*, the medical equivalent. *Escape from ObeezCity* is a game which teaches children about the dangers of obesity, and *Stagecoach Island* a game from Wells Fargo is aimed to teach young people the importance of managing their finances.<sup>88</sup> So, if you want to upgrade your thinking, make sure you get entertained!

The question is what kind of 'legal' protectionism is preventing you and your children from accessing this information?

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons

**Business Design**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
business design	left-brained	right-brained	rewired

For much of the history of capitalism, left-brained thinking (logical, linear, sequential, mathematical) dominated the business world. Think double entry book-keeping, return on investment, bottom-line, and technical analysis. Web 2.0, the flipping of Maslow's Needs Hierarchy, computerisation and globalisation have upended the economic imperative though. In fact, the left-brain has become commoditised, digitised and outsourced because, the argument goes, it is more easily replicable than more right-brained thinking (creative, innovative, synthesising, empathic). Think of your designer toaster, toilet brush, or espresso cup. But, it is not the case that right-brainers will rule the future. As Stanford psychologist Robert Ornstein says, neither side of the brain can do the job without the other.<sup>89</sup> I don't believe it matters whether you are left-brained or right-brained, what does matter now and in the future is whether you can flexibly rewire and switch between both; know when one is required and not the other, and understand how to translate left-brained thinking expertise in right-brained language for a right-brained audience, and vice versa.

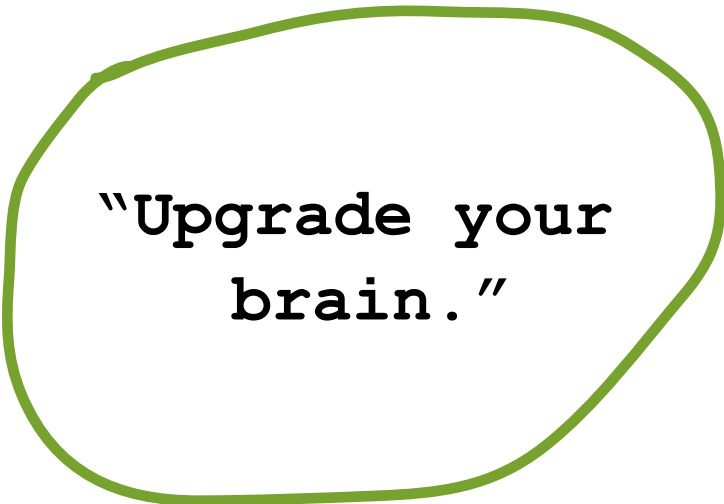
For example, my business Thinque is based on teaching funky (right-brained - media, advertising, innovation) companies to upgrade their thinking and boost their output and communications, and helping deep thinking (left-brained - financial services, professional services, IT) companies funky up their act and boost their innovative and creative output. For another example of business design think of CPA's successful 2008 'Think + Create' campaign with a photo of a mirror-imaged Caucasian male dressed alternatively in pinstripes/blackberry or funky shirt/shoulder bag/iPhone with the former tagged 'think' and the latter tagged 'create'. The ad reads '*across the globe, CPAs are taking a holistic approach to drive business success - one that balances logic plus vision, analysis plus innovation. This unique combination makes them a powerful addition to your business - thinkpluscreate.com*'.<sup>90</sup> When accountants get that they need to upgrade and reposition their left-brains, it is time for everybody to wake up to this thinking flexibility.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired

### Culture

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
culture	male	female	androgynous

Equally, organisational culture has had to evolve to stay ahead of trend. With the arrival of Gen X and Y in the workplace, organisational cultures have had to adapt to attract, engage and retain the best talent. Many evolved from the old school 1.0 model of paler, maler, staler into a more feminine and nurturing model focused on work-life balance, yoga classes and bean-bags. However, neither is actually sufficient. To recognise the multi-dimensional diversity in the workplace; ethnically, sexually, culturally, religiously, physically and gender-based, organisational cultures need to evolve to become androgynous in a Web 3.0 world of 'slashesies', boundary-crossers, transsexuals, emos, mum talent, and other individuals who crave to be treated uniquely. Flexible androgynous cultures are best equipped to facilitate the type of self-actualisation and tolerance that this funky flock require.



**"Upgrade your  
brain."**



<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous



*Generational Trends*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
generational trends	baby boomer	generation x	generation y

Different generations are defining the different eras of webolution. This does not mean that every Gen Yer is operating on 3.0 Thinking software, however each of these generations have interacted with and shaped the technology and the zeitgeist of the times. Once again, here is where the osmotic and evolutionary nature of this model becomes prevalent. Think for a moment of three of the main influencers of popular webolution: (1.0) Sir Tim Berners-Lee (b. 1955 - founding father of the World Wide Web), (2.0) Larry Page (b. 1973 - founder of Google) / Sergey Brin (b. 1973 - founder of Google), and (3.0) Mark Zuckerberg (b. 1984 - founder of Facebook). I believe that the generation that is most 'in the know' and 'in tune' with technological change at any given time is the bloodstream of change, and the generation whose thinking is most influential in defining the type of thinking, positioning and business models that will be successful in any particular era. This is why, when advising organisations, that I explain that Gen Y is not just a demographic, psychographic or astrological issue - they are a change management issue. Gen Y's thinking currently epitomises, personalises and represents the whacky world we are living in more than any other generation's thinking. They are the pulse of change in the world. So if you want to know what the future looks like, look no further than the behavioural and thinking patterns of Gen Y. And yes boomers and x'er readers, I will give you practical tips on how to upgrade your thinking so you can get inside the brains of this generation, and ensure that you too also oxygenate all your neurons.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y

## Business Design

### Innovation

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
innovation	closed	open	hybrid

Innovation used to happen in a lab and behind closed doors. In a sense innovation was reserved for the big players. Forward-looking innovator Thomas Edison said that his biggest achievement on the innovation front was establishing an open innovation environment as it enabled GE to come up with more innovations. Did you ever play the game as a child (or privately as adult perhaps?) of someone asking you what your one wish would be if you absolutely knew the wish would be granted? Personally, I always answered that I'd wish that all my life's wishes would come true. I think this is how Edison thought about his innovation space.

With the internet, Moore's Law and globalisation, the business landscape demands new and faster forms of innovation. As a response to the dotcom crash and our entry into the Web 2.0 world, innovation and RnD labs have changed their personas. Open sourced innovations like the operating system Linux emerged as a collaborative response to the perceived megalomaniac tendencies of companies like Microsoft, who had dominated the Operating System space to the cannibalising detriment of many smaller players. In the face of the negative enthusiasm on the part of VCs asked to back 'a new and better hardware than MSFT's Windows' the only form of response was the innovation equivalent to guerrilla warfare- open sourced collaboration. While open source is still in its infancy as a viable business model in many industries (biotech is arguably at the same point as Information Technology was ten years ago),<sup>91</sup> this style of thinking is being adopted with modification by forward-looking innovation companies like Procter & Gamble, Innocentive, Eli Lilly and IBM. Importantly the approach they are using is more 3.0 than 2.0 because they are employing hybridised versions of 1.0 Thinking and 2.0 Thinking, which has boosted their innovation success rate significantly and positively affected their RnD bottom lines.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid

## *Psychology and Happiness*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
psychology and happiness	disease model	positive psychology	holistic

What is the state of psychology in this whacky world? Not good enough, according to Dr Martin Seligman. For more than 60 years psychology worked within the 1.0 Disease Model. It was about spotting the looney and what was wrong with you. The upside of this model was that 14 disorders became treatable and it developed a science of mental illness. Psychology took fuzzy concepts and came up with a classification/taxonomy that could measure illness with rigour, and thus test efficacy and effectiveness of treatments. As a result, psychology and psychiatry can actually claim that they can make miserable people less miserable, in the words of the father of Positive Psychology. In the same vein, psychologists became victimologists and pathologisers, and forgot about improving normal lives and high talent. This is what led to Dan Gilbert, Mihaly Csikszentmihalyi, and Dr Martin Seligman to developing positive psychology, a 2.0 theoretical upgrade of thinking concentrating on psychology and happiness. This school of thought is equally concerned with healing pathology as ensuring the lives of normal people are fulfilled; strength and weakness, building the best things in life as well as repairing the worst, and nurturing high talent. What a novel concept! And yet I believe this model is being superseded by an even more re-energised concept, *holistic*, evident in the proliferation of yoga studios, tarot card readers, and Bowen therapists in your local neighbourhood. People are being told that emotions are neither positive nor negative, simply a part of life and to learn from these experiences. This is in tune with the 3.0 zeitgeist we are transitioning into.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic

## *Diversity*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
diversity	heterosexual	homosexual	flexual

I appreciate that categorising sexuality and the diversity mindsets around them is rather controversial, and I run the risk here of upsetting both the heterosexual camp and the homosexual camp. However, the point here is to examine what kind of flexibility in thinking is needed to cope with a whacky, 3.0 world. Neither the rigidity in thinking exhibited by bible-bashing homophobes (1.0), nor the near-militant extremist pink pride thinking (2.0) displayed by some homosexuals will necessarily translate into successful compatibility positioning of your business brains and your thinking. Instead, what is needed is the flexual thinking that is characteristic of thinking 3.0. Here we recognise that in matters of diversity we should see shades of grey, an insight that is crucial to problem solving, and consistent with the anthropological approach of trialectic thinking in the study of humanity.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
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psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual



*Corporate Ethics*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
corporate ethics + finance	exploitation	corporate social responsibility	trust

The 2008 financial meltdown is a case in point of what happens when we think 1.0 in a whacky Web 2.0/3.0 world. I would argue that the thinking of the majority of people involved in the financial system had not evolved to cope with a world of globalisation, interdependency, and fast cash. At a meta-level as opposed to a technical or fundamental analysis of the situation, this *Gordon Gekko* version of thinking (1.0) is so incompatible with the promise of a globalised 3.0 world that our old thinking is literally causing our financial foundations to crumble. We thought we had evolved our thinking from the days of the *Gordon Gekko-esque* 'greed is good' (1.0), via our focus on greater (2.0) corporate social responsibility and ethics in commentaries like *The Smartest Guys in the Room* and *The Corporation*, yet we still fell short in 2007-08. In 2006 the word-trend group Global Language Monitor reported that the top television buzzwords of the year to be 'truthiness' and 'wikiality' reflecting a new era in thinking. I honestly believed we had entered a new era in thinking about financial trust epitomised by Nobel peace prize winner and Peer-2-Peer lending enthusiast Muhammed Yunus from the Grameen Bank. Unfortunately, not everybody at Lehman Brothers, AIG, or Washington Mutual Bank had had an upgrade.

What do you think might have been different if we'd all been focussing on 3.0 trust, instead of 1.0 short-term profit?

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
weblution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
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innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust

*Global Issues*

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
global issues	polarised	unilateral	third way

The Cold War was binary in a nutshell: two sides opposing each other, divided by an invisible iron curtain, symbolised by the Berlin Wall. Power v Force, right v wrong, right v left, capitalism v communism, hawks v doves, and an entire world held hostage by a few Caucasians in Washington and Moscow flaunting their weapons, out manoeuvring each other, and strategising to expose each side's weakness. The world was scary, but somewhat simpler then. Both sides engaged in a logical, linear, militaristic calculation of moves and retreats. Since the fall of the Berlin wall, the world has grown increasingly interdependent, complex and nuanced. In the era of terrorism, the problem solving mindset of the Cold War era still pervades. It is a binary mindset that is still looking for a foe, and the problem of terrorism, from a western perspective, will not be solved until the leaders in the west decide to upgrade their thinking and explore a third way. The same can be said for a global approach for poverty, global warming, food shortages, and the oil crisis.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
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diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust
global issues	polarised	unilateral	third way

## Intellectual Capital

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
intellectual capital	IQ	EQ	FQ

It used to be that we filtered talent in organisations based upon their IQ. This is still a fairly standardised test and deeply engrained in our culture as the way to test how smart you are. This is evidenced by the plethora of Facebook IQ tests available to its Gen X and Gen Y members. We used to believe that our IQ is what determined our results in life. A new phenomenon called the Flynn effect illustrates that IQ is becoming commoditised and in a sense suffers 'intelligence inflation', since the average IQ score has increased by 3 points each decade since its inception point in 1912. This means that not only are we sorting for IQ in our natural selection, but interestingly the person with an average IQ in 1900 (of 70) would today be considered mentally retarded (as mentioned earlier). Researchers like Daniel Goleman in the 1990s popularised the notions of emotional intelligence, EQ, which we can now quantify. Some research even goes so far as to argue that only between 4-10% of career success is due to IQ, with the rest being determined by other factors, such as EQ.<sup>92</sup> So where does competitive advantage lie for people who want to position their business brains successfully? I believe that IQ was compatible in a 1.0 world, EQ in a 2.0 world, but now we must not only combine those, but also focus on our FQ. Our funky quotient. We are living in an uber-competitive world today, and the best competitive advantage you have is to be unapologetically you, to pursue your passions with purpose and meaning. Are you smart enough to do what you love?

### Application

The Thinqe Funky Model is designed to help you navigate the business landscape of the future, to give you guiding principles for your thinking upgrade, and to ensure that you position your business brains flexibly in our whacky world.

**Flynn effect**  
The **Flynn effect** is the rise of average **Intelligence Quotient (IQ)** test scores over the generations, an effect seen in most parts of the world, although at greatly varying rates. It is named after **James R. Flynn**, who did much to document it and promote awareness of its implications. This increase has been continuous and roughly linear from the earliest days of testing to the present.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
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corporate ethics + finance	exploitation	corporate social reponsibility	trust
global issues	polarised	unilateral	third way
intellectual capital	IQ	EQ	FQ

### **Think This**

How can I best utilise the Thinqe Funky Model to position my business brains for a premium in the market place?

### **Do This**

Use the applicable themes and its internal 1.0, 2.0, and 3.0 progression to stretch your thinking within a particular theme. For example, if you're having challenges with your organisational culture, ask yourself how you could create an androgynous 3.0 culture that is compatible with 3.0 Thinking. Or, if you want to better position your business design, consider whether you're positioning yourself optimally for both a right-brained and left-brained audience.

### **Visit This**

The individual themes and case studies in chapters VI-XVI.

Question

1. Which three themes do you specifically want to improve on as you digest this manifesto?

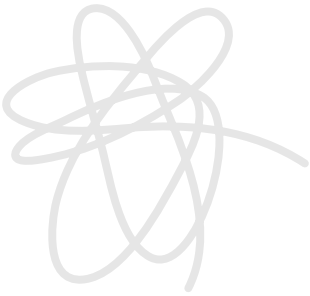
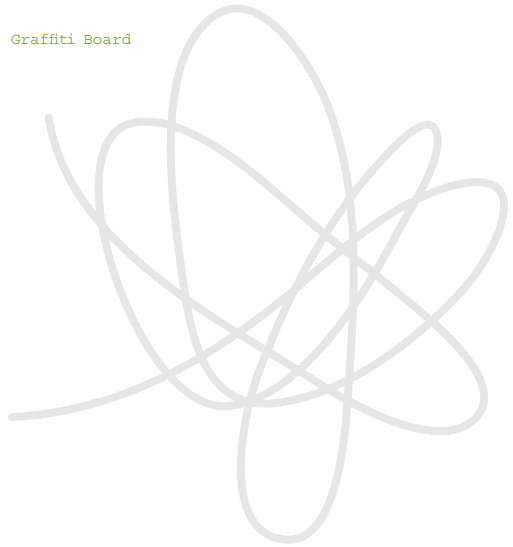


Thought Space:

Mental Graffiti Board



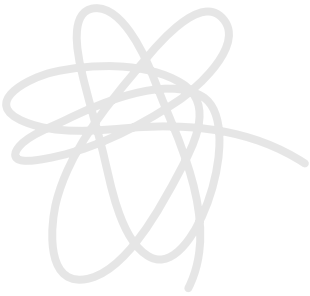
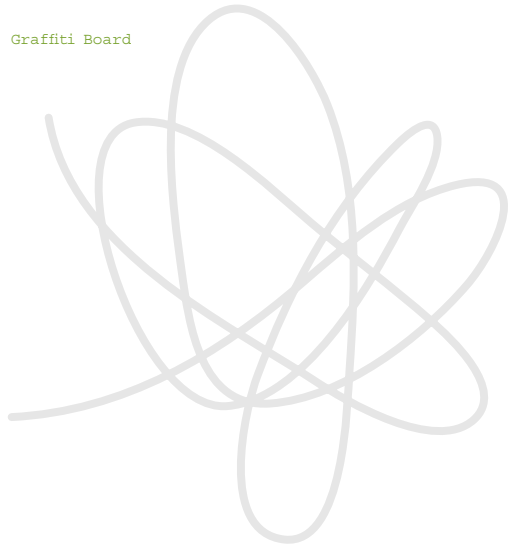
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'Viewed freely, the English  
language is the accretion  
and growth of every dialect,  
race and range of time,  
and is both the free and  
compacted composition of  
all.'

Walt Whitman

## Chapter V Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0
DEFUNCT	DYS/FUNCTIONAL	FUNKY
1990-2000	2000-2010	2010-2020
WEB 1.0	WEB 2.0	WEB 3.0

**Metaphor**  
Thinking 3.0 is like the English language. It is flexible, adaptive, and synthesising.

**Statement:** Upgrade your vocabulary, upgrade your brain.  
**Explanation:** Thinking 3.0 shares the same adaptive spirit as the English language. Like this language, thinking 3.0 pulls on the best words from around the globe to meet new needs, and take advantage of new opportunities. It is open to new influences, and recognises that it constantly needs to shift to be compatible with the changing times. It is a vector for new ideas, ground-breaking innovations, and forward-looking business brains looking to flexibly position themselves in a way that is profoundly connected.

Main sources	Main Case Studies	Main Design Inspiration
<p>WGSN</p> <p><i>The Adventure of English</i></p>	<p>Melwyn Bragg</p> <p>Cirque de Soleil</p>	<p>The English language</p>

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter V

### **An Ideas Replicator Extraordinaire: the English language**

Critical to your ability to upgrade your thinking is an adaptive mindset that wants you to evolve and adopt new ideas. Nowhere is this adaptive mindset more evident than in the idea replicator in which this manifesto is written, the English language. Language is a replicator of memes, a vector for ideas with which we have co-evolved, and as the language of languages English is the premiere example of an open-minded, integrative, cross fertilised synthesis of the world's thinking; not unlike the Web in some respects.

I believe the spirit of a language is a great reflection of a culture's thinking. As a manifestation of thought, language is intimately interwoven into the fabric of competitive advantage for some of the most successful nations in the world. Words are metaphoric translations of our thinking, and a language's fluidity mirrors the culture's ability to adapt and progress in times of change. The English language is the premiere example of a language which because of its adaptive spirit has been able to evolve and serve its users flexibly over several centuries. At the other end of the spectrum we are losing hundreds of unique languages every year, because of what anthropologist Wade Davies calls 'ethnocide'; the deliberate vanilla-isation of diversity in the name of third world development. Just as the people representative of the world's dying languages lose an essential part of their identity and culture in this process, so the death knell of a language represents another black hole in our collective memory bank of where humanity has come from. While anti-globalisation exponents may argue that English and other major languages are the cause for this move away from linguistic diversity, what we are in fact seeing is linguistic Darwinism. Darwinism is no longer about 'survival of the fittest' - it's about survival of the most adaptive.

Like most people who love bio-, ethno-, and linguistic diversity I also fear the vanilla-isation of language, yet I must admire the English language's ability to constantly evolve. It is an example of Thinking 3.0. In fact, there are more than 997,752 words (+ countless neologisms) in the



English language, about 10 times as many (eg. blog, dotcom, internet, e-learner) as during Shakespeare's times. Does your vocabulary leave room for thinking growth?

One of the best examples of synthesised 3.0 Thinking I can give you is the language in which I am writing this manifesto, the English language, England's greatest success story according to Melvyn Bragg, author of 'The Adventure of English'. It is the English language's ability to absorb, integrate and synthesise concepts, words, grammar and syntax from all the world's languages that has given it the fluidity, flexibility and adaptive spirit which has seen it become the world's fastest growing language.

The General Explanations at the beginning of the 'Oxford English Dictionary' states:

*The Vocabulary of a widely diffused and highly cultivated living language is not a fixed quantity circumscribed by definite limits... there is absolutely no defining line in any direction: the circle of the English language has a well-defined centre but no discernible circumference.*

Synthesis is not only ecological in that it is sustainable (doing more with less) but it is also original, due to our ingenious input, or what I call the FQ-factor. English has a great habit of importing words and memes (idea viruses) that are laden with meaning from other languages. This makes English a highly multicultural language as it recognises that even a world-dominant language needs to borrow precise, engaging and meaningful words and memes from other cultures to explain new phenomena. Language is an ideas vector, so the better structured and the more flexible a language, the easier it is for its users to communicate new ideas, concepts and thinking. Austrian philosopher Ludwig von Wittgenstein once said that '*whereof one cannot speak, one cannot think*'. This indicates that if our vocabulary does not contain words, or we do not know the specific word for a particular concept, then we cannot even begin to entertain the thought of what the word would represent. This is why language is so important to your on-going personal development; the bigger your word arsenal, the bigger your thinking repertoire.

Frequently these terms take on multiple meanings as the process of importing tends to fill a different void in the English

## synthesis

['sɪnθəsis]  
noun (pl. **-ses** | -sɛz|)  
combination or composition, in particular • the combination of ideas to form a theory or system  
: *the synthesis of intellect and emotion in his work* | *the ideology represented a synthesis of certain ideas.*  
Often contrasted with **analysis** .  
• the production of chemical compounds by reaction from simpler materials  
: *the synthesis of methanol from carbon monoxide and hydrogen.*  
• (in Hegelian philosophy) the final stage in the process of dialectical reasoning, in which a new idea resolves the conflict between thesis and antithesis.

**etymology** -  
|,etə'mäləjə|  
noun (pl. **-gies**)  
the study of  
the origin of  
words and the  
way in which  
their meanings  
have changed  
throughout  
history.

**weltan-  
schauung**  
|'veltʃän, sh  
ouə ŋg |  
noun (pl.  
**-schauungen**  
|- sh ouə ŋg  
ən|)

a particular  
philosophy or  
view of life; the  
worldview of  
an individual or  
group.

**chutzpah** -  
|'hoöstpə; '  
kh oöstpə;  
-spā| (also  
**chutzpa** or  
**hutzpah** or  
**hutzpa**)  
noun informal  
shameless  
audacity;  
impudence.  
ORIGIN late  
19th cent.:  
Yiddish, from  
Aramaic **חזק  
spā**.

language than in its *lingua franca*, while simultaneously retaining its original meaning and application in its natural cultural habitat. For example, *amour propre* in English is used to connote self-respect, yet in its original French version literally means proper love. When you understand the **etymological** origin of the term it actually adds further depth to your vocabulary, and means that the word's application in the synthesised English language takes on an even greater and more kaleidoscopic meaning.

In the context of future-proofing your brain, linguistic gymnastics and a multi-various arsenal of apt words and memes significantly adds to your communication flexibility. With the growing inter-connectedness of everything as a product of the blogosphere, Web 2.0, and the flattening of the world, a bigger personal dictionary means more meaning in life, not only lexicographically, but also metaphorically and metaphysically. The richer your language, the more concepts, ideas, and thoughts your own ecosystem of opportunity will be able to entertain, adapt and adopt.

In an increasingly globalised and multicultural world, the imperative to boost your language bank balance has never been greater. In the global village learning languages is more important than ever before, with a number of companies launching new ways to fit language learning into busy lifestyles. Virgin Atlantic has introduced audio language courses to its in-flight service,<sup>93</sup> and the internet is aflood with speed-learning courses for every conceivable language. Because language is an ideas replicator, the ideas that we need to comprehend, communicate, collaborate on, and create to be successful, can only exist when our brains can entertain their linguistic potential.

And while it is crucial to be a wordsmith in one's own language of origin, one's level of comprehension and communication mastery takes a quantum leap once you make a philosophical declaration to command and adopt imported words into that vocabulary. Lexicographers speak of *polysemes*, words that have the greedy habit of having more than one meaning, and the fastest way to accrue an armoury of words charged with meaning to express your ideas, (**weltanschauung**) and creativity with real (**chutzpah**) is to make a conscious effort to be a word sponge.

The English language is, of course, also a history of thought, since every new word and every new meme carries additional shades of thought, giving us more precision and elevating our thinking to higher levels over time. The ability to mine this language expertly is a double-whammy, as the colonials in Australia would say, since it gives you the vocabulary to express your ideas, but since our very language is a synthesising process it actually trains your brain to synthesise words that to the untrained ear/eye may look contradictory or polarly opposite such as 'military intelligence' or 'friendly fire'.

When we learn a new language, whether that be Swahili, Spanish, Mandarin or Pidgin, we see the world through a whole new lense. In fact, scientists have shown that our very brain structure actually changes in the process, which is why scientists recommend language as a way to delay the onset of mental ageing.<sup>94</sup> This manifesto is written in the third language I learnt, and I think it's all the richer for it. Language is what sets us apart from other animals, so the more languages you speak, the further removed you are from our primate ancestors - an evolutionary argument if there ever was one.


If you're multilingual and you socialise with other multilingual individuals, perhaps a family member, have you ever switched between languages mid-sentence? My brother and I, who both live in Sydney, Australia, but are of Swedish origin call this synthesis *Swenglish*. Sometimes this connected thinking is caused by mental laziness; we cannot bother mentally googling what a particular expression is in Swedish, and the English term may be more easily brain-accessible. Toyota used this social insight to market its hybrid-powered Camry Hybrid to its growing multi-ethnic market during the 2007 Super Bowl. The Hispanic protagonists in the advertisement switched effortlessly, just like the car, between a hybrid version of Spanish and English. Language is the common prism that enables/causes these new social/economic insights.

Just as English itself has borrowed words from many different languages over its history (zeitgeist) (savoir-faire) *coffee, smorgasbord, karate*), English loanwords now appear in a great many languages around the world, indicative of the technological and cultural influence of its speakers. Several pidgin and creole languages have formed using an English

**double whammy**  
noun informal  
a twofold blow or setback : a *double whammy of taxation and price increases*.  
ORIGIN 1950s: originally with reference to the comic strip *Li'l Abner* (see **whammy**).

**zeitgeist**  
|'tsi:ɡɪst; 'zɪt-|  
noun [in sing.]  
the defining spirit or mood of a particular period of history as shown by the ideas and beliefs of the time : *the story captured the zeitgeist of the late 1960s*.  
ORIGIN mid 19th cent.: from German **Zeitgeist**, from **Zeit** 'time' + **Geist** 'spirit.'

**savoir faire**  
|,səvwaːr 'fe(ə)r|  
(also **savoir-faire**)  
noun  
the ability to act or speak appropriately in social situations.  
ORIGIN early 19th cent.: French, literally 'know how to do.'



**"Upgrade  
your vocabulary,  
upgrade your  
brain."**

base, such as Jamaican Patois, Nigerian Pidgin, and Tok Pisin. There are many words in English coined to describe forms of particular non-English languages that contain a very high proportion of English words. *Franglais*, for example, is used to describe French with a high English word content; it is found on the Channel Islands. Another variant, spoken in the border bilingual regions of Québec in Canada, is called *Frenghlish*. In Wales, which is part of the United Kingdom, the languages of Welsh and English are sometimes mixed together by fluent or comfortable Welsh speakers, the result of which is called *Wenglish*. It is not just my brother and I who speak a hyphenated/double-barrelled version of English. The important aspect of this hybridised language is that, in our case for example, it is trialectic, neither Swedish nor English, but a new idea that springs from the synthesised best of both, just as is the essence of 3.0 Thinking.

This culture of hyphenation/double-barrelled thinking is critical to 3.0 Thinking. Therefore, I am proud of the fact that my name is Anders Sorman-Nilsson, symbolising my synthesis of the maternal Sorman and paternal Nilsson DNA-brands. We see this 3.0 Thinking a lot in language today with words like *inter-net*, *air-port*, and *Face-book* a synthesis of previously existing words and using the suitable genetics to describe new phenomena. In the same vein my surname highlights a new generation that is the fusion of the X and Y chromosomes of two hitherto separated families from the town of Ludvika and city of Stockholm respectively.

Let me give you an example of how language may have shaped your thinking evolution. To really get the profound influence of language on your thinking, if you're unilingual (don't stay that way!), you may remember a time when you learnt a new word which opened you up to a whole new level of conversation. In my case, I remember that when I learnt the word 'complex' (as in Napoleonic) in year 4, for the first time my mind was opened to the notion of psychology. Can you remember a time like that? Or perhaps you've reached the insight that you'd be able to entertain more perspectives on a political issue, if you could view the problem through different linguistic and cultural lenses. A prime example of this is the fact that in Mandarin the symbol for the English word 'crisis' also means opportunity. How did this shape the Chinese view on the financial crisis in 2008 in comparison to the American, French or German views for example? According to

## bequeath

|bi'kwēθ;  
-'kwēð|

verb [trans.]  
leave (a

personal estate  
or one's body)

to a person

or other

beneficiary

by a will: *an*

*identical sum*

*was bequeathed*

*by Margaret | he*

*bequeathed his art*

*collection to the*

*town.*

a colleague of mine who has a training business in Singapore, this enabled Singaporeans to literally and metaphorically view the financial meltdown as an opportunity as opposed to a crisis.

The English language is of course also an evolutionary history of thought. Much like Thinking 3.0 connects, synthesises, and builds on the best aspects of previous versions of thought, so the English language incorporates words and meanings that are still useful in a modern world, but discards words that no longer serve a purpose like: krioboly (slaughter of many lambs), xenization (fact of travelling like a stranger) or zygostatical (pertaining to a market official in charge of weights). Some linguists estimate that 80% of words used in Old English did not survive beyond the Middle English period (French rule) of 1066 until the 1470s. Other words however do survive, like bequeath and dearth. Like a software upgrade, the English language has the unique ability to keep words that still serve a purpose, and evolve, import, adopt, and synthesise new and borrowed words to enhance our mental experience and vocabularies.

## dearth

|dərθ|

noun [in sing.]

a scarcity

or lack of

something: *there*

*is a dearth of*

*evidence.* See note

at **lack**.

As the conduit for ideas, innovation and creativity, the English language thus occupies the pole-position in disciplines like communications, science, business, aviation, entertainment, radio and diplomacy. It is often considered the first global lingua franca. A working knowledge of English has become a requirement in a number of fields, occupations and professions such as medicine and as a consequence over a billion people speak English to at least a basic level globally. While English is not an official language in most countries, it is currently the language most often taught as a second language around the world. Some linguists believe that it is no longer the exclusive cultural sign of 'native English speakers', but is rather a language that is absorbing aspects of cultures worldwide as it continues to grow. English is a pluri-centric language, without a central language authority like France's *Académie Française*, which gives the Anglo language a more 3.0 crowd-sourcing and user-generated flavour.

## lingua franca

/'liŋ gwə'fra  
ŋg kə|

noun (pl. **lingua**

**francas**)

a language

that is adopted

as a common

language between

speakers whose

native languages

are different.

Maurice Drouand, honorary perpetual secretary of *l'academie francaise*, legislates on the correct usage of words in the French language. He serves in the spirit of perpetuating the language. The *academie* compiles a dictionary of official

French which they began in 1930, they are now working on their 9th edition and they have reached the letter P, as Steven Pinker points out in 'The Stuff of Thought'. They also legislate on correct usage such as the proper term for email which ought to be *courriel*. World Wide Web the French are told, should be referred to as *l'étoile dernière mondiale*, the global spider web - suggestions that the French point their expressive fingers at. This strict classification system disregards that language emerges from human minds interacting with each other. Perhaps nowhere more so than on the internet. Language is a window onto human nature. It is a language of thought or mentalese. It is a collective human creation reflecting human nature, how we conceptualise, how we think, how we relate to each other, and by investigating the quirks and complexities of language we can get a window onto what makes us tick.<sup>95</sup> Upgrade your brain, upgrade your vocabulary.

Unlike other languages, such as French, German, Spanish and Italian there is no English Academy to define officially accepted words and spellings. This means that the language is able to better change, shift, and adapt - without recourse to a slow-moving academy giving a rubber stamp approval to words like 'to google'. Neologisms are coined regularly in medicine, science and technology and other fields, and new slang is constantly developed. Some of these new words enter wide usage; others remain restricted to small circles. The words that represent the most evolved 'idea viruses' at the time are the ones that survive. Similarly, Thinking 3.0 is in constant beta-testing mode, able to change, shift and adapt over time, and open to user-generated input. In this sense it is an open sourced model of thinking.

This adaptive spirit of language / Thinking 3.0 translates into a better return on your thinking. It is what saw Cirque de Soleil reinvent the circus. Rather than focus on what had been or what was, Cirque's Canadian (multilingual) CEO Guy Guy Laliberté, synthesised and aggregated the best and most profitable bits from circus and theatre 1.0 / 2.0 (the costumes, the circus tents, the acrobats, the clowns) but got rid of the expensive, low margin, off-trend aspects (of circus) like animals. In 20 years, Cirque achieved revenues that Ringling Bros. and Barnum & Bailey took more than a century to attain, staging dozens of productions seen by some 40 million people in 90 cities around the world.<sup>96</sup> Rather than

## beta test

noun  
a trial of machinery, software, or other products, in the final stages of its development, carried out by a party unconnected with its development.  
verb (**beta-test**)  
[ trans. ]  
subject (a product) to such a test.

buy into the fundamental tenet of conventional strategy: that a trade-off exists between value and costs, Cirque pursued differentiation and low cost simultaneously and by synthesis. This is not unlike the hyphenated use of the best of the best of different languages, or the adaptive mindset of the English language.

Cirque redefined the problems of the circus industry of rising costs without rising revenues, by offering people the excitement of the circus and the intellectual sophistication and artistic richness of theatre. 3.0 is not about an exclusive 'or', as used to be the case with Thinking 1.0 and 2.0 - it is instead a new hyphenated version which incorporates the best aspects of both. Clowns were upgraded from slapstick humour to a more enchanting, sophisticated style, the tents were given a magical facelift, and the acrobats' acts became more elegant by adding artistic flair, story lines and themes as in theatre.<sup>97</sup> In this sense, this rag tag band of street performers offer a synthesis of both circus and theatre, and carving out a unique niche for itself which positions its business brains in a 3.0 class all of its own - not dissimilar to the market advantages that 3.0 Thinking companies like FedEx, Home Depot, Southwest Airlines, Apple and CNN created through funkier thinking. So when you think of Thinking 3.0 - think an upgraded version of thinking that combines the best of the two preceding versions. That is not so unlike the language both you and I are thinking in right now as you are reading and I am writing this sentence.

It is this spirit of synthesis, open-mindedness, adaption, connection, and of course funky thinking which permeates and flavours Thinking 3.0. We will now case study different businesses, individuals, movements, and products that are operating on Thinking 3.0 software; how they think, and what you can do to upgrade from Thinking 1.0 and 2.0 to boost your compatibility with the future zeitgeist of business and life.



### **Think This**

Why the direct translation of 'close doesn't shoot a rabbit' doesn't sound as good in English as it does in Swedish. What pronouns and sayings do you use that are lost in translation?

### **Do This**

Read 'The Adventure of English: a biography of a language' or watch the DVD series by Melvyn Bragg.

### **Visit This**

Learn a new language. Really, go on do it now. At least expand your vocabulary by signing up to [www.wordsmith.org](http://www.wordsmith.org)'s a-word-a-day vocabulary upgrade.

**Question**

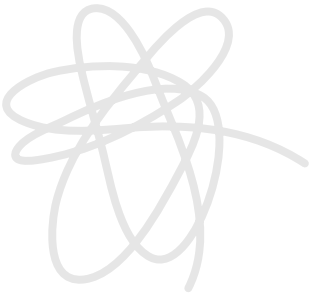
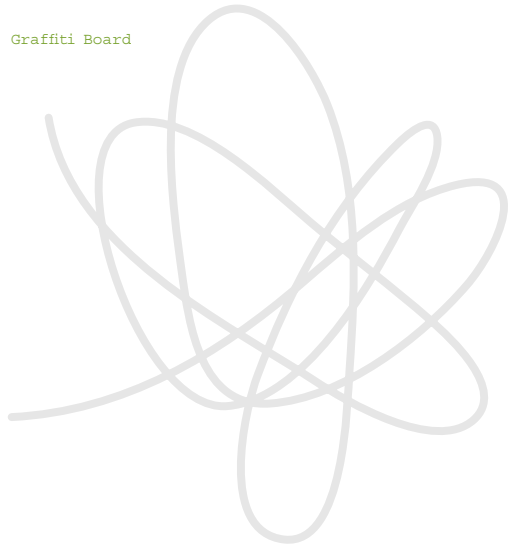
1. Which word that you do not yet know would totally expand your mind into Thinking 3.0?

Thought Space:

Mental Graffiti Board



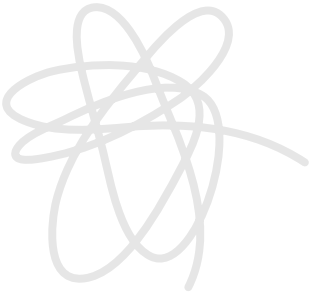
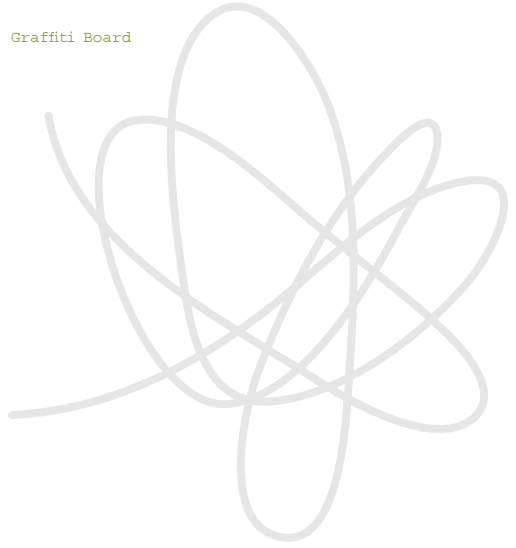
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'Western society has accepted as unquestionable a technological imperative that is quite as arbitrary as the most primitive taboo: not merely the duty to foster invention and constantly to create technological novelties, but equally the duty to surrender to these novelties unconditionally, just because they are offered, without respect to their human consequences.'

Lewis Mumford



## Chapter VI Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> The evolution of a car. Previously cars were full of analogue knobs and wheels. Now, most of these have been replaced with digital buttons. One central wheel still remains for steering. This is digilogue 3.0.
1990-2000	2000-2010	2010-2020	
WEB 1.0	WEB 2.0	WEB 3.0	
ANALOGUE	DIGITAL	DIGILOGUE	

**Statement:** An interface can never replace a human face.

**Explanation:** But a digital interface enables you to connect with more people globally. To successfully position your business brains and upgrade your thinking to 3.0 you need to master both the analogue and digital human interactions. Technology has enabled even the smallest operators and the most isolated individuals to make their voices heard on a global scale. To engage effectively you need to synthesise both profoundly connecting analogue and digital behaviours.

### Main sources

*Geeks and Geezers*

*Trendwatching.com*

*Australian Digital Trends Survey*

### Main Case Studies

Tim Cook COO Apple

The NSW Clubs Industry

### Main Design Inspiration

Navigational Instruments

BMW 135i

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter VI

### analogue

['anlɔg; -äg]  
(also **analogue**)  
adjective  
relating to or using signals or information represented by a continuously variable physical quantity such as spatial position or voltage. Often contrasted with **digital** (sense 1).  
• (of a clock or watch) showing the time by means of hands rather than displayed digits.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0

### Analogue v Digital: a digilogical imperative

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
technology	analogue	digital	digilogue

### digital

['dijɪtl]  
adjective  
**I** relating to or using signals or information represented by discrete values (digits) of a physical quantity, such as voltage or magnetic polarization, to represent arithmetic numbers or approximations to numbers from a continuum or logical expressions and variables:  
*digital TV.*

To place the split between the (analogue) and (digital) in succinct perspective, think of it as the difference between the analogue and digital technologies each generation grew up with. If you were born before 1989 you grew up with analogue technologies. Without getting too technical, let's just say you grew up mostly with knobs. If you wanted to listen to the radio, you turned the knob. You turned the knob to the left to turn the volume down and to the right to raise the volume. Even the phone used to work on a 'knob' principle. Remember rotary phones and the quaint little electronic pulses they produced as you dialed each number? In fact, you were physically *making sparks*. My grandparents Ingrid and Per still had one at their summerhouse in the Stockholm archipelago in the 1990s and it was always amusing watching my Gen Y peers try to overcome the incompatibility in brain software as they wanted to dial someone's mobile phone number off this phone. You were particularly unpopular if you had many zeroes in your number as they entailed the longest rotation.

Well, when your phone went touchtone is when we went digital 2.0 (whether you realised it at the time or not), and that's roughly when the great shift occurred. The digital process

allows for greater capacity on each phone line, setting expectations for broadband speeds as opposed to dial-up. So, probably without you knowing it, most of the single-purpose 'knobs' in the world have pretty much been replaced by multi-use buttons. Just consider your car, if you're not convinced. Unless you're driving a car over ten years old, all of the functional parts on the dashboard are probably now controlled by buttons which can be confusing, since each button might have multiple purposes and 'modes'. Increased complexity reaches everywhere these days.

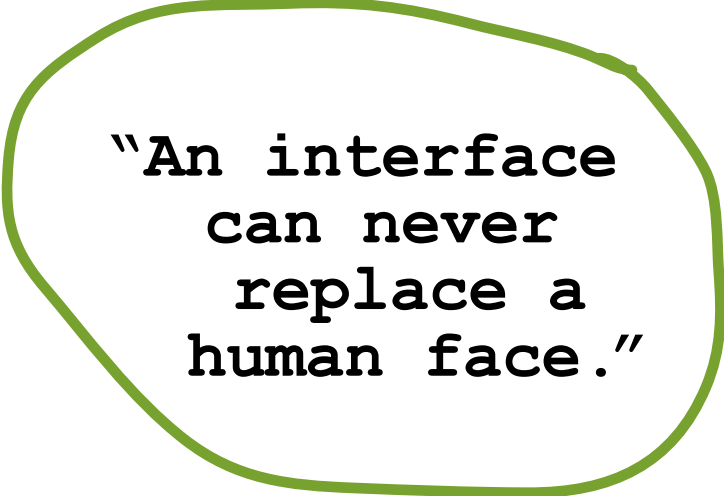
Now consider Gen Y. They're all buttons. Many of my friends have never used a rotary phone. I had to because my parents and grandparents were technophobes. Most Gen Ys are used to the buttons, audio-visual inputs and computers, and are comfortable with all that they represent. As an elderly client of mine said so eloquently, they "always seem to have something in their ear". But digital 2.0 is far more than merely understanding how to operate the latest technology. It's a whole different way of thinking—about *everything*. If you're old enough to have grown up with analogue technology, you may want to 'adjust your dial' to tune in for better reception to what the new digital world is telling you.

According to Warren Bennis and Robert Thomas,<sup>98</sup> the analogue world valued linear (one-track) thinking. It believed in organisational hierarchy and chain of command, whereas the digital world is non-linear and has ditched the corporate pyramid.

If the old world could be understood using a map, the new digital world requires a compass. That's because maps can help only in known 1.0 worlds that have been charted before. Compasses are helpful when you are not sure where you are (2.0) and can get only a general sense of direction. A GPS trumps both in the ensuing 3.0 world.

So, the older generations grew up with limited choices, while the younger generations appear to have endless options and here's the crucial difference, no clear direction. That's exactly how some of us feel these days, high-powered and well-equipped, but with no clear direction.

To return to the car metaphor for a moment, and the absence of 'knobs', I'd like to point out that your new car, with all



**"An interface  
can never  
replace a  
human face."**



its bells and whistles and multi-function buttons, still has one large, central knob right in front of you: the steering wheel. You wouldn't try to steer your car with a button, would you? (Who knows: the button-steered car might be in the works in an auto plant somewhere.)

I was recently speaking at a conference on the Gold Coast in Australia for 500 Clubs NSW board members and CEOs. The challenges and solutions in their industry are symptomatic of the different versions of thinking required for success compatibility with the 3.0 world we are entering. Since 2003, this not-for-profit industry, which relies heavily on gaming revenue for its social and community investments, has been hit with the triple whammy of 30% total tax increases, the NSW smoking ban, and an economy in flux. The industry's reliance on gaming (poker machines) is evident by the fact that 63% of their total revenue in 2007 was sourced from this member activity. While this is down from 68% in 2003, the industry has not diversified to a large enough degree which is why the smoking ban impacted their total revenues so severely since its introduction in 2007. Many people in the industry, even the directors and board members, are volunteers who are passionate about the analogue club culture, the sense of community and the social contributions they make. The challenge that many clubs currently face is that they have an image problem. Many politicians, Gen Xers, Gen Yers, and health departments see the Clubs industry as responsible for gaming addictions, alcoholism and lung cancer, and hence as an unattractive option as a social venue.

This challenge showcases the friction and problems caused by Thinking 1.0 in a 2.0 and 3.0 world. Too much focus has been placed on the analogue features of the Clubs industry such as the sense of community, neighbourly spirit, and Australian history, which haven't been successful in innovatively positioning the industry for new generations of consumers. While the poker machines largely attract veteran and baby boomer members, they have failed to attract younger generations of members, who place greater value on good food, family activities, cappuccinos, video games, and funky cocktails.

If we examine the nature of a poker machine, to the untrained eye these are largely unchanged since their introduction in 1956. Effectively, they are now competing with the

interactivity and computer graphics of the video games industry, an industry which in 2008 surpassed the turnover of the global music industry, and has already over-taken the movie industry. Yet, what the video game industry and the internet have failed to provide in their efforts to create digital 2.0 realities and merit-based, multiplayer online games is that the community experience, even though it may occasionally feel real, is virtual. Here is an opportunity for the clubs industry to satisfy analogue 1.0 stakeholders (their vintage history) and digital 2.0 stakeholders (Gen X/Y), by positioning themselves as a digilogue 3.0 community. They could attract new members by offering video gaming hubs and interactive competitions, which wouldn't undermine their gaming history and thus introduce greater cross-generational community building: something that is sorely lacking in our hyperlinked world. While we are constantly 'connected' the sense of personal connection is frequently absent in today's world. Only by upgrading their thinking to 3.0 can this industry seize the opportunity of satisfying both its analogue and digital stakeholders.

Noticeably, this is not just a symptomatic problem for the Clubs industry, how is this clash in thinking affecting your industry?

We are also seeing the tension between 1.0 and 2.0 Thinking in countries that have recently switched its TV networks from analogue to digital. In countries like the UK, Australia, and Sweden, despite promotional efforts and infrastructure facilitation, consumers have been slow to switch from analogue to digital technology on their TVs. In the UK, in Q3 of 2006, still only 70% of Britons were aware that they could switch to digital TV,<sup>99</sup> while behaviourally 51% of TV units sold in England then were digital as opposed to analogue. This illustrates that even though we have moved into a digital 2.0 world, people's 1.0 behaviours are still out of whack even when a superior technological platform is offered.

The same goes for the digital media uptake. In May 2008, the active online population in Australia was 11,725,000 and the average time spent online was 20 hours and 13 minutes in that month, the equivalent of over 40 episodes of your favourite sitcom, or the equivalent of 2,426 30" TV commercials,<sup>100</sup> which means that for the first time in history Australians

were spending more time on the internet than on TV, prompting Google's vice-president Vinton Cerf to claim that *'the internet business is like a dog year ... equivalent to seven people years'*.

Yet many organisations are still out of whack with this reality. The percentage of organisations that will spend more than 50% of their marketing budget on digital media is going from 4% in 2007 to 19% in 2013,<sup>101</sup> which is a slower uptake than the Cambrian explosion in internet usage. Nearly 50% of organisations claimed that social networks like Facebook or Twitter are not used at all as part of their digital strategy.<sup>102</sup> According to the Australian Digital Marketing Survey in 2008, the biggest implementation issue for going digital in a Web 2.0 world was 'obtaining senior management acceptance and resources', a clash resulting from the paradigm shift in Thinking 1.0 and Thinking 2.0 (and perhaps a cross-generational communication breakdown). This backward thinking may miss the fact that the 2008 economic slowdown wasn't an internet slowdown, because the internet economy is counter-recessional, or as Bill Gates said in 2008, *'we may be living in an economic downturn, but we are living in an innovation upturn'*. Digital is one of those innovation platforms, and digilogue 3.0 Thinking is the way to master it.

Let me give you an everyday example of the clash (and usefulness) of the intersection between 1.0 analogue and 2.0 digital. As an introverted business traveller, I also frequently face the tension between the digital advancements in inflight entertainment, and analogue human behaviour. We have all been in a situation where we sit down in our seat in 1A (right? :)) after a massive week at work, and look forward to an international long-haul flight as a break from it all. Enter the extrovert from hell stage left. Having worked with global clients in distant corners of the world, my best travel friends in 2008 were my Bose [Human] Noise Cancelling Headphones. This fantastic digital technology blocks out analogue human noises and sends a clear message to my fellow travellers that I am spending time with my favourite internal friends and retreating to that special place inside where I can be truly happy with my own thoughts. Sometimes it is nice to go introvert (1.0) analogue with the help of the (2.0) digital- digilogue 3.0.

## interface

['ɪntər,fæs]

noun

1 a point where two systems, subjects, organizations, etc., meet and interact : the **interface** **between** accountancy and the law.

2 Computing a device or program enabling a user to communicate with a computer.

- a device or program for connecting two items of hardware or software so that they can be operated jointly or communicate with each other.

This digitisation of the world is rather breathtaking. 12% of American newly-weds in 2007 met online, more than two billion people now use cell phones, we send nine trillion emails a year, and do a billion Google searches a day with more than half in languages other than English.<sup>103</sup> While 2.0 digital continues to conquer mind space and heart space it is not the panacea to human happiness. While technology brands occupied 7 out of the top 10 spots on Superbrand's UK CoolBrand Annual Survey of the world's leading brands in 2008/09,<sup>104</sup> and over a billion people now have access to the internet, vintage analogue thinking also has an important place in our hearts and minds with vintage brands like Aston Martin, Rolex and Tate Modern claiming their fair share of mental real estate on the top 10 list.

It is not the digital nature or connectivity *per se* that attracts us to tech, but the promise of greater personal connection in a dispersed, and diverse, yet hyperlinked global village. Despite the fact that there are now over 2.7 billion mobile phones in use,<sup>105</sup> with 47.9% of global subscribers in the Asia-Pacific region by 2011, and 1 out of 3 mobile subscribers using a mobile broadband connection by 2012,<sup>106</sup> the digital has had a tendency to replace the positive analogue features of eye-to-eye interaction. An **interface** can never replace a human face, and more and more companies and individuals who can create digilogue 3.0 experiences fusing the best of analogue and digital are the ones who will thrive. This is why students at Northwestern Medill School of Journalism learn to be proficient in a multitude of analogue and digital media, enabling them to explore new reporting angles and keep up with a constantly shifting technological environment. The challenge is to humanise the digital and go 3.0 digilogue.

Apple is one example of a brand that has successfully gone digilogue 3.0. While it has a presence in Second Life, it is its beautifully designed presence in its flagship stores in first life, physical reality, which is one of six major reasons listed by Tim Cook, Apple Chief Operating Officer, for Apple outgrowing its industry in 14 of the last 15 financial quarters.<sup>107</sup> Australians are flocking to Apple, with research firm Gartner's latest figures showing Mac sales grew 52 per cent in the second quarter of 2008, nearly six times the rate of the PC industry overall. 50% of clients are new



(switching) Mac users. This has enabled Apple to capture 17.6% of the US retail market with a total revenue share of 31.3%, and an educational revenue share of 39%, the latter being a market where Apple now occupies the No 1 spot ahead of former educational chieftain Dell. The fact that Apple has captured the hearts and minds of both the retail and educational space means that over time, pressure on corporates to follow the lead of companies like Axel Springer AG (one of Europe's largest newspaper publishers and the second largest Apple customer after Google) in switching from Windows will become even greater.<sup>108</sup> I believe it is Apple's analogue 1.0 fandemonium - physical community of Apple fans - combined with its tech-savvy 2.0 digital innovation that creates a 3.0 digilogue experience for its consumers. Even though PC companies like HP are now trying to 'put personal back into the PC', they are a long way away from the type of 3.0 Thinking which Apple personifies.

Furthermore, in the US ecommerce reaped sales of USD 250 billion in 2007, an 18% gain on 2006. The online retail industry still only accounts for 7% of total retail sales, excluding travel, but certain categories like computers (44%) command a higher percentage. Forrester research found that in the US almost \$400 billion of store sales - or 16% of total retail sales - are directly influenced by the 2.0 digital world as consumers research products online and purchase them offline (1.0 analogue). This will grow at a 17% compound rate over the next 5 years, resulting in more than USD 1 trillion of store sales by 2012.<sup>109</sup> Ask yourself how you can position your business brains to engage with your clients, consumers, prospects, and bosses on a whole new 3.0 level by going *digilogue*.

In the whacky world that we are living in, the line between digital and analogue is blurring. Companies and individuals who can navigate this convergence and adopt a 3.0 mentality where they provide both emotive analogue and innovative digital experiences to their clients will be future-compatible, while their competitors who choose an either 1.0/or 2.0 approach will not. The retail space is leading the charge on this front with companies like H & M, Adidas, and Sears experimenting successfully with systems like My Virtual Model and Sims 2 H&M Fashion Stuff, giving their consumers a chance to spend some time in a virtual community and test out fresh fashion on a virtual model of themselves.

Integrated with this approach is the old 1.0 word of mouth recommendation system. The exponential 3.0 digilogue version is 'word of mouse', where consumers have the opportunity to review and recommend products and services through avenues like *ilike.com*, *desiresin.com*, *stylefeeder* and *goodread*.

This 3.0 *digilogue* approach has seen companies like *CleverSet*, which offers a collaborative filtering mechanism, boost client sales per consumer by an average of 22% in 2007.<sup>110</sup> Equally, *Blockbuster* has left the dark ages of purely analogue DVD rentals and now competes effectively with *Netflix* since its adoption of *ChoiceStream* matchmaking logic. This has led to lower cancellation rates and a doubling in the number of movies on their subscribers' order lists. Similarly social retailing through companies like *Icon Nicholson* enables your friends to give you instant feedback via *Instant Messenger* when trying on clothing in an analogue store.<sup>111</sup> Another example of digilogue thinking is the *Salesforce / Facebook* mash-up which enables *Salesforce's* clients to make personalised one-to-one contact with their clients. This gives them more personalised client information if they are connected as friends on *Facebook*. There is something in 3.0 digilogue Thinking for you too!

As mentioned, the trend goes from digital to analogue too. Importantly, future-minded online-spawned companies are now looking to the analogue bricks and mortar world for greater community engagement with their consumers. *Etsy*, the online market place for handmade goods, has now set up shop in 325 Gold Street, Brooklyn and *Threadless* - the open sourced t-shirt designer, launched its first analogue store in Chicago in 2008. Notice that the approach is not an *analogue v digital* (an either / or) - it is a trialectic 3.0 'and'. This is in tune with the effect of globalisation on our values system. There is now a focus on a balance between the increased communication and opportunity that globalisation has brought us and *interest in* traditions and lifestyles that are homegrown and personal. The interaction goes both ways.

Hence, we are turning the corner and arriving at the crossroads of everything. The choice is not between the analogue or the digital, it is a 3.0 philosophical declaration to engage both.

### Do This

- Set up a virtual community in Second Life to trial and error new concepts and create a virtual following.
- Set up product and services videos on YouTube.
- Write a hand-written Thank You note.
- Buy some beautiful paper and write a love-letter to yourself, send it, and then repeat to the persons you love.
- Manage your personal brand/ webutation online through social media like Facebook and Twitter, and boost your reputation offline by great analogue behaviour.

### Think This

- How you can create a profound analogue experience by using digital technology?
- Instead of thinking about analogue and digital as mutually exclusive, combine them into something new, a blended digilogue 3.0 experience.
- Even if you're not obsessed with the digital world, hundreds of millions of consumers are. If you want to be in business you need to be obsessed with digital.
- Even if you're not obsessed with the analogue, physical world, every human being is in some way, shape or form - make sure you also create real communities.
- A face-to-face meeting is still one of the prerequisites of trust.

### Visit This

[www.tiny.cc/sJsMW](http://www.tiny.cc/sJsMW) - Nokia 4th Screen Advertisement

[www.millionsofus.com](http://www.millionsofus.com) - dedicated to helping businesses understand and harness the power of virtual worlds

[www.ted.com](http://www.ted.com) - ideas worth spreading

[www.barbiegirls.com](http://www.barbiegirls.com) - virtual reality for barbie doll users, 4+ million users

[www.habbohotel.com](http://www.habbohotel.com) - aimed at teenagers, 60+ million users, with 90% of revenue from virtual goods

[www.neopets.com](http://www.neopets.com) - 144 million users and 212 million pets

[www.vmk.com](http://www.vmk.com) - Disney's Virtual Magical Kingdom

[www.mycoke.com](http://www.mycoke.com) - Coke's Massive multi-player online community with 7 million players

[www.3dfoot.com](http://www.3dfoot.com) - enables a virtual 3D image of your foot for easy online transactions for shoe purchases

**Question**

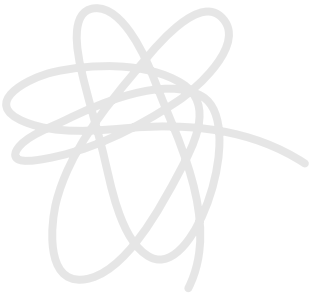
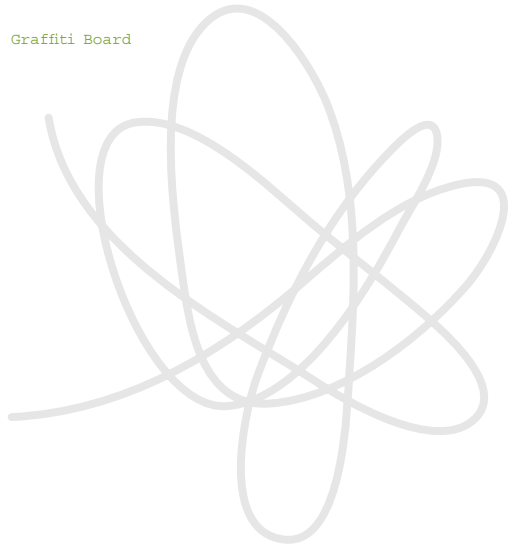
1. How can you better engage both the analogue and digital to position your business brains?

Thought Space:

Mental Graffiti Board



Mental Graffiti Board

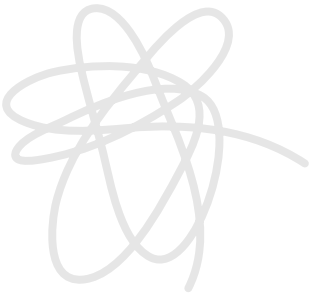
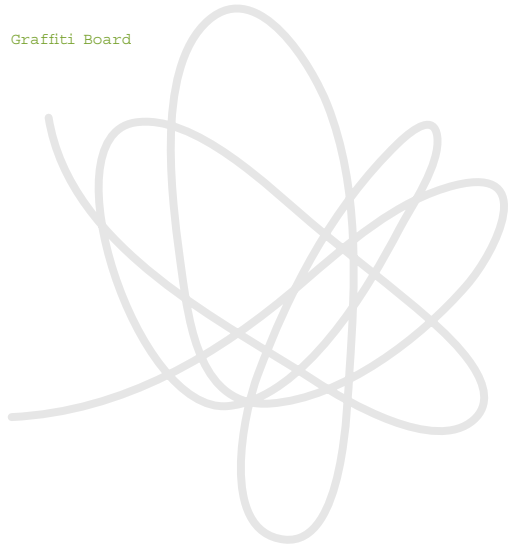


Mental Graffiti Board





Mental Graffiti Board



'Anyone who tries to make a distinction between education and entertainment doesn't know the first thing about either.'

Marshall McLuhan

## Chapter VII Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> Ideas protected by old business models cannot be kept alive artificially. Entertainment and culture has been re-born by a torrent of enabling technology.
WEB 1.0	WEB 2.0	WEB 3.0	
ANALOGUE	DIGITAL	DIGITLOGUE	
PROPERTY	FREE	CREATIVE COMMONS	

**Statement:** Release your ideas.

**Explanation:** Access to information has been democratised. Entertainment, intellectual capital, and culture have been set free, and returned to the people. A torrent of change is sweeping the entertainment landscape, smashing protective barriers, and reforming the business topography. You have a choice to try to withstand the natural forces or adapt to the new dynamics.

Main sources	Main Case Studies	Main Design Inspiration
<i>Larry Lessig</i>  <i>Australian Copyright Council</i>  <i>Wired</i>	Music Industry  Entertainment Industry  Pirate Bay  IPRED Law	Larry Lessig  TED  Creative Commons

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter VII

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue

**Entertaining Ideas: censorship, freely available or a new thinking paradigm?**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
entertainment	property	free	creative commons

In 1835 James Gordon Bennett found that the first mass-circulation newspaper in NYC cost US \$500 to set up, which is the equivalent of US \$10,000 in today's terms. 15 years later, in 1850, starting a similar paper would cost US \$2.5 million dollars. This is the critical change that is being inverted by the net. Cost used to be the main initial consideration for making information, knowledge, and culture. For 150 years we have had an info economy but it has been operated with 1.0 industrial mindset software. This mindset shaped, characterised and limited the way information was produced and distributed for the next 150 years. The ownership of the capitalisation today is radically different in distribution than in the past. Computation, storage and communication capacity are in the hands of every internet-connected person. What this means is that for the first time since the industrial revolution, the most important means of core economic activity of the most advanced economies are in the hands of the population at large.

The convergence of entertainment technology is perhaps the ultimate in 3.0 Thinking. It is the bringing together of the best of our communication devices in a single mobile device - whether that device be called an iPhone or a Blackberry. Some call it the 3rd Screen (after TV and PC). In this sense 3.0 mobile thinking also escapes easy categorisation as today's mobile device is both a tv, cinema, desktop, ipod, e-learning device (if you're one of my clients), phone, moleskine diary, camera, and innovation device. People will have to fully adapt to being in contact every minute of the day, and will require the options to do so. This evolution is also creating a tsunami of change in the entertaining arts space, which both artists and media moguls need to adapt to.

In order to raise your intellectual capital, you cannot continue to operate on a Thinking 1.0 version. As I am writing this paragraph on my iMac I am listening to Fergie on last.fm (at the time of writing it was still 'legal' and a funky business model), and downloading the latest episodes of *Dexter*, *Entourage*, and *Californication* via BitTorrent ('illegal', I think). This book was designed to be released in a way inspired by open source code, so that anyone can produce it and profit from it, and under a Creative Commons (CC) licence.

Creative Commons (CC) is a non-profit organisation devoted to expanding the range of creative works available for others to build upon legally and to share. The organisation has released several copyright licenses known as Creative Commons licenses. These licenses allow creators to communicate which rights they reserve, and which rights they waive for the benefit of other creators. David Berry and Giles Moss have credited Creative Commons with generating interest in the issue of intellectual property and contributing to the re-thinking of the role of the 'commons' in the 'information age'. This is Thinking 3.0 and enables entertainment artists to upgrade their thinking regarding their business models.

It is no longer enough for an artist just to be an artist anymore. You like all other mere mortals, myself excluded, need to position your business brains in a way that engages your audience. Resting on your laurels and praying that backward looking intellectual property laws will protect you is lunacy. As an artist, I tend to agree with science fiction author Cory Doctorow that *'any business model that*

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information.

*depends on your bits not being copied is just dumb, and ... lawmakers who try to prop these up are like governments that sink fortunes into protecting people who insist on living on the sides of active volcanoes'.*<sup>112</sup> The challenge for most entertainers in a constantly shifting business environment where you need to reinvent yourself at least every 6 months is not piracy, it's obscurity.


The music industry is feeling the heat of 'free'. It has been forced to evolve in the face of a giant 514.6 million unit fall since the peak of CD sales in 2000 (eg. MySpace Music).<sup>113</sup> The average young person's digital music player contains 842 illegally copied songs.<sup>114</sup> 2 years after the introduction of severe anti-piracy legislation in Finland, 69% of Finnish 15-year-olds still file-share digital entertainment, and 29% of those do it every day.<sup>115</sup> It is not possible to legislate us *forward into history* by cementing *Tears For Fears* 1980s market share into the future. The music industry is now collaborating with social networks in an attempt to reach consumers and keep them loyal to brands rather than download illegally. This is evidenced by iTunes' mash-up with Facebook and MySpace Music's deal with IODA (Independent Online Distribution Alliance). MySpace for example can be thanked for accelerating the careers of *Arctic Monkeys*, *Lily Allen* and *Sean Kingston*. Their MySpace Music site offers the music labels the best hope for a significant competitor to Apple's iTunes store,<sup>116</sup> which currently controls 3/4 of the 'legal' digital download market.

MySpace envisions hordes of social networkers to flock to 'their' artists' concerts, events which are much easier to profit from than downloads. This is perhaps why 2008 was so successful for online TV show streaming service Hulu.com which showed show business how to make the transition from the 1.0 Thinking that the music industry had cemented in its 1.0 efforts to stave off competition from sites like Napster. As Peter Chernin, President of News Corp says '*you can't keep old business models alive artificially*'. The best way to fight piracy is to make your content available. It is interesting to note that in the music space it is media and entertainment companies like Facebook, MySpace, and Apple that are leading the digital charge, with the music dinosaurs only slowly getting the new version of thinking required to profit from Web 2.0.

Despite this, many have-been artists are worried. Thirty-seven Swedish artists, poets, journalists and authors recently signed a petition to speak out against piracy, in support of the EU directive known as IPRED (intellectual property rights enforcement directive). Interestingly none of them were Gen Y, a generation whose behaviour they are attempting to outlaw. Australia has largely been spared from this debate, not because we don't have a clash of thinking versions, but because our broadband is so slow that it is still faster and more convenient to go to the shops to buy a DVD or a CD than download a Bit Torrent. That is about to change when the fibre-optic network is rolled out. Australian artists - it's time to upgrade your thinking in preparation for the inevitable. The governing Swedish party *Moderaterna is torn between the cultural workers (as the party wants to uphold IP rights)*, and the need not to *criminalise a whole generation*. Find new ways of making money, dear artists!

At the end of the day, Web 2.0 is all about user-generated free content. 1.0 was all about protected IP. The next evolution of thinking is about embracing new ways of both distributing, commercialising, and branding your content. It is unlikely that Gen Y, the biggest consumer group by 2020 in many Western countries including Australia will accept a return to draconian 1.0 style laws. Instead what we will see is forward-looking artists upgrading their thinking and creativity to embrace the new reality.

It is not just the music industry that is feeling the pinch. In 1962, Charles van Doren, later a senior editor at Britannica, said that *'the ideal encyclopaedia should be radical'*. Wikipedia complies with this description. Britannica does not. According to Wikipedia founder Jimmy Wales, Wikipedia imagines a world where every individual has free access to the sum total of all human knowledge. It is a freely licensed encyclopaedia written by thousands of volunteers in many languages, using Wiki software, meaning that anyone can join and edit, and it is managed by virtually all-volunteer staff. Wikipedia is now more popular than the New York Times, a huge global corporation, while Wikipedia had 1 employee in 2006.<sup>117</sup> While Wikipedia is not perfect, the quality is superb. In 2007, German Magazine *Der Stern* compared Wikipedia to premiere German encyclopaedia Brockhaus and found that Wikipedia's articles were more accurate, complete and up to date than its analogue predecessor.



**"Release your  
ideas."**





The type of people who are drawn to writing an encyclopaedia for fun tend to be intelligent people, and together with the quality control mechanisms in Wikipedia, it means the standard of the encyclopaedia is kept very high. While academics used to dispute the validity of Wikipedia in academic research (like my law thesis supervisor), Jimmy Wales, Wikipedia's founder is a fellow at Harvard, and even some of the academic ivory towers are now upgrading their thinking to include Wikipedia in their thinking.

The notion of intellectual property was originally conceived with the intent of offering artists incentives and enabling them to get paid for the creative work they delivered. However today, intellectual property law is more like a 'tragedy of the anti-commons'. Patents keep knowledge in the hands of just a few people. In fact 18% of patents are blocking patents; 1.0 Thinking that serves as a new form of protectionism that keeps knowledge and innovation locked up. This concept is out of whack with the world we are living in today. The concepts of free, open sourced, and 'illegal' file-sharing in a Web 2.0 world has upended our old models around intellectual property in the arts. Artists, their advisors, and the industries surrounding them are being forced to think up new creative frameworks that actually function in a Web 2.0 and 3.0 world. Many law-suit filing and attache bag-touting lawyers have not made the switch from 1.0 Thinking to 2.0 or 3.0, and while old school precedent may still enable them to temporarily shut down file-sharing sites like The Pirate Bay, this is not a sustainable model for thinking about the arts/creativity/music industry. A whole new flexible mental framework is required to be compatible with the whacky world in which we live.

Intellectual property law is out of whack with both reality and user behaviour at the moment. Think about intellectual property lawyer Larry Lessig's riveting story of John Philip Souza. In 1906 John Philip Souza travelled to Washington DC to complain about the radio transmitter, 'talking machines', which he thought would ruin artistic creation. According to Larry Lessig's account Souza was not an enthusiast, because these '*infernal machines*' would prohibit young people singing the '*songs of the day and the old songs*', like they had during the days when Souza grew up. He feared that '*we will not have a vocal cord left*' as a result of the shift from a read-write/ participative culture to a read-only culture,

where creativity was consumed, but where the consumer was not a participator. With the benefit of hindsight it is hard to disagree with Souza. Never before in human culture had creativity been so professionalised and concentrated in the hands of a few - the creativity of the millions had been displaced and invested instead in the intelligentsia.

On a related note, since time immemorial, the law had said that flight above propertied land amounted to trespassing. However, with the arrival of new technology in the form of aeroplanes, the old laws became defunct. In an opinion by Justice Douglas of the US Supreme Court, it was held that the doctrine protecting land all the way to the sky had no place in the modern world, otherwise every trans-continental flight would subject the operator to several trespass suits. '*Common sense revolts at the idea*' were the words spoken in the judgment. Digital technology and the internet has created a similar untenable legal situation. Here is an opportunity to revive the read-write culture - the vocal cords that Souza spoke so passionately about in Lessig's tale at TED. Maybe it is time for that common sense to make a return in the form of funky legal thinking about our entertaining arts.

When we Think 3.0 about today's social phenomena, what we come to recognise is that today's youth behaviour is not different to how things used to be before the commercialisation of the entertaining arts. User-generated content is spreading in business today in powerful ways like YouTube, Flickr, Twitter, Facebook, Revver and MySpace, celebrating amateur culture. People are producing for the passion of it just like kids, and not for the love of money. Today's kids are doing exactly what Souza romanticised; the young people singing the '*old songs and the songs of today*' - today's kids are doing exactly that; like anime video re-edited to music tracks,<sup>118</sup> or the growing trend of re-mixing ads and new songs like the Cadbury Gorilla which won the 2008 Cannes Awards for best advertisement campaign using Phil Collins' *In the Air Tonight* in unexpected ways, or the 2006 mash-up of Gorillaz with Madonna. Remix is not piracy, taking something for wholesale and re-distributing it commercially without the permission of the copy right owner, this is 3.0 DJ culture. This is using digital technologies to say things differently, according to Lessig. The technique is not new but has been democratised by technology. The tools of creativity have become tools

## anime

['anə,mā]  
noun

Japanese movie and television animation, often having a science fiction theme and sometimes including violent or explicitly sexual material. Compare with **manga**.

of speech and it is the new form of literacy. It is how kids think, speak, and what they are, as they increasingly understand digital technology and their relationship with it, as Lessig says. Entertainment 3.0 needs to be decoupled from its old thinking constraints.

Not only do our commercial futures depend on it, but also our children's evolving education and thinking.

Whereas education used to be based on heavy textbooks published every few years, we are now moving towards an open sourced, digitised learning model; a model required for keeping up with a fast-changing world. *Teachers Without Borders* are now employing the Connexions.org open sourced learning model to train teachers how to teach in 84 countries around the world, including Iraq where they are teaching 20,000 teachers in a local context.<sup>119</sup> AMD's 50 by 15 project (a project dedicated to bring internet access to 50% of the world's citizens by 2015) is now using open-sourced content in a number of different languages. MIT Open Courseware gets 500,000 unique visitors to their site each month. Open sourced published books like the 'Thinque Funky' manifesto that can be printed on-demand are also lowering the access barriers for the world's university students who couldn't otherwise afford hard-copy textbooks. In the process the connection to information is being democratised, and aided in distribution through websites like Amazon.

This digital model also enables further personalisation, niche-ing and catering for very specialised international demands. Teaching and infotainment is all about the inter-connecting of ideas and for the first time in history we have an infrastructure in the form of the Web that can disseminate, compile, and synthesise those ideas into forms and shapes used for learning. Combined with a new intellectual property framework like Creative Commons, sharing is now safe and easily understandable. Any piece of information that is tagged with a CC licence can be accessed in non-legalese language to see how you can re-create, use and synthesise this form of IP.

Thinking makes the capitalist system go round. We need a new way of distributing that thinking, and in a world where piracy is the norm, not the exception, we need to make sure that our thinking creates an elevated platform which shapes

new business models that are compatible with a 3.0 world. What it all comes down to is not legislation, criminalisation or cementing old music at the expense of new entertainment. It comes down to that when we wish to access entertainment digitally, the service offering is much better via 'illegal' Bit Torrents than they are via 'legal channels'. Until that changes, the companies and entertainers who will prosper are those that upgrade their thinking to the new reality.

**Think This**

Old protective, proprietary censorship versions of thinking are defunct. Ask yourself how you can upgrade your thinking to embrace Creative Commons as a way of positioning your business brains?

**Do This**

Share an idea without fearing it being 'ripped off'. You are karmically sharing good with the world.

**Visit This**

[www.creativecommons.org](http://www.creativecommons.org)

**Question**

1. What mental barriers keep you from embracing a world of free(dom)?

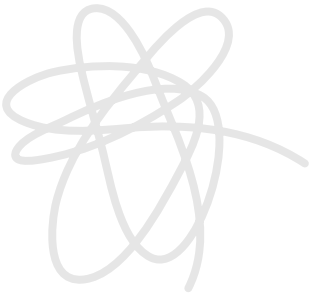
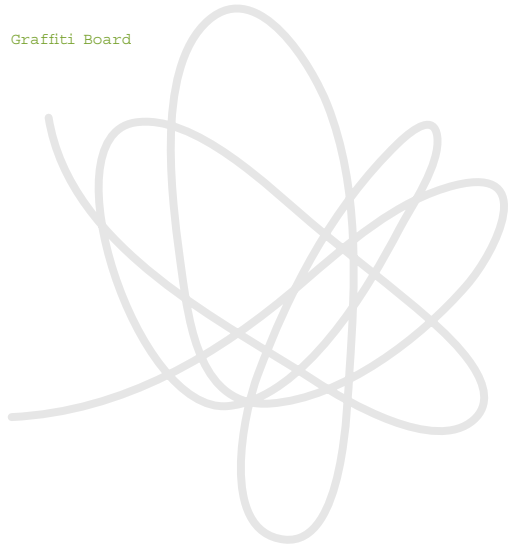
Thought Space:

Mental Graffiti Board





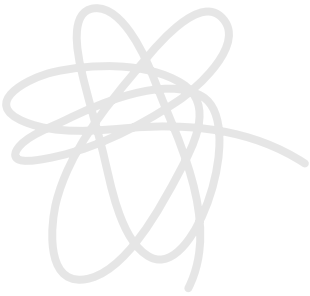
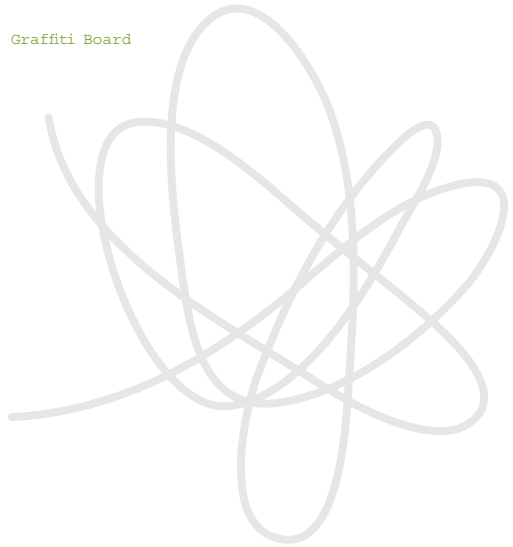
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'Good design, at least part of the time, includes the criterion of being direct in relation to the problem at hand - not obscure, trendy, or stylish. A new language, visual or verbal, must be couched in a language that is already understood.'

Ivan Chermayeff

## Chapter VIII Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> Business Design, just like the brain, needs to constantly rewire, and to synthesise the best of the left hemisphere and right hemisphere in order to remain relevant - both in its form and function.
ANALOGUE	DIGITAL	DIGILOGUE	
PROPERTY	FREE	CREATIVE COMMONS	
LEFT-BRAINED	RIGHT-BRAINED	REWIRED	

**Statement:** Your brain design determines your Return on Thinking.  
**Explanation:** To maximise your Return on Thinking in the new zeitgeist it is no longer enough to rely solely on left-brained or right-brained thinking. You need to rewire your brain and start firing on all synapses. This is critical to raising your intellectual capital, but also to profoundly connect with the decision-makers you need to persuade in order to progress in your career and business. Our mental spam filters have never been set to a higher alert than now, and to get your message across you need to develop a GPS-like flexibility in communicating your thinking form and function.

**Main sources**

*The Whole Brain Business Book* by Herrmann

WGSN

*A Whole New Mind* by Pink

'Putting Your Company's Whole Brain to Work' by Leonard and Straus in *Harvard Business Review*

**Main Case Studies**

Apple

H&M

Swarovski

Ireland

Legal Industry

CPA Australia

**Main Design Inspiration**

Hemispheric Specialisation

Marc Chagall

Form and Function

Spam Filters

Herrmann Brain Dominance Instrument

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter VIII

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons

### The Business of Brain Design

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
business design	left-brained	right-brained	rewired

The *zeitgeist* of our times has changed. Because of globalisation, the flipping of Maslow's Needs Hierarchy, and computerisation, the left-brain is getting outsourced and we cannot solely rely on our computational minds to provide us with a competitive advantage any more. No business survives over the long term unless it reinvents itself, and similarly no business brain will remain relevant unless we reinvent and upgrade our thinking.

It may be that the US Congress in the late 1980s was ahead of its time. In 1989 it passed Public Law 101-58 which declared the 1990s the Decade of the Brain. Perhaps it should more aptly have been named the Decade of the (Left) Brain, because the new 3.0 brain age that we are entering now is fundamentally different to what the world was like in 1989.

During the first decade of the internet (Web 1.0), the **left-brain**; logical, linear, sequential, and analytical, ruled supreme, both in education and in business. Left-brained thinking is frequently associated with male styles of thinking, and was the favoured commodity during the industrial age and for much of the information age. With the advent of computer technology, the interconnectedness of the world, increasing levels of prosperity in the western world, and Web 2.0 we have moved into more **right-brained** territory, as Dan Pink so pointedly illustrates in his book 'A Whole New Mind: why right-brainers will rule the future'. The right-brain is innovative, creative, synthesising and holistic. Right-brained thinking is frequently associated with female styles of thinking, and up until our entry into the 2.0 era, was discriminated against both in education and in business. For those of you who are computer savvy you may liken the left-brain with a serial processor, and the right-brain with a parallel processor.<sup>120</sup> For those of you who like language and metaphor, in the analogy of 'a picture says a thousand words', the thousand words is the left-brain, and the picture is the right-brain.

Yet, despite shifting economic imperatives and the commoditisation of the left-brain, our old ways of valuing particular parts of the brain remain the same. When you travel around the globe it becomes evident that every education system in the world, the educators of business men and women of tomorrow, has the same hierarchy of subjects. Historically, maths and science based subjects are perceived to be at the top of the education ladder, while the humanities and the arts take their places at the second and third tier respectively. We educate peoples' heads to one side - a weighting that may very well be out of whack with the new economic reality in the world. This hierarchy was established on the requisite academic ability required to meet the needs of an industrial engine that in the Western world now has many screws loose. That is, the most useful subjects for employment were considered to be at the top of the hierarchy, with students benevolently steered away from pursuing creative subjects which were perceived as employment limiting. In the brain age, if you constantly nurture one side of your brain you will eventually walk around in circles. This is why you constantly need to rewire your brain and expose your synapses to new ways of thinking.

**left brain**  
 noun  
 the left-hand side of the human brain, which is believed to be associated with linear and analytical thought.  
 DERIVATIVES  
**left-brained** |'left brænd| adjective

**right brain**  
 noun  
 the right-hand side of the human brain, believed to be associated with creative thought and the emotions.  
 DERIVATIVES  
**right-brain** adjective  
**right-brained** adjective

Thus, unlike Pink I do not believe right-brainers will rule the future. Instead I believe that business brains who are open to learning, unlearning and relearning - rewired Thinking 3.0, will trump their competition.

The simple dichotomy of left and right falls short of accurately describing the rewiring of our brains necessary for compatibility with a 3.0 world. Equally, the categorisation of left-brained and right-brained thinking is more powerful metaphorically, than it is accurate physiologically. Not all of the functions commonly associated with the left-brain are located on the left side of the cortex and not all so called right-brained functions are located on the right.<sup>121</sup> Still, the simple description does usefully capture radically different *versions* of thinking. An analytical, logical, and sequential approach to problem framing and solving clearly differs from an intuitive, values based, and non-linear approach.



<u>LEFT HEMISPHERE</u>	<u>RIGHT HEMISPHERE</u>
speech/verbal	spatial/music
logical/mathematical	holistic
linear/detailed	artistic/ symbolic
sequential	simultaneous
controlled	emotional
intellectual	intuitive/ creative
dominant	minor (quiet)
worldly	spiritual
active	receptive
analytic	synthetic / gestalt
reading/ writing / naming	facial recognition
sequential ordering	simultaneous comprehension
perception of significant order	perception of abstract patterns
complex motor sequences	recognition of complex figures

122

The omniscient ability to google and find anything. adjective.

## design

[dɪ'zɪn]

noun

A plan or drawing produced to show the look and function or workings of a building, garment, or other object before it is built or made: *he has just unveiled his design for the new museum.*

- the art or action of conceiving of and producing such a plan or drawing: *good design can help the reader understand complicated information | the cloister is of late twelfth century design.*

- an arrangement of lines or shapes created to form a pattern or decoration: *pottery with a lovely blue and white design. specially designed buildings.*

- (often **be designed**) do or plan (something) with a specific purpose or intention in mind.

In a 2.0 world the economic imperative shifted from left-brained thinking to more right-brained thinking. A company's most important asset isn't raw materials, transport systems or political influence any longer - it's creative capital - simply put an arsenal of creative thinkers whose ideas can be turned into valuable products and services.<sup>123</sup> MBA schools, the pinnacle of business education, are now employing creativity, emotional intelligence and constructive listening skills as compulsory parts to their curricula. Two human skills have an added economic premium placed upon them in this whacky new world: expert thinking, the ability to solve non-routine problems in non-routine ways, and secondly complex human communications, the ability to take a piece of information and give it meaning, relevance and engagement for its audience. In a (googleable) world of bits and bytes, with any piece of information, statistic, graph or research freely available, the ability to package your thinking in a way that emotionally connects on the right side of the brain is a competitive advantage.

Especially when computerisation, outsourcing and Maslow's Needs Hierarchy has strip-mined exclusive left-brained thinking of its old value. Twenty-three Fortune 500 companies have relocated their HQs from one country to another, half of them in the last 5 years.<sup>124</sup> China has seen a sharp rise in patents over the last few years according to the UN's intellectual property agency. The number of requests for patents in China grew in 2005 to 170,000, up 33% from the previous year, and landing it in third place globally behind the US and Japan.<sup>125</sup> It is time to wake up! Competition is increasing by the minute and the West cannot rest on its old shrinking laurels any more. Apathy, ignorance, and complacency are not valid excuses for landing you in the brain ghetto!

### Form and Function

(Design) is a great example of the tension and rewiring of our left and right-brains, cross-contextually. There is a move away from functional, traditional jobs in the Western world. This sector has underpinned the livelihoods of generations of working-class people, a sector which is now moving closer to extinction. Overall in the UK, 400,000 jobs will be lost in manufacturing to take the total to 3.17 million by 2014.

This is an industry, an idea, a concept that like many other 1.0 idea needs a re-design in our whacky world. Because it is not about function or form anymore; neither in design, nor in business. Some of the world's funkier boutiques are going for work wear function and form. Seafaring gear worn by the Icelandic Coast Guard and security jackets for Canada's electrical workers are just two examples of workday cachet that have become hits on boutique floors. In Paris, Colette has introduced Richlu, a Winnipeg-based brand of protective outerwear for electrical workers, the success of which Colette puts down to a desire to return to old values.<sup>126</sup> This is 3.0 Thinking that embraces the best of right-brained and left-brained thinking.

In architectural design, there has been a long-standing battle between the presumed mutually exclusive notions of function and form of a construction. One school of thought (1.0) encapsulated by Augustus Welby Pugin is that *'there should be no features about a building which are not necessary for convenience, construction, or propriety'*. A common belief in this school of thought is that ornament serves no function. Postmodern architects like Peter Eisenmann occupy the other end of the spectrum (2.0) saying that he *'doesn't do function'*. The best-known architects in the West, like Frank Gehry, Steven Holl, Richard Meier and I.M. Pei, see themselves primarily as artists, with some secondary responsibility to make their buildings functional for clients and/or users. I believe the most enlightened designers are those who can comfortably do both, like Will Bruder, James Polshek and Ken Yeang.

Form or function? That is the historical debate in design. In this context this is a question of left-brain (function) or right-brain (form). Many developers still gravitate towards functional, practical architects, and there's still a gap between functional architects and artistic architects like Frank Gehry. The more we can merge great design with practicality and efficiency, the better.<sup>127</sup> In the fashion space, there is also a trend towards 3.0 hybridisation of form and function. H&M, Interbrand's top ranking European Retail Brand in 2008, is no longer solely a fast-fashion functional (1.0) retailer, but has over the last few years co-branded and curated its lines of clothing with the likes of Karl Lagerfeld, Stella McCartney, and Rei Kawakubo from *Commes des Garçons*. In fact, former head of design at H&M,

Margareta van den Bosch argues that H&M's success rests in its skill at *creating the right mix*, enabling it to keep prices low while still providing enough of interest for the fashion-forward designer client.<sup>128</sup> This 3.0 approach to business and design and its concomitant mash-ups with leading designers represents the final benediction of the mass-market by the designer community,<sup>129</sup> a relationship that was very strained for a long time. Commenting on the new marriage of form and function, Kawakubo said that *'I have always been interested in the balance between creation and business - it is a fascinating challenge to work with H&M since it is a chance to take the dilemma to its extreme, and try to solve it'*. Rewired 3.0 Thinking no doubt.

Time and again we see successful products that were not necessarily first to market but were the first to appeal to us emotionally *and* functionally. In other words, they do the job and we love them. The iPod was not the first MP3 player, but it was the first to be delightfully sexy. Target's products appeal emotionally through design, functionality and price - simultaneously. Pixar Studios' success according to John Warnock of Adobe and Pixar fame lies in its belief in the swirling interplay between art and technology, function and form, saying; *'technology inspires arts, and art challenges the technology'*.<sup>130</sup> That is 3.0.

Design is a classic 3.0 Thinking aptitude. John Heskett, a design scholar, says that design is a combination of *utility* and *significance*.<sup>131</sup> Design by nature is interdisciplinary - its most innovative proponents design thinkers who can fuse function and form. Paola Antonelli, curator of architecture and design at MoMA, beautifully posits that *'good design is a renaissance attitude that combines technology, cognitive science, human need, and beauty to produce something that the world didn't know it was missing'*.<sup>132</sup> The ability to create design that is compatible with the 21st century lies in the ability to Think 3.0. Design is the only thing that differentiates one product or service from another in a world increasingly marked by transparency, freeware, piracy and open sourced thinking. As such, *'business people don't need to understand designers better. They need to be designers'*.<sup>133</sup>

***Nurturing Business Design Thinking***

It is in this context that we can place the re-emergence of a liberal education. The 'renaissance man' has become a term of endearment once more in Australia, known perhaps better for its 'soil of the earth', VB-drinking machismo. In this shifting world, forward-looking educational institutions are encouraging their teenage students to contemplate Descartes ('I think, therefore I am') and Shakespeare ('one must be wise enough to play the fool'). At John Colet Primary School in Sydney students also learn Sanskrit, philosophy, history, a foreign language and music in addition to the regular curriculum.<sup>134</sup> 'A liberal education is generally taken to mean education in all those artistic and cultural areas which produce a civilised human being, regardless of how much those accomplishments contribute to one's earning potential. They make life worth living, dinner party conversations rich and rewarding, and add depth and colour to one's existence that knowledge of double entry book-keeping, the uses of a combine harvester or various computer languages don't. A liberal education is not mere dilettantism. It is that thread of knowledge and wisdom that connects a person to his or her place in society, humanity and the universe'.<sup>135</sup> I was lucky to receive this type of education at both the German School in Stockholm and Canberra Grammar School in Australia. Thank you, Swedish taxpayers.

Italian Renaissance humanists promoted the idea that the best way to educate leaders was an immersion in the best literature of classical antiquity, especially in poetry, history, oratory and moral philosophy. In his treatise on education Pier Paolo Vergerio noted three ways parents can serve the interests of their children: they should exercise care in selecting their name (like Anders meaning 'manly'), they should settle their children in renowned cities (like Stockholm and to a lesser degree Canberra), and thirdly they should instruct their children in the liberal arts (like T.S. Elliot and Rugby League). Once again, these 2.0 right-brain skills must be balanced with 1.0 Thinking. The whole thinking repertoire needs to be positioned flexibly with the stakeholders around you.

**Renaissance man**

(or woman)  
noun  
a person with many talents or interests, esp. in the humanities.

**Descartes**

[də'kɑ:rt|  
Descartes, René (1596–1650), French philosopher, mathematician, and man of science. He concluded that everything was open to doubt except conscious experience and existence as a necessary condition of this: "Cogito, ergo sum" (I think, therefore I am). In mathematics, he developed the use of coordinates to locate a point in two or three dimensions.

### ***The Rise of the Global Right Brain***

One of the key premises of Daniel Pink's book is that in order to stay competitive, the West should become more right-brained because it is a style of thinking which cannot easily be pirated, outsourced, or computerised. While I have a secret man crush on Dan's brain, the book has been criticised because it seems to gloss over the fact that creativity, innovation, and right-brained thinking is not a solely western domain, but is equally prevalent in non-Western countries. Now we are in fact seeing Asian design and architecture winning awards and contracts in competition with their supposedly more right-brained rivals. Technical prowess is one thing, but the ability to come up with truly new ideas and services still trumps everything.

Western economies are no longer the sole domain of innovation and creativity which the 56-story USD \$ 114 million, Absolute World South Tower in Mississauga, Canada illustrates. Surprisingly, or perhaps not, given that we are now seeing the emergence of the *Global Right Brain*, it has not been designed by either Rem Koolhaas or Norman Foster, but instead by the Beijing-based MAD Architectural Design Studio. Both Lenovo which bought a large chunk of IBM in 2005 and manufacturer Haier are also making big leaps in design and innovation. Similarly, Chinese filmmakers like Zhang Yimou and Chen Kaige along with Vivienne Tam have built an international following. This trend is likely to continue as a new generation of right-brainers make their mark on the more mature Asian economies, and we keep strip-mining cheap labour economies for left-brain commodities. If you are still sceptical, remember that Japan's meteoric capitalist was largely based on aggregating, copying, and making western processes more effective. Now *Tokyo is a creative powerhouse*. No longer is more right-brain aptitudes a monopolistic western trait. We need to go beyond the right-brained trend and go 3.0.

### ***Mental Spam Filters***

Why is this so important in design and business? Well the golden rule is defunct. I grew up in Lutheran Sweden and was told to treat other people the way I wanted to be treated, to communicate with others the way I wanted to be communicated with. That is noble, but no longer enough. In our information-

obese world, we all have mental spam filters, and many of them are set to high alert. The average American citizen is exposed to 247 ads a day, and by the time they reach the age of 18, they have encountered 350,000 TV commercials.<sup>136</sup> In a cognitively diverse world, a message sent is not necessarily a message received. Some people respond well to facts, figures and stats such as the case studies in Chapter VI and beyond, others prefer anecdotes such as the story of my funky cat Finnegan in chapter I, the metaphor of the English language in Chapter V, still others respond to graphic presentations such as the Thinqe Funky Model or the mental graffiti walls most easily. Every word we utter, every item we wear, every thought we position is subjected to this filtering process and that is why it is so critical for you to position your thinking in a way that creates profound connection with the stakeholders around you.

Economists Deirdre McCloskey and Arjo Klamer calculate that the persuasion industry; advertising, counselling, consulting, and so on, accounts for 25% of US domestic product. So getting your thinking and positioning right is crucial.<sup>137</sup> Persuasion is the epitome of internal thinking externally manifested. It is no wonder that Michael Dell says that the only thing that surpasses internet communication is telepathy.<sup>138</sup> The quality of your message does not matter, you need to design it and sell it. This goes for both employees, partners, executives, marketing directors, creatives and suits. No matter who you are, the communication threshold has been raised and you need to tweak your thinking and communication version so that it bypasses people's mental spam filters.

Equally, I don't believe the days of the left-brained thinkers are over. In this new era that we are living in, the quest for self-actualisation has been extended from a lucky few to a lucky majority in Western countries, and increasingly so, in non-Western countries. The only competitive advantage today is to pursue your passion, your mission, your life's meaning with determination and chutzpah. To stand and play strong in your thinking strengths. This is what gives you on-going, organic and sustainable inspiration.

It does not matter whether these strengths are left-brained or right-brained in nature, the determinants of you and your companies success is:

- a. whether you leverage your thinking strength, and b.
- whether you brand that strength flexibly to connect with a diverse audience of unique thinkers.

This is why the right-brained Rhode Island School of Design has enlisted the left-brained John Maeda as its new President, whose vision for design at RISD is a 3.0 rewired 'synthesis of analytical and intuitive processes'.

The surrealist painter Marc Chagall's imagery of a horse and man, the former symbolising our emotional brains and the latter our rational intellect illustrates that we need our hemispheres to work in tandem. When Chagall drew paintings of a small horse and a giant man the horse was too small and couldn't get up on its feet. And when he drew a giant horse, the animal would throw the man off. But when Chagall drew pictures of the horse with the right kind of (simpatico) with the man, that is, emotions and intellect in balance, then you have brain proportions that are proper for a 3.0 world. We are becoming savvier with regard to commercial messages and have learnt to have our mental spam filters on high alert, with a new generation of consumers violently rejecting advertising. Consumers and economic decision-makers want to engage with products and services that make them think, according to WGSN trendspotting.<sup>139</sup> As a result, products and services, just like our thinking, need to be designed from the inside out. Similarly, the way you position your thinking and the messages you want to get across needs to be as flexible as GPS-intelligent London buses to make sure your sticky message bypasses our spam filters.

Interestingly, Rupert Murdoch, News Ltd's Chairman, encapsulated this shifting mood in one of his Boyer lectures:

*Computers will never substitute for common sense and judgment. They will never have empathy either. To be successful, a business needs people who see the big picture, who can think critically and who have strong character. Economists call these skills 'human capital'. You won't*

**simpatico**  
|sim'patiko|  
adjective  
(of a person)  
likable and  
easy to get  
along with.  
• having or  
characterized  
by shared  
attributes  
or interests;  
compatible:  
a simpatico  
relationship.  
ORIGIN  
Italian and  
Spanish,  
'sympathetic'



*find this capital listed on a corporate balance sheet. But it is the most valuable asset a company has ... take the 20 best people away, and I tell you that Microsoft would be an unimportant company ... mediocrity has been banished ... and in the future successful workers will be those who embrace a lifetime of learning.*<sup>140</sup>

A rewired 3.0 brain born in 1931 if I have ever seen one. Interestingly, the key brain (Bill Gates) of those 20 at Microsoft is no longer there.

### ***Gender Implications of Business Design***

Gender plays an illustrative role in this battle of the brains too. If we focus on gender thinking for a moment, it is statistically true that men as a group tend toward left-brained thinking and women toward right-brained thinking.<sup>141</sup> The female advantage is that the corpus colossum (the brain's information highway) is thicker by 5-10% in women than in men. This is the reason why women are better at multi-tasking than men are. We need to look no further than to the kitchen for an intuitive example of this scientific difference. Men have now reached an evolutionary stage where we can walk and chew gum at the same time, and no longer is it true that men don't ask for directions and women cannot read maps. I for one cannot read maps, as I have outsourced that part of my brain to my GPS. The great social commentator Mal Meninga (former Rugby league great) commented on a survey on Australian 'blokism' by saying that the 'old Australian male icon is a dying breed, we have all become a nation of pansies'. If cooking constitutes pansie-ness, I am with you all the way, Mal.

When I cook, and 2008 was the year when I decided to learn how to really cook, I gather my friends (guinea-pigs) for a formal Sunday night meal. Everything is neatly prepared in little bowls, measured, meticulous and with a focus on minutiae. The recipe book is out, I follow the recipe to the letter and do everything step by step in a logical, sequential, linear fashion. I may occasionally have a break for some planned spontaneity such as a lackadaisical glass of red wine, but no fancy tangents. When a woman cooks, there is no seeming method to the madness (at least from a bloke's perspective); she is on the computer with flour-covered fingers, there are plates everywhere, she is painting

the ceiling with one hand, baking with the other, sharing a flute of champagne with the neighbour and doing open-heart surgery with her foot. Somehow, she still manages to create a wonderful 5 course dinner.



Tick this...

Male v Female Differences

Where are your business brains at?

<u>MALE</u>	<u>FEMALE</u>
mathematics ability <input type="checkbox"/>	reading ability <input type="checkbox"/>
mechanical aptitude <input type="checkbox"/>	foreign language mastery <input type="checkbox"/>
seeing patterns / abstract relations <input type="checkbox"/>	hearing more acute <input type="checkbox"/>
spatial ability <input type="checkbox"/>	verbal ability <input type="checkbox"/>
better at things & theories <input type="checkbox"/>	intuitive and sensory superiority <input type="checkbox"/>
using more probing questions <input type="checkbox"/>	using more evocative questions <input type="checkbox"/>
more analytic <input type="checkbox"/>	more contextual <input type="checkbox"/>
seeing things more linearly <input type="checkbox"/>	seeing things globally/ holistically <input type="checkbox"/>
better at problem solutions <input type="checkbox"/>	better at problem understanding <input type="checkbox"/>
more understanding of facts <input type="checkbox"/>	more understanding of process <input type="checkbox"/>
forming task teams <input type="checkbox"/>	forming groups/ communities <input type="checkbox"/>
approach to creativity likely to be technical, hardware, 'thing' oriented <input type="checkbox"/>	approach to creativity likely to be intuitive and relational <input type="checkbox"/>
<u>Total</u> <input type="checkbox"/>	<u>Total</u> <input type="checkbox"/>

This style of 2.0 Thinking have given female/right-brained styles of thinking a competitive/compatibility advantage in a 2.0 world. Women-run companies are more likely to stay in business than the average US firm, to grow at three times the average rate, create jobs twice the average rate and produce profits faster.<sup>143</sup> Women business owners typically possess the characteristics that are needed in a Web 2.0 world, combining *'discipline, focus, detachment, and systemic thinking with playfulness, empathy and design'*.<sup>144</sup> Women often search for new answers as they are less linear and systematic in their thinking than men and will often apply 3.0 rewired thinking to problem solving, which uses emotional, intellectual and practical examples. This may also be one of the reason MI5 is busy attracting female recruits, aiming to reflect the diversity of the UK to do their job properly in a 2.0 world.<sup>145</sup> While organisations are recognising the value in more right-brain thinking, by definition, female thinking is also becoming more recognised.

To add to this trend, many Gen Ys are looking to more female and androgynous styles of leadership, which in a talent short world defined by the demands of talent leads to further demands for female and androgynous styles of leadership beyond the traditional 1.0 version of pale, male, stale thinking. Sweden's management style has been found to be the most feminine out of 50 countries recently surveyed,<sup>146</sup> and was named by the World Economic Forum as the country that has done the most to reduce gender disparity. Perhaps it is not only because us Swedes recognise that is the right thing to do, but because we also realise that it raises the right sort of intellectual capital in our organisations, landing it in 4th place on the World Economic Forum's list of the most competitive economies in the world.<sup>147</sup> When University of Toledo's Margaret Hopkins studied several hundred executives from a major bank she found gender differences in social intelligence (2.0) in the overall group but not between the most effective men and the most effective women, indicating that both rainmaking men and women are able to transgress the inter-sexion of thought and behaviour. Ruth Malloy of the Hay Group in a study of international CEOs concluded similarly. Gender is not a neural destiny and it is within all our capacity to upgrade our thinking to be compatible with the economic times we are living in. Hence I believe it has never been more important in business than in the current

brain age to be aware of your thinking version and how you position it.


### **Thinking Version Applications**

When you identify your thinking style, or that of your whole team, you gain insight into the ways your preferences unconsciously shape your style of leadership, your personal brand and pattern of communication. When I left law I realised that one of the reasons legal thinking did not suit me was that my right-brained innovative thinking style was a counter-cultural way of thinking in a largely conformist left-brained environment. In an article in the Harvard Business Review, Dorothy Leonard and Susaan Strauss aptly point out how this is relevant to business design.<sup>148</sup> In their article, Jim Shaw, former executive vice-president of MTV Networks, is described as a left-brained guy in a right-brained organisation. Said Shaw of his positioning:<sup>149</sup>

*I have always characterised the creative, right-brained, visionary-type people here as dreamers. What I've realised is that when a dreamer expressed a vision, my gut reaction was to say, 'Well, if you want to do that, what you've got to do is A, then B, then you have to work out C, and because you've got no people and you've got no satellite link-up, you'll have to do D and E.' I've learned that saying that to a creative type is like throwing up on the dream. When I say stuff too soon, the dreamer personalises it as an attack. I've learned not to pull all of the things that need to be done on the table initially. I can't just blurt it all out - it makes me look like a naysayer. What I've learned to do is to leak the information gradually, then the dreamer knows that I am meeting him half-way.*

This rewired positioning is very 3.0.

Jerry Hirschberg, former president of Nissan Design International, ran into precisely the opposite problem. Hirschberg discovered that some of his employees craved the very kind of structure he abhorred. Before his epiphany, he flooded them with information and expected creativity in return. In short, he tried to manage his employees the way he would have wanted to be managed (the defunct golden rule). Hirschberg found, however, that a few individuals reacted to every suggestion with a 'yes, but...' Initially,



**"Your brain  
design determines  
your return on  
thinking."**

he interpreted such hesitancy as an anti-innovation bias. But, according to Leonard and Strauss, he eventually realised that some of his employees preferred to have more time both to digest problems and to construct logical approaches to his intuitively derived ideas. Given some more time, they would return to the project with solid, helpful, and insightful plans for implementation. Ironically, it was their commitment to the success of the initiative that caused the employees to hesitate: they wanted the best possible result. Hirschberg recognised that their contributions were as critical as his own or those of any of the other 'right-brainers' in the company.<sup>150</sup> Now when he hires designers he brings them in in virtual pairs. That is, when he brings in a designer who glories in the freedom of pure colour and rhythm, he will next hire a very rational, Bauhaus-trained designer who favours analysis and focuses on function.<sup>151</sup> To get an organisation and individuals to start using their whole brains in a 3.0 fashion, we need to constantly rewire our brains, shift our thinking and flex our communication muscles.

Let me give you an example of some well positioned thinking brains in the business design space. If we look to Apple for a moment, it has an uncanny ability to position itself as the right-brained computer company, appealing originally mainly to the creative crowd. Its right-brained positioning epitomised in its switch campaign in combination with its technological advancements, and lower points of entry (iPod), has seen Apple's retail and education market share expand rapidly over the last few years at the expense of left-brained computer brands. It has thereby displayed an ability to position its business brains in a way that is compatible with a 2.0 world. Essentially what it sells are bits and bytes, 1s and 0s, but because it has its finger on the pulse of webolution it has upgraded and packaged its thinking in a way which was attractive in a Web 2.0 world.

Even the larrikin Irish get that it is thinking which is at the core of capital in the whacky world. In a recent ad for the Irish Government's inward investment agency, IDA Ireland, Ireland is positioned as:

*Ireland, knowledge is in our nature. The Irish Mind. The unique resource you'll need to bring your knowledge-based business to peak performance. The Irish. Creative. Imaginative. And flexible. Agile minds with a unique capacity*

*to initiate, and innovate, without being directed. Always thinking on their feet. Adapting and improving. Generating new knowledge and new ideas. Working together to find new ways of getting things done. Better and faster.*

For those of you who thought that the Irish were just about Guinness and pies, you may have missed the boom in the Irish economy over the last 10 years. Here is a whole nation that understands how to position its 3.0 business brains.

Apple may in fact be the best case study of a company that has been tapping the Web 2.0 world trend towards an appreciation of more right-brained thinking. For anyone that watched the series *Entourage* or *Dexter* you may have noticed the integrated Apple product placements; a right-brained marketing trend (excluding TVs and movies this was a USD \$ 225 million dollar business in 2005) that blurs the lines between entertainment and commercial messages. A less convincing example of riding the right-brained trend was Swarovski's Active Crystals for its co-branded Phillips USB sticks arguing that '*Today's USB sticks are yesterday's envelopes*'. They are seeing the trend and are trying, but that one is simply not quite landing for me. Nevertheless, companies across the industry spectrum are working with highprofile designers to tap new markets and stand out in the business of design space. Target has been working with Michael Graves, H&M with Karl Lagerfeld, Qantas with Marc Newson, Marriott with Ian Schrager, and Samsonite with Alexander McQueen. Even electioneering has not escaped the business of design - President Obama's winning 2008 campaign saw the old type face Gill Sans replaced by the on-brand Gotham in a way that reinforced his message. What are you doing to give your thinking a designer boost?

Self-promotion, personal branding and positioning is no longer solely the domain of egotists and professional aspirants. Like it or not, with the advent of Facebook, MySpace, Google, and Twitter we are all public figures, and the thing that interests people are the musings of your mind. As Ian Schafer, CEO of Deep Focus, an internet marketing firm in NY and LA says '*by actively keeping a blog and using Twitter and maintaining my social network profiles, I am shaping my image*'.<sup>152</sup> This technology gives us direct power over our own brands, and make us all into our own publicists, according to Julia Allison, the internet celebrity who is famous for being famous.<sup>153</sup>



Equally Fast Company, when commenting on Obama's election win said, :

*the promotion of the brand called Obama is a case study of where the American marketplace, and potentially, the global one - is moving. His openness to the way consumers today communicate with one another (Twitter/Facebook), his recognition for the desire of 'authentic' products and his understanding of the need for a new global image - are all valuable signals for marketers everywhere.*<sup>154</sup>

His rewired brain was on trend, compatible with a 2.0/3.0 audience and flexibly communicated in a variety of media.

This type of business brain design is equally relevant to wage-earners / knowledge workers. If you've got ambition and street smarts, you can rise to the top of your chosen profession(s). Opportunity abounds, but with it comes responsibility. Historically, there was no such thing as 'success' because the majority of people did not expect anything but to stay in their 'proper station', and the only mobility was downward mobility. In the age of ideas we expect everybody to be a success and with this comes greater responsibility and greater pressure. Positioning yourself and taking charge of your career is a DIY project, and requires constant rewiring of your business brain. To be successful in your career you need to have a deep understanding of yourself and how you impact the stakeholders around you. This is why it is not enough as some first-rate engineers to take pride in not knowing anything about people. In contrast, many HR professionals often pride themselves on their ignorance of elementary accounting or quantitative methods altogether. This is a defunct attitude. Rewire your brain, put your whole brain to work, and position yourself flexibly.

As any designer would know, packaging of a product and service is crucial to its success. Creativity is now an economic imperative. In fact the Gunn Report in 2007 showed that the success of creative advertisements were directly related to market place success for the companies they promoted, and illustrated that *creative advertising agencies often equal effective advertising agencies.*<sup>155</sup> Thinking is what makes the world go round today, and as such the way you package your thinking is essential to you and your company's success. This is why companies like Apple, Lenovo, Macquarie Bank, Allens

Arthur Robinson, IBM, Credit Suisse, even the Australian Labour Party, all have the word 'thinking' in their positioning statements. In fact, un-packaging is an online trend (see [www.unboxing.com](http://www.unboxing.com)) which showcases the emotive side to the step-by-step unwrapping of products on YouTube. Another example are a recent edition of Reebok's climbing shoes packaged by McCann Erickson Mumbai and stuck upside down on the inside of the top lid of the shoebox to indicate their suitability for extreme climbers.<sup>156</sup> If you think that your product, service or thinking speaks for itself, think again! People take great delight in the brand and design association they feel when they connect with you, so make sure you rewire your thinking, position it optimally, and package it in a way that entices people to connect with you.

Let me give you an example of re-designed thinking and how we got there. I was speaking at the Australian Legal Practice Managers Association's Annual Conference in 2007. Now when you think of the traditional law firm, what sort of word associations come up for you? Perhaps conservative, risk-averse, male/pale/stale, technophobic, analytical, methodical, rational, cold fish, precedent-obsessed. In essence, the organisational thinking of most law firms is heavily steeped in 1.0 left-brained thinking. This has seriously impeded their ability to bypass the mental spam filters of talent, and thus a failure to attract, engage and retain a whole new generation of Gen Y lawyers. Why? This generation thinks 2.0/3.0, they are way more right-brained, they take the positives of left-brained thinking for granted and expect to be self-actualised in their workplace. The way they approach work and career choices is a little bit like the interaction you'd have when you choose a restaurant. Few, if any restaurants will market the fact that they use salt and pepper in their food preparation, but if they use saffron or truffles this will certainly feature on the menu. Gen Ys assume that 1.0 remuneration (salt and pepper) is included, that they will have access to good technology, secretarial support staff, and solid legal knowledge. But this does not wow them. Nor does the strongly left-brained culture attract them, engage or retain them. The legal business was in serious need of re-design.

The challenge with this clash of 1.0 and 2.0 world views is that the old school partners want loyalty, hard work, and

discipline from their Gen Y lawyers. Gen Y's most common attributes are that they are entrepreneurial, innovative, creative and team-oriented.<sup>157</sup> While of course neither 1.0 nor 2.0 is exclusively left or right-brained psychometrically, it outlines what both stakeholder types look for in terms of company values, culture, environment and work tasks. Some law firms now face attrition rates of 80-100% by the time their graduate lawyers enter their 4th year post-admission, and some law firms see these kinds of attrition rates on an annual basis. This means that 80% of law firms see talent attraction, engagement and retention as key strategic concerns for the future.<sup>158</sup> The replacement costs of losing a lawyer is between 100-250% of the departing lawyer's annual salary so this is real bottom line stuff.<sup>159</sup> Gen Ys on the other hand are job-promiscuous, lack employment brand loyalty, and crave variety. So how do you solve this apparent clash of versions of thinking?

At the ALPMA Annual Conference we crowd-sourced solutions to the question 'how can you better attract, engage and retain Gen Y talent to add long-term value to the firm?'. We then created a tailored special report based on the 300 odd solutions which each participant could access for use within their firms. All of a sudden, they were given access to ideas like paying the Gen Y lawyers 80% for four years and then paying them a full-year's wage in their 5th year so that they can go off back-packing in Nepal. This is also in tune with Gen Y's lack of financial foresight, recognising that forced savings may be a way to help them with their financial management, and still be able to take a sabbatical. For the firm, the benefit includes having an employee who might well boomerang back to a firm that it considers to be in tune with 2.0/3.0 Thinking, and raving bar-talk of how firm X is so much more future-minded than their peers' equivalents. Secondly, another solution was, why don't we implement formal secondment arrangements with firms in Dubai, London, Hong Kong and New York, the locations that are currently stealing Gen Y talent from Australian firms. Other than the fact that most HR managers and partners liked the idea of telling Gen Y to go away, they also liked the idea of promoting bilateral secondments to bring international experience into the firms. Thirdly, why don't firms implement paid maternity and paternity leave? Some of the most productive economies in the world and notably the Scandinavian countries have models that are very successful in this regard. This would

align with the Gen Y focus on work-life balance, gender equality, and the economic opportunity for both partners to be an integral part of their children's lives at a young age. So by rewiring their thinking to 3.0, these lawyers were able to find solutions which appealed to both 1.0 and 2.0 stakeholders, and design better business 3.0 solutions. This is saffron and truffles for Gen Y.

Another company that had challenges with its internal branding and a clash of thinking versions was British Petroleum. When it merged with Amoco and ARCO it seized the opportunity to rebrand itself as BP and launched a campaign simultaneously to staff and the public declaring that it was going 'Beyond Petroleum'. One of BP's billboard ads and campaigns reads, 'BP: Solar, natural gas, hydrogen, wind. And oh yes, oil. It's a start'.<sup>160</sup> I noticed another BP initiative which is helping to remove the 'high' from petrol sniffing in Australian Aboriginal communities, a government co-subsidised scheme which removes most of the hydrocarbons which provides sniffers with a high. The company repositioned its business brains and put aside its identity as an oil company to become an energy company, moving from an old school 1.0, closed corporation to an open, 3.0 collaborative, new-economic venture.<sup>161</sup> A survey that was taken after the internal branding campaign was launched showed that 76% of employees felt favourably toward the new brand, 80% were aware of the brand values that constituted the new brand message and a full 90% thought the company was going in the right direction.<sup>162</sup> This is the kind of return on thinking you can expect when you upgrade to 3.0 Thinking and position your business brains flexibly.

Notably, staff need to hear the same message that you are sending out into the market place. Nike is a leader in this regard with a number of senior executives holding the additional title of 'Corporate Storyteller'. They focus on parables such as 'just doing it' and re-inforce the brand culture internally like the story of Bill Bowerman. The Nike co-founder, in an effort to build a better shoe for his team poured rubber into the family waffle iron, giving birth to the now-famous Waffle Sole.<sup>163</sup> To truly fire on all synapses and engage your rewired internal business brains in a 3.0 fashion, you need to ensure that the employment brand and client-facing brand are in alignment. Something which may require some rewiring.

Our thinking strengths and blind spots also inform how we work within a team and its concomitant dynamics. I was working with one of Australia's most successful financial institutions recently to solve two of their challenges. One was inter-generational miscommunication, and the other was that management demanded more innovative and creative solutions from their team. By using a blue-chip psychometric tool called the Herrmann Brain Dominance Instrument we got a satellite snapshot of the brain trust's thinking 'clouds' and how these affected the team dynamics. We were able to identify from this mapping that there were not so much generational differences, in this instance, as individual thinking differences which had caused some of the communication challenges within the team. Similarly, we were able to identify how and why the team wasn't coming up with innovative or creative solutions based upon the fact that collectively the team did not have thinking strengths in this area. We solved this by Thinking 3.0 and implementing a solution which involved the innovative, creative, right-brained thinkers being given more air-time in meetings and instituting a ten minute innovation amnesty toward the end of their meetings. Not only did the team learn more effective communication methods which have helped them both internally and externally, but they were also helped to create an innovation framework based upon their thinking strengths and blind spots. Similarly, packaging the intellectual and thinking outputs have become easier because of the new communication and positioning framework that we were working with.

In this whacky world, things are constantly shifting. 40-50 years ago people oriented their behaviour and thinking more towards groups: working class, upper class, entrepreneur. Then in the 1960s and 1970s marketers could think in terms of target groups and make forecasts about their behaviour. In the 80s and 90s, we found that society was no longer organised into these groups. It was more individualised. Now things are even more fluid. Things are constantly changing and influence is based on mind states. Which is why rewired flexible thinking is so crucial. The guy who separates all his garbage into the correct bins on a morning, buys an eco-latte after lunch at the organic cafe, could well be the same guy who goes out one evening, gets drunk and throws the Red Bull can out the window of the car. Hypothetically speaking that is. In a constantly evolving landscape we cannot afford to be either left-brained or right-brained in our thinking

**Herrmann Brain Dominance Instrument**  
**The Herrmann Brain Dominance Instrument** (HBDI) is a system claimed to measure and describe thinking preferences in people, developed by **William "Ned" Herrmann** while leading management education at **General Electric's** Crotonville facility. It is a type of **cognitive style** measurement and model similar to the **Myers-Briggs Type Indicator**, **Learning Orientation Questionnaire**, **DISC assessment**, and others.

and communications, we need to be both and we need to be able to recognise the nuances of people's responses to our positioning, so that we can flexibly re-position ourselves to make sure our thinking does not get deleted by their mental spam filters.

While the 2.0 world has increasingly rewarded right-brained thinking, I believe this binary way of looking at our synaptic activity is too limiting. In a 3.0 world it is not about whether your brain design is left-brained or right-brained; what determines your results is how you communicate your personal brand of thinking. It is also your flexibility in thinking which enables you to solve problems in novel ways and position your thoughts in a way that creates relevance, engagement and meaning. You need to be able to pull on the best of left-brained *and* right-brained thinking, and communicate your thoughts flexibly across audiences; re-designed business thinking that incorporates both form *and* function. Communication is the external manifestation of your thoughts, and in this sense your ability to recognise your own thinking strengths and blind spots, and those of your audience will create a strong personal thinking brand for you. It is in your ability not to be just a left-brained thinker, or a right-brained thinker, but a rewired thinker that your unique personal thinking brand lies.

### Think This

1. In the business of design, it is not about either left-brains or right-brains, it's about flexible brains.
2. Next time someone asks you whether you'd like option A or option B, answer either 1. both, 2. can I have C, or 3. give them both answer 1. and 2.

### Do This

- The best way for managers to assess the thinking styles of the people they are responsible for is to use an established diagnostic instrument as an assessment tool. It is both more objective and more thorough than the impressions of even the most sensitive and observant of managers, and that is why the Herrmann Brain Dominance Indicator, which maps your organisational and individual brain trust analytically is such a powerful tool. Very en vogue for a 2.0 and 3.0 world. It is kind of like the Hubble telescope used at the beginning of Al Gore's film *An Inconvenient Truth* to view the earth in a cloudless environment. It is an elevated problem-solving approach that will help you map your brain trust, position its strength and raise awareness of its potential thinking clouds.
- Contact Thinqe +61 2 8006 2196 if you'd like to have your HBDI assessment done or would like to take the Funky Quotient Survey, and would like to roll one or both out in your organisation.
- Start taking notes by mind-mapping in non-linear, visual-spatial mode - action plan with a to do list or project plan.
- Next time you are doing a presentation, plan it by using both a left-brain and right-brain check list, and if you don't get through, tell the audience that you will switch gears and start communicating on the opposite side of the brain. If you do both you are bound to get through.
- *Thinqe Funky* by recognising your own and other's thinking strengths and blind spots.

- In your next presentation preparation, practice using phrases like 'by that I mean...', 'for instance', or 'this illustration will explain what I mean...', or 'this page of the handout explains what I mean...', or 'I offer this metaphor in explanation...'
- Remember, 'when in Rome, you behave as a Roman'. Be a communication chameleon who is compatible with his/her surroundings. The 1995 Hay Group's International CEO Leadership Study showed that while the best CEOs adapt their behaviour to the region or country where they operate, all of them share universal competencies that transcend national boundaries but which must be modified based on the culture in which they are being used.

#### **Visit This**

Hans Rosling's 2006 presentation on [www.ted.com](http://www.ted.com) - the best statistics you'll ever see.

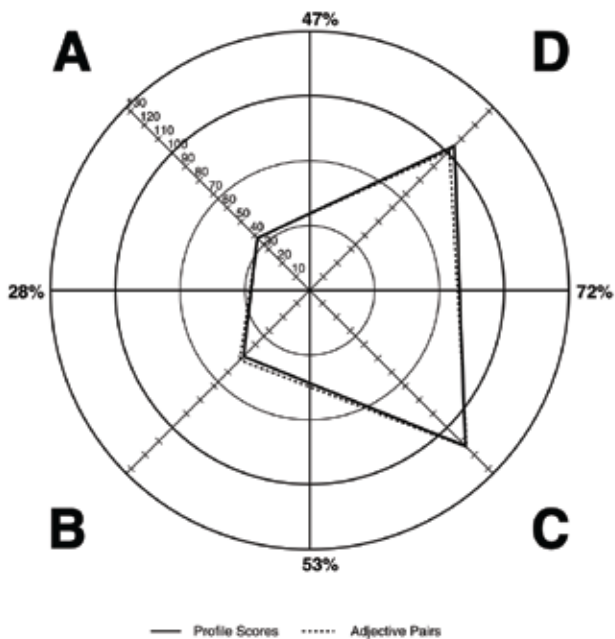
[www.thinqe.com.au](http://www.thinqe.com.au) - Email [info@thinqe.com.au](mailto:info@thinqe.com.au) to have your Herrmann Brain Dominance Indicator analysed, and be personally coached to understand and better position your thinking.

[www.herrmann.com.au](http://www.herrmann.com.au)





Quadrant :	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Preference Code :	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
Adjective Pairs :	<b>3</b>	<b>4</b>	<b>9</b>	<b>8</b>
Profile Scores :	<b>38</b>	<b>48</b>	<b>113</b>	<b>105</b>

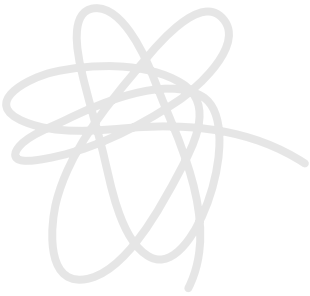
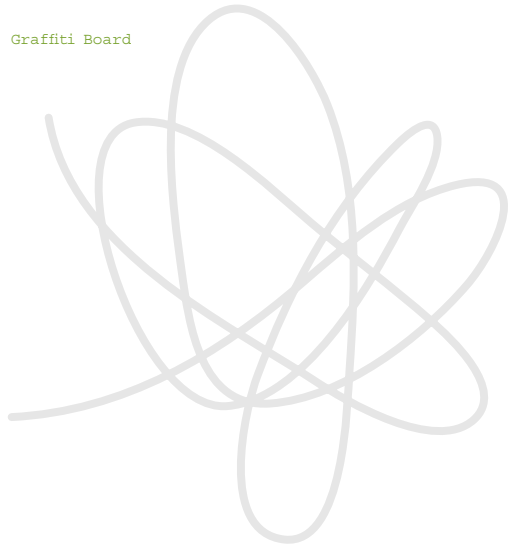




Mental Graffiti Board



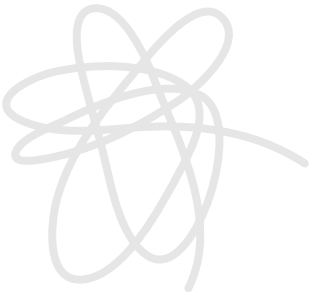
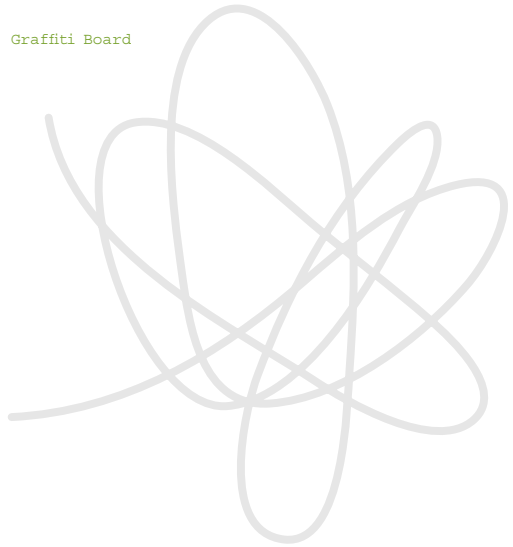
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'I have known strong minds, with  
imposing, Cobbett-like manners,  
but I have never met a great mind  
of this sort. The truth is, a great  
mind must be androgynous.'

Samuel Taylor Coleridge



## Chapter IX Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0
PROPERTY	FREE	CREATIVE COMMONS
LEFT-BRAINED	RIGHT-BRAINED	REWIRED
MALE	FEMALE	ANDROGYNOUS

**Metaphor**  
Androgynous cultures signify the hybrid fusion of the male and female forms.

**Statement:** Cultural competitive advantage lies at the intersexion of thought.

**Explanation:** Organisational culture has been heavily influenced by traditional gender thinking. This strict polarisation is incompatible with the whacky zeitgeist in which we are living. Neither predominantly male nor predominantly female cultures are well-positioned to take advantage of the 3.0 zeitgeist. For cultures to evolve and adapt to change, androgynous cultures need to emerge - fusing the best of male and female thinking.

### Main sources

*Firms of Endearment*  
by Sisodia, Wolfe,  
and Sheth

*Good to Great* by  
Collins

### Main Case Studies

Toyota

Whole Foods

Semco

Honda

SAS Institute

### Main Design Inspiration

Stefano Pilati

Akhenaten

Aristophanes

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter IX

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired

**Feel Good Inc: organisational culture in need of viagra?**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
culture	male	female	androgynous

Organisational culture emanated from the penis. The 1.0 organisational charts of old look like phallic symbols, the language and metaphors derive from the military, war and conquest (merger and acquisitions, corporate takeovers, human resources), and its leadership teams are frequently paler, maler and staler than the multicultural societies their graduate brochures claim to represent. The typical corporation was masculine in nature, and that was natural back in the day when men were in charge, women considered to have been created from a male rib, and fathers of women endorsed university because it was yesteryear's equivalent to RSVP.com. The Web 2.0 era injected some counter-intuitive viagra into these organisations, deflating their structures

and encouraging these cultural tribes to focus on more female values as a competitive moral advantage over pinstriped prisons. Work-life balance, red bean-bags, maternity leave, jobsharing, and female leadership programs became common, but did not really change the predominant 1.0 hard male perception that these 2.0 female soft measures were a necessary evil in economic boom times where talent was scarce.

Most corporations have not yet made the leap to a 2.0 world. The percentage of women executives still sat at below 17% in the US, Canada, South Africa and Australia in 2006, and women board membership landed at below 15% in all these economies, with Australia coming last at only 8.7% which was nearly half that of the US. This is interesting considering that Fortune 500 companies with at least 3 females on the board averaged returns of 16.7% in the 2007 fiscal year; 45% better than the typical company.<sup>164</sup> With women raising company profitability it is surprising not more company cultures get this difference in thinking.

Yet interestingly, most CEOs of some of the most competitive companies in the last 10 years say that it is their 3.0 corporate culture that is their biggest competitive advantage. These companies, named *firms of endearment* (named after Sisodia, Sheth and Wolfe's 'Firms of Endearment: how world-class companies profit from passion and purpose') a book everybody should read, forms the bulk of the case studies in this chapter. These companies, and companies of their ilk, wear their hearts on their sleeves, not just because it is the right thing to do by their employees, but because it is the right thing to do by all their *stakeholders*, including their shareholders.

At the heart of their strategies lies love - the historical fusion of X and Y chromosomes. In the spirit of the books 'Love is the Killer App' and 'Lovemarks: The Future Beyond Brands', *firms of endearment* (led by Southwest Airlines' stock symbol LUV and its 33 years of unbroken profitability, and Timberland CEO Jeffrey Schartz' mission 'to make the world a better place') have shifted cultural thinking from 1.0 to a 3.0 direction. To upgrade your corporate culture along these lines, you need to make sure you collectively upgrade your leaders' cultural thinking.

## Androgyny

androgynous

|an'drəjənəs|

adjective

partly male and

partly female in

appearance; of

indeterminate sex.

• having

the physical

characteristics

of both sexes;

hermaphrodite.

DERIVATIVES

**androgyny** |-nē|

|ən'drədʒəni|

noun

ORIGIN early

17th cent.: from

Latin *androgynus*

(see **androgyny**)

+ **-ous**.

In fact, the future of corporate culture is neither male nor female. It is both. In anthropology, a culture can never be fully understood until you have transcended binary thinking, and considered at least 3 perspectives of it, which is also known as trialectic thinking. Thus, 3.0 cultures connote 'the third sex', or **androgyny**; the fusion of the male and female form, as inspired by Aristophanes in Plato's 'Symposium', and represented by the notion of love. Aristophanes tells the Greek myth of the three sexes: the all male, the all female, and the androgynous, who was half man, half woman, which has also been likened to love and the coming together of the sexes. An *androgyn*e in terms of gender identity, is a person who does not fit cleanly into the typical masculine and feminine gender roles of their society.

Professor Sandra Bem's work on androgyny uses the androgyny in terms of character traits rather than core gender identity,<sup>166</sup> which also fits the bill for cultural thinking 3.0. She considers an androgynous balance of traits to be desirable, stating that those who are able to draw on both traditionally masculine and feminine emotions and behaviours are best able to cope with life's challenges in a well-rounded way. According to Stefano Pilati, creative director at Yves Saint-Laurent:

*the original human nature was not like the present, but different. The sexes were not [binary] two as they are now, but originally three in number; there was man, woman and the union of the two ... once it was a distinct kind, with a bodily shape and name of its own, constituted by the union of the male and female ... where is the real boundary between the male and female?.*<sup>167</sup>

In the land of smiles, Thailand, transsexuals, known colloquially as 'ladyboys' have a third way of greeting that is separate from the two distinct ways that men and women greet people. Recognising this intersexion of thought and being, the Human Rights and Equal Opportunity Commission in Australia made a recommendation in its 2008 'Sex Files' report to the government of introducing 'intersex' as a category in official documents. A new 3.0 zeitgeist.

If we look to popular culture for a moment, we needn't think further than Michael Jackson, David Bowie, Mick Jagger, Bob Dylan, Annie Lennox, Patti Smith or Freddy Mercury to get real-life examples of the androgyne. In art this intersexion between male and female is perhaps most clearly evidenced in ancient Egyptian pharaoh's Akhenaten's iconoclastic break with tradition and depiction of the God Aten - 'the mother and father of all humankind'. It has been suggested that Akhenaten was made to look androgynous in artwork as a symbol of the androgyny of the god. This required 'a symbolic gathering of all the attributes of the creator god into the physical body of the king himself', which will 'display on earth the Aten's multiple life-giving functions'. From computer games, to anime and manga, to *Star Trek's* Burgoyne 172, and to *Macbeth's* three weird sisters, the androgyne is a continuous feature in our culture. A psychologically androgynous person, or organisation, in effect doubles his or her repertoire of responses and can interact with the world in terms of a much richer and varied spectrum of thinking, according to the world's leading researcher on positive psychology Mihalyi Csikszentmihalyi. His research shows that when tests of masculinity/femininity are given to young people, over and over one finds that creative and talented girls are more dominant and tough than other girls, and creative boys are more sensitive and less aggressive than their male peers'.<sup>168</sup> For the purposes of examining 3.0 cultures, androgyny is important because it goes beyond the binary and extends our cultural thinking, proposing that those companies who are able to draw on both traditionally masculine and feminine emotions and behaviours are best able to cope with global challenges in a rewired way.

Simon Baron-Cohen, a Cambridge University psychologist, (and *Borat*-creator Sasha Baron-Cohen's cousin), has a theory which throws light on this corporate culture gap. In 'The Essential Difference' he points out that '*the female brain is predominantly hard-wired for empathy. The male brain is predominantly hardwired for understanding and building systems*'.

Neither of these two extreme styles of thinking is compatible with a 3.0 world. The androgynous cultural brain is. Roger Martin, of Rotman Management School, argues that to emulate the world's best (cultural) leaders people need to study how leaders think.<sup>169</sup> The '*ability to face constructively the*

*tension of opposing ideas and, instead of choosing one [1.0 male] at the expense of the other [2.0 female], generate a creative resolution of the tension in the form of a new idea [3.0 androgynous] that contains elements of the opposing ideas but is superior to each' is key to thriving as a cultural leader in a whacky world.*<sup>170</sup> The drone worker of yesterday is giving way to the engaged and vocal employee of today who expects a company culture that replicates the collaborative nature of web 2.0/3.0,<sup>171</sup> and not the 1.0 militaristic management by male, pale, stale.

### ***A Changing Zeitgeist***

Another way to look at corporate culture and the androgynous corporate soul, is to look at how love, union and balance have entered the management vernacular in recent years. Harvey Hartman, CEO of market research firm Hartman Group, believes this is the result of a shift from the industrial age of reason to the postmodern age of soul. He describes the age of reason as hot and the age of soul as cool. Here is a selected text from a Hartman Group essay which hits the mark of the transitioning corporate culture:<sup>172</sup>

Hot is masculine, dogmatic, aggressive, analytical, dominating, high definition, formal, materialistic. Cool is feminine, seductive, informal, nurturing, interactive, spiritual.

The 3.0 fusion of the male and female helps us to understand the successes and flexibility of the case studies of companies who operate on 3.0.

Two trends are enabling enlightened corporates on the one hand (and opportunist leaders on the other) to shape 3.0 cultures. The first is the internet, a force which has shifted the balance of information power to the masses and has made it much harder to hide the misdeeds of morally 1.0 deficient leaders and organisations. The second is the ageing of the population. For the first time in Western history, people aged 40 and over are the adult majority which is driving deep systemic changes in the zeitgeist of culture.<sup>173</sup> According to psychologist Erik Erikson, higher levels of psychological maturity enables higher levels of 'generativity' - which is the disposition of older people to help incoming generations

prepare for their time of stewardship of the common good. These two trends have shifted the zeitgeist of corporate culture, and enabled 2.0 and 3.0 thinkers to come out of the closet and assert their thinking versions profitably. As Winston Churchill said, '*we shape our culture and thereafter it shapes us*'. It is time for corporations to follow suit and let the new versions of cultural thinking start shaping the corporate soul.

Androgynous thinkers at these *firms of endearment* have already led cultural evolutions that have set the standard in re-shaping corporate DNA.

Consider the following: according to the case studies in Sisodia, Sheth and Wolfe's book, the *firms of endearment* leaders' executive salaries are relatively modest (Costco's CEO Jim Sinegal salary was US\$ 350,000 in 2005 compared to the average CEO of a S&P 500 company who received \$ 11.75 million in total compensation), they operate a flat 'hierarchy' with companies like Honda implementing an open door solutions policy known as *waigawa* and Harley Davidson promoting everyday access to the highest officers for any employee, employee compensation and benefits are significantly greater than the standard for the companies' industries (like Trader Joe's which pays its managers-in-training US\$ 47,000, significantly above the US average of retail store managers). These companies also dedicate considerably more time than their competitors to employee training (The Container Store's first year employees get an average of 241 hours of training versus the retail industry's average of 7 hours). Their employee turnover is far lower than the industry average (Southwest's is 50% of the airline industry's). They make a conscious effort to hire people who are passionate about the company and its products (Whole Foods draws its talent from 'foodies'). They consciously humanise the company experience for customers and employees (Commerce Bank strives to 'wow' customers, Google provides gourmet meals around the clock to its Googlers, and JetBlue's *Vice-president of People Vincent Stabile* spends an hour getting to know each new employee during their induction).

Additionally, *firms of endearment* project a genuine passion for customers, and emotionally connect with customers at a deep level (JetBlue's tag-line is '*We like you, too*'). Their marketing costs are much lower than those of their industry

peers, while customer satisfaction and retention are much higher (Jordan's Furniture spends less than a third the industry norm on marketing and advertising while generating industry leading sales per square foot that are more than 5 times the industry norm). They view suppliers as true partners and encourage suppliers to collaborate with them in moving both their companies forward (Honda is said to 'marry suppliers for life'). They honour the spirit of laws rather than merely following the letter of the law (all IKEA's suppliers must conform to laws concerning the use of chemicals and other substances), they consider corporate culture to be their greatest asset and primary source of competitive advantage (Southwest Airlines has an elected 'Culture Committee'), and their cultures are resistant to short-term, incidental pressures, but also prove able to quickly adapt when needed (New Balance shuns the industry practice of paying star athletes for endorsements).<sup>174</sup>

Most studies of corporate exceptionalism (like Jim Collins' 'Good to Great') start with financial performance and work backward. The researchers behind firms of endearment cultures started with humanistic performance. The authors picked the 60 most promising companies from their explorative research and assigned MBA students to research them organically and analogue, as well as mechanistically and digitally, in that order. Rigorous primary and secondary research was conducted to determine the extent to which a company qualified as a company loved by its stakeholders. None of the companies it chose in its illustrative list is perfect, and even though the companies collectively and individually returned impressive results as a product of its culture between 1996 and 2006, there is no guarantee that these companies will be a great investment in our whacky world. That's my quick legal disclaimer.



These are the companies that made the list:

Amazon, BMW, CarMax, Caterpillar,  
Commerce Bank, Container Store,  
Costco, eBay, Google, Harley-  
Davidson,  
IDEO, IKEA,  
JetBlue,  
Johnson &  
Johnson,  
Jordan's  
Furniture, LL Bean, New Balance  
Patagonia, REI, Southwest,  
Starbucks,  
Timberland,  
Toyota,  
Trader Joe's  
UPS,  
Wegmans,  
Whole Foods.

The publicly traded *firms of endearment* outperformed the S&P 500 by significant margins over a 10, 5, 3-year period. These companies returned 1,026% for their investors over the 10 years ending June 30, 2006 compared to 122 % for the S&P 500, more than an 8:1 ratio. Importantly, compared to the much heralded Jim Collins' 'Good to Great' companies, *firms of endearment* outperformed the 'Good to Great' companies by 1,026% to 331%. Over a 5 year period *firms of endearment* outperformed the Good to Great companies by 128% to 77%, and over 3 years, *firms of endearment* performed on par with the 'Good to Great' companies (73% v 75%). 3.0 androgynous thinking may not only be the good thing to do, but the necessity for doing well in a whacky economy.

In line with this trend we now see the market-place generally favouring companies that integrate both 1.0 left-brain/male and 2.0 right-brain/female perspectives to yield what Austrian neurologist Wolf Singer calls 'unitive thinking', which in the context of this chapter I think of as androgynous cultural thinking. Androgyny historically is considered the third sex - the marriage of the male and female form, the encapsulation of fuzzy logic, trialectic perspectives, and funky thinking. In the wake of Rene Descartes' formulation of the scientific mind ('I think, therefore I am'), the Western mind came to be dominated by 'either/or' constructs that are largely mediated in the left-brain,<sup>175</sup> a trend which has been interrupted by paradigmatic shifts in consumers' thinking. That version of thinking tends to rank things hierarchically in categories, and routinely excludes from serious consideration what does not fall into purposeful category. Both the 2.0 right-brain and androgynous thinking are inclusionary, moving along an 'and ... also' cognitive path.<sup>176</sup> Thus the 3.0 leaders of *firms of endearment* tend to engage in androgynous 3.0 Thinking, approaching their tasks with holistic, inclusionary vision that respects all cultural and economic stakeholders, something which is perhaps best represented in Whole Food's integrative 'Declaration of Interdependence'.

*Our motto – Whole Foods, Whole People, Whole Planet – emphasises that our vision reaches far beyond just being a food retailer. Our success in fulfilling our vision is measured by customer satisfaction, Team Member excellence and happiness, return on capital investment, improvement in the state of the environment, and local and larger community support.*

*Our ability to instill a clear sense of interdependence among our various stakeholders (the people who are interested and benefit from the success of our company) is contingent upon our efforts to communicate more often, more openly, and more compassionately. Better communication equals better understanding and more trust.*


*... Satisfying all of our stakeholders and achieving our standards is our goal. One of the most important responsibilities of Whole Foods Market's leadership is to make sure the interests, desires and needs of our various stakeholders are kept in balance. We recognize that this is a dynamic process. It requires participation and communication by all of our stakeholders. It requires listening compassionately, thinking carefully and acting with integrity. Any conflicts must be mediated and win-win solutions found. Creating and nurturing this community of stakeholders is critical to the long-term success of our company.*

This is androgynous 3.0 cultural thinking epitomised.

### **Counter-Culture Matters**

Why does culture matter? Culture is the DNA of an organisation because it carries the genetic information of how to build and operate the organism forward. Human sexuality is determined by the sex-determination chromosomes X and Y, which in turn contain several genetic base pairs. Humans, as well as some other organisms, can have a chromosomal arrangement that is contrary to their phenotypic sex, that is, XX males or XY females. All organisations have their own X and Y chromosomes, and only by upgrading their cultural thinking to androgynous 3.0 will an organisation successfully build an inclusive culture, that can handle the 3.0 pressures of our whacky world.

In 1992 Harvard Business School John Kotter and James Heskett published their landmark book 'Corporate Culture and Performance', which found that companies with strong business cultures that addressed all stakeholders and empowered managers at all levels dramatically outperformed other companies by wide margins on three key indicators: revenue growth (682% v 166%), stock-price increase (901% v 74%), and net income increase (756% v 1%).<sup>177</sup> Max Clarkson



"Cultural  
competitive  
advantage lies at  
the intersexion  
of thought."

at the University of Toronto found a strong correlation between firm ratings on ethics and social performance and financial results, Sandra Waddock and Samuel Graves found a positive relationship between corporate social and financial performance at 467 S&P 500 firms, and Verschoor and Murphy found '*unbiased and rather conclusive empirical evidence that firms committed to social and environmental issues that are important to their stakeholders also have superior financial performance*'.<sup>178</sup> Now and in the future it is 3.0 Thinking companies who take culture seriously, who are flexibly catering for a diversity of people in the organisation, and who can tap the thinking repertoire which will emerge victorious in this ubercompetitive environment.

This androgyny transcends traditional organisational structures also. In varying ways they reflect the fluid architecture of natural ecosystems, and reject the hierarchical control-minded templates (like Phallic symbols such as the pyramid) inspired by Newtonian science that have long been central to organisational structures.<sup>179</sup> They transcend the tradition by tapping natural laws governing what's called *complex adaptive systems*, which describe self-organising networks of entities that continuously form and reform in response to evolving needs and environmental changes, with *firm of endearment* eBay's founder Pierre Omidyar believing his brainchild reflects such an out of control system. Kevin Kelly, founding executive director of *Wired*, anticipated the erection of the anti-thesis of the phallic organisational structure in his book 'Out of Control', because information technology is remolding human culture into networked systems. To be 'out of control' is to be free of control according to Kelly;<sup>180</sup> it is to be emancipated from organisational constraints that keep you from being all you can be. Another example of such an organisation is the world's second largest hearing aid manufacturer Oticon in Denmark. This 104 year old company has a 'spaghetti organisation' which houses its 1000 employees and generates more than 90% of its sales internationally.<sup>181</sup> Just as in a boiling pot of healthy wholemeal spaghetti there is apparent disorder, chaos and lack of categorisation, you can easily pull out a single strand of spaghetti and follow it from beginning to end.<sup>182</sup> These cultural strands of DNA have allowed androgynous 3.0 Thinking to come out of the corporate closet.

And just like in natural ecology systems and your favourite Italian dish, the end game is balanced relationships between male and female, spices and herbs, ying and yang. Enter cultural Thinking 3.0.

One example of a funky organisational structure initiative is the Brazilian ship parts company Semco. After suffering a collapse during a hectic tour in America, maverick leader Ricardo Semler set about changing the company as well as himself.<sup>183</sup> He sought a great work-life balance for himself and his staff, and counter-logically found that his new, more temperate pace improved not only his performance and that of his employees, but of Semco, too. Employees became more productive, loyal and versatile as he gave them more freedom to chart their own course. He did away with receptionists, organisational charts and even the central office. He asked employees to suggest their own pay levels, assess the performance of their bosses, and learn how to do each other's jobs. He opened the books to all employees and set up a transparent profit-sharing plan. He also made all meetings voluntary and vacation time compulsory. Employees are now told that they can and should leave any meeting if they're no longer interested. This way, the only people who remain are those who are truly interested and have a real stake in an issue. Semco increased sales from US\$ 35 million to US\$ 212 million in six years. In the same time the number of employees grew from several hundred to 3,000, with an unheard of job turnover rate of just 1%. This androgynous blending, remixing and reshaping of traditional organisational cultures and structures is compatible with a whacky world, and the way to maximise your Return on Thinking from your cultural brain trust.

This flipping of hierarchies is demographically on trend, but even more importantly, actually enables innovation initiatives to bubble up. Commerce Bank has instituted a continuous improvement practice called 'Kill a Stupid Rule'-rule, whereby employees who suggest a better way to do something are paid \$100 in cash.<sup>184</sup> As Commerce Bank's President Dennis DiFlorio says, "the greatest insult you can give someone here is to say, 'You're thinking like a banker'". In a similar vein, BMW encourages its employees to question the necessity of the job they are doing. In the company's culture of trust, the employees can do so with the

knowledge that they won't. Instead of laying off people who have successfully suggested that their jobs are redundant, BMW trains them to fill another role in the company. At IDEO there is no hierarchy, employees have no titles, and they vote on projects and ideas. Honda's *waigaya* ('noisy-loud') is an informal session in which all participants put aside rank to address the problem at hand. An employee can invoke *waigaya* and executives must participate if called on. It was through this system that Honda chose its original advertising campaign for its motorcycles: '*You Meet the Nicest People on a Honda*'. Senior managers had favoured a more conservative approach, but a low-ranking employee was able to convince them in a *waigaya* session. This is the benefit of switching from linear, male structures, to more fluid female structures, or as in the above examples synthesising aspects of both.

So what impact does this culture have on the people who experience it every day, the staff? Wegmans Food Markets Inc was named by *Fortune* in 2004 as *the* best place to work in the US. This is an amazing feat for a company that competes with Wal-Mart's grocery operations in a number of markets in an industry notorious for razor thin margins, low pay, and high employee turnover. Wegman's philosophy is that '*good people, working toward a common goal, can accomplish anything they set out to do*'. This is not just a Tony Robbins-ism, it is a mantra that Wegmans lives every day. In contrast to Wal-Mart, Wegmans does not have to hire 600,000 staff annually to replace the staff that leave, since it doesn't buy into Wal-Mart's motto that '*Everyday low prices. Everyday*' necessitates low wages, low skills and low benefits. Wegmans knows that higher wages and benefits can actually lower employee-related costs. This paradoxical outcome is made possible by lower employee recruiting and training costs and higher productivity from engaged staff.<sup>185</sup> Wegmans annual turnover rate for full-time employees is just 6% in an industry in which the average annual turnover rate exceeds 100% for part-timers and 20% for full-timers. Wegmans' operating margins are double those of other big grocers, and its sales per square foot are 50% higher than the norm. Its androgynous business brains are positioned in a way that attracts, engages and retains intellectual capital and maximises Return on Thinking.

Cross Company in Japan is showing that super-fast growth/high profit and happy employees/ commitment to the community are not mutually exclusive. The founder Yasaharu Ishikawa

recognised a direct 3.0 link between happy customers and happy, well-trained staff.<sup>186</sup> Employee satisfaction is provided by a flexible working day which allows mothers of young children to work but still be there for their kids. This type of consideration is certainly the exception to the rule in Japan, but the payback is gargantuan because Cross is able to employ and retain talented and experienced women staff, who were either pushed out by large corporations or unable to work full-time because of a wish to spend more time with their kids.<sup>187</sup> In 2007 the company posted operating profit margins of 16% 'despite' all this employee care, its rapidly rolling out 50 new stores, and sales to January 2009 are estimated to be in excess of 22 billion Yen, up 32%, following a 42% jump the year before. Ishikawa says he expects the company to hit sales of 50 billion Yen in the next 5-8 years. While this example is focused on women, it is a funky case study in how flexibility in thinking attracts like-minded talent that wishes to work in a happy 3.0 culture.

SAS Institute, the largest privately held software company in the world is another example of a company that has realised that 1.0 Thinking is truly over. It has been voted in the *Fortune's* 100 'Best Companies To Work For' for 12 consecutive years. The employee turnover hovers between 3-5%, compared with an industry average of 20%, and in 2004 it enjoyed its 28th straight year of revenue growth, with revenues topping \$ 1.5 billion. Why? According to Richard Florida, SAS has learned to harness the creative energies of all its stakeholders, including its customers, software developers, managers and support staff. Their guiding principles are a. that employees do their best work when the company keeps them intellectually engaged and by removing distractions, b. when the company makes its managers responsible for sparking creativity and eliminating arbitrary distinctions between suits and creatives, and c. when the company engages customers as creative partners so that SAS can deliver superior products.<sup>188</sup> In fact, what this company has successfully created is a corporate 3.0 ecosystem where creativity and productivity flourish, where profitability and flexibility go hand-in-hand and where hard work and work/life balance aren't mutually exclusive. SAS recognises that 95% of its assets drive out the front gate every evening, and their cultural leaders consider it their job to bring them back the next morning.<sup>189</sup>



When I was working at a top tier Australian law firm, I was initially attracted by what it claimed was an open-minded, 3.0 culture. When I interviewed with firms for clerkships, many of them had set perceptions of the typical 'XYZ-firm personality that is required here'. This was a big turn off for me. The firm I went to work for prided itself on its diversity in thinking, at least in the glossy brochures. The employment brand appealed to me so I chose to join its Banking and Finance team. This firm had been a part of a large legal scandal in the 2000s with documented evidence against a tobacco company client being shredded, so that they could not be used in court against the company. This did a lot of damage to the employment brand, something I was blissfully unaware of due to international travel (and may explain why they made me an offer). A judgement was made in favour of a woman suing the tobacco company for being responsible for her terminal lung cancer. During my induction cocktails (Christmas in July) the boardroom was decorated with snow made out of shredded paper.

Whether this was a self-effacing act of re-branding or in bad taste is in the eye of the beholder. Combined with other experiences, I found that the firm did not walk its employee value proposition talk, and after 3 weeks I aborted my legal career. It has been estimated that amongst top tier law firms, the net return per business brain more than triples between the 2nd year and third year for professional legal staff.<sup>190</sup> It is crucial for companies today to make sure that their culture is in alignment with their employment brand, and employee value proposition, or you will drive talent and your business brains away. Equally for companies like Commerce Bank who get the 3.0 Thinking version they can confidently tell their talent and interviewees 'You are all cult members. And if you can't buy in, this isn't the place for you'. You need to remember that no one rallies around a fake flag - androgynous or not.

This 3.0 Thinking is perhaps never more important than in economically downgraded times, when employee and customer loyalty are often either cemented or trashed. One of my *firms of endearment* clients decided not to cut its Learning and Development budget in the Asia Pacific region at the time of the Asian financial crisis in the 1990s, and is taking the same stance now. During the same crisis, Toyota's Thailand operation weathered four straight years of losses with no

job cuts. The order had come down from then president Hiroshi Okuda: 'cut all costs, but don't touch any people'. In August 1998, Moody's lowered Toyota's credit rating from AAA to AA1, citing the guarantee of lifetime employment. Even though the downgrade increased Toyota's interest payments by USD \$ 220 million a year, company executives told the rating agency that it would not abandon its commitment.<sup>191</sup> Its vision: *'we are always optimising to enhance the happiness of every customer as well as to build a better future for people, society, and the planet we share. This is our duty. This is Toyota'*; sits on a solid cultural pillar as opposed to on a framed poster handed down from management after a strategic retreat.

This upgrade in thinking is necessary to shift corporate culture that will see your company through both upgraded and downgraded times.

### **Think This**

Neither male nor female cultures are right for a 3.0 world - pull on the best of both to create a successful culture.

There is a cultural shift from:

- Focus on weakness to focus on strengths.
- Appraisal to appreciation.
- 'Our way or the highway' to flexibility.
- 'One size fits all' to customisation.
- 'Command and control' to engage and energise.

### **Do This**

Set up a cross-generational, cross-gender culture committee and empower them to shape your corporate culture.

### **Visit This**

Do culture visits at thought-leading competitors and other organisations who are setting the standard in androgynous cultures. Check out the list from Sisodia, Wolfe, and Seth's 'Firms of Endearment' for some ideas of where to start.

Question

1. How would you currently define your corporate culture?

2. What would you like it to be?

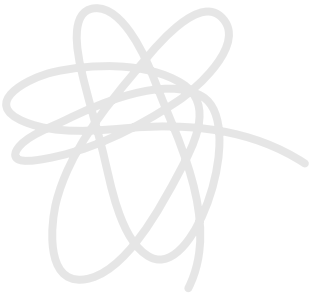
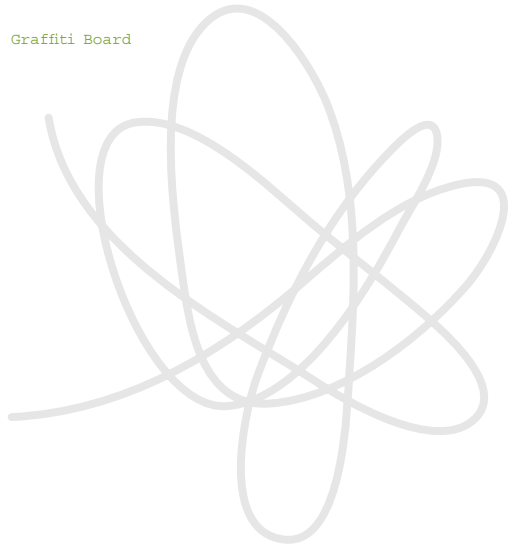
3. What are you going to do to make it so?

Thought Space:

Mental Graffiti Board



Mental Graffiti Board

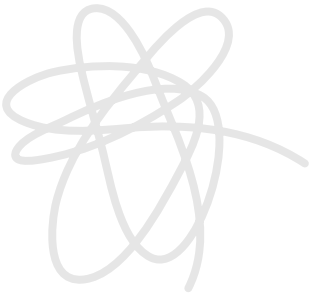
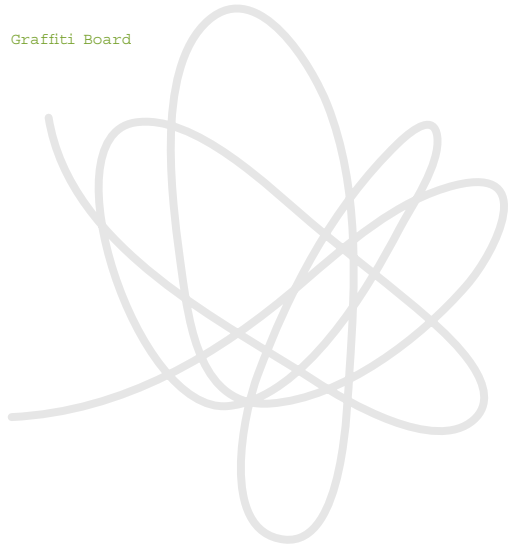


Mental Graffiti Board





Mental Graffiti Board



'The greatest discovery of my generation is that a human being can alter his life by altering his attitudes.'

William James

## Chapter X Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> Each generation shapes their era's zeitgeist, just like they shape the pop-culture of their particular era.
LEFT-BRAINED	RIGHT-BRAINED	REWired	
MALE	FEMALE	ANDROGYNOUS	
BABY BOOMER	GENERATION X	GENERATION Y	

**Statement:** There is a bit of Generation Y in all of us.

**Explanation:** Generation Y is the bloodstream of change, and their thinking version is compatible with the current zeitgeist. In combination with the financial crisis, their values and beliefs are re-defining both the market place and workplace. Companies that want to appeal to cross-generational talent therefore need to adopt the latest 'pop' version of thinking.

### Main sources

*4-Hour Workweek by Ferriss*

*Gen Y 2.0 Limegreen Paper by Sorman-Nilsson*

*Harvard Business Review*

WGSN

### Main Case Studies

New York Mellon Corporation

Commerce Bank

Ernst & Young

Australian Defence Force

### Main Design Inspiration

Facebook

Generational Demographics

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter X

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous

### Generational Trends: why you need to get Gen Y thinking

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
generational trends	baby boomer	generation x	generation y

The three generations in today's work and market place (apologies to the excluded Veterans) is a great case study of the different versions of thinking and their (in) compatibility with our whacky world. What I am describing here are generalised traits, and I will highlight some case studies that support my upgrade contention and illustrate some exceptions to the rule. It is also important to note that what I am saying here is that each generation's primary version of thinking has been and will be the dominant version of thinking in our 1.0, 2.0 and 3.0 worlds respectively.

Gen Y 3.0 Thinking has already made its mark on the world, the workplace and the market place. A San Diego State University professor in a 2006 study concluded that college age Gen Yers (tomorrow's graduates) are defined more by feelings of narcissism and entitlement than any other previous generation. Thirty percent more college students showed elevated narcissism in 2006 than in 1982. According to Professor Jean Twenge, recent advances in technology and a media environment in which *Time Magazine* can name 'You' its person of the year in 2006 have fed the rise, and websites like MySpace and Facebook encourage attention-seeking by their very names.<sup>192</sup> Gen Ys aren't interested in the financial success that drove the boomers (we take it for granted even in the face of financial flux), or the independence that has marked Gen X (dito), but in careers that are personalised. Thanks to our baby boomer parents and teenage self-help books our cohort has been motivated to believe that we can achieve anything. In fact, many of us have had the fairytale childhood many boomers and Xers would have liked. Immersion in computers (my family first inherited one in 1993), video games (8-bit Nintendo in 1988), email (bluesaint@hotmail.com in 1994), the internet (for me 1994) and cell phones (saved up to my first one in 1995), has changed our thought patterns.<sup>193</sup> 'Us folk' want feedback daily (like we would from a computer game), not annually. We are also fearless and blunt, and if we think we know a better way, we'll tell you regardless of your title, which this manifesto is a perfect illustration of.

## narcissism

[ˈnɑːrsɪsɪzəm]

noun

excessive or erotic interest in oneself and one's physical appearance.

- Psychology extreme selfishness, with a grandiose view of one's own talents and a craving for admiration, as characterizing a personality type. See note at

**egotism**.

- Psychoanalysis self-centeredness arising from failure to distinguish the self from external objects, either in very young babies or as a feature of mental disorder.

<u>GENERATION</u>	<u>BABY BOOMER</u>	<u>GEN X</u>	<u>GEN Y</u>
born	1946-1964	1965-1979	1980-1994

The interesting thing is that we are all Gen Y now. Or at least so many of us wish to be. Everybody in their head is 25, divorce rates are soaring above 50% for over 50s in the UK, and fit'n'funky trailing-edge boomers like Anthony Kiedis from the *Red Hot Chili Peppers* are all doing their bit to boost a youthfulness trend for baby boomers at the moment. In the UK and in Australia, getting older is accompanied by an increased desire for new experiences. Although physically the age of the population is getting older, psychologically and

emotionally, it's getting younger.<sup>194</sup> I frequently encounter baby boomers coming up to me and telling me that they are 'much more Gen Y than our Gen Y kids'. There are whole industries dedicated to making baby boomers feel younger, and in 2007 *Elixir* magazine was launched; an entire magazine dedicated to everything anti-ageing. Nintendo launched its *Brain Training* series in 2004 in response to the baby boomer worry that their bodies will stay alive longer than their parents' ditos, but that their brains will not keep up. 94% of baby boomers have computers in their households,<sup>195</sup> 63 million American baby boomers regularly surf the Web, with 7 million of those saying that they shop online at least once a week,<sup>196</sup> and contrary to our natural assumption that social networking media is a Gen Y phenomenon internet users between 35 and 54 account for 40.6% of the MySpace visitor base.<sup>197</sup> Importantly Viacom's TV Land has set its hopes to boomer icon George Foreman as the first reality television star of the boomer generation; a man who is reinventing himself in the second half of his life. Boomers are now reinventing retirement - calling it 're-focus' and emphasising their youthfulness. And so they should - the world is out of whack and this generation like the others need to evolve their thinking from 1.0 to 2.0 and 3.0 to keep up in the world, particularly given that life expectancy for a 65-year old has increased by 7 years since 1950. This re-focussing generation will definitely need to upgrade its thinking in order to stay employable in a world where retirement savings and superannuation funds have taken a severe beating just as many boomers were on the cusp of 're-focussing'. Retire needs to become rewire.

#### ***New Versions of Thinking About Work***

This is important as Gen Y epitomises the webvolving world. For Boomers, Xers and Yers - at varying stages of their careers and businesses, the Gen Y mindset is the most important to try on as it is the one that is shaping all the whacky phenomena in the world today. That is not to say that Gen Y is the strongest consumer/employment group yet, because boomers are bound to monopolise those positions for some time yet - at least numerically. But the general consumer behaviour, marketing behaviour and communication behaviour is becoming more geared to attracting the younger (allegedly sexier) audience, sometimes at the peril of brands as they may alienate a strong consumer base, as was the

case with Vodafone which painfully realised that its major consumer group wasn't catered for in its very youth-centric advertising.

Daily I meet CEOs, CIOs, and CFOs who poo-poo the Gen Y phenomenon. The point they are missing is that the 3.0 Thinking of a technologically native generation which has grown up with change, chaos, and globalisation may well be more compatible with our whacky world than some of the thinkers who are still stuck in 1.0. This was very obvious when I spoke at the CIO Summit in Sydney in October 2008. One of the CIOs asked me about the impact of Facebook on the productivity of Gen Y staff. I responded by asking how many of the 180 or so CIOs blocked access to Facebook, and almost 50% proudly raised their hands. 'So does Syria' was my response and the more forward-looking CIOs had a field-day. This attitude to Facebook is the generational equivalent to burning baby boomers' rolodexes. The issue of a Gen Y social network like Facebook is irrelevant to productivity, the larger issue is whether an organisation's staff are engaged, inspired and motivated; particularly in economically downgraded times. IBM's mantra is 'don't fight it, adapt with it', KPMG recruited 14% of its staff in 2007 on Facebook, and Siemens is creating Siemens-specific applications for Facebook to boost in-house and international communication. Even the CIA is now recruiting on Facebook.<sup>198</sup> To see how I use Facebook in Thinqe, go to [www.thinqe.com.au](http://www.thinqe.com.au) / [www.thinqefunky.com](http://www.thinqefunky.com) and invite me to be your friend or add yourself as a fan on Facebook.

While there is a lot of media focus on changing attitudes in the workplace driven by an ageing population, the talent shortage, and a new thinking version represented by Generation Y, Baby Boomers are also doing their bit to create new models of work and retirement. The majority of boomers in the US plan to keep working and earning in retirement, but will do so by cycling between periods of work and leisure. While 76% of boomers intend to keep working and earning in retirement, on average they expect to retire from their current job/career at around 64 and then launch into an entirely new job or career.<sup>199</sup> While 37% of the boomer generation indicate that continued earnings is a very important part of the reason they intend to keep working, 67% assert that continued mental stimulation (upgrading their thinking perhaps?) and challenge is what will motivate them to stay in the game.<sup>200</sup> Yet curiously, among the

younger Veterans who have already retired only 12% of those who espoused similar retirement values to their baby boomers brethren are actually in gainful employment, which indicates that workplace attitudes recognising their contribution have not changed to progressively deal with the talent shortage in the Western world. Equally, it may be that their younger peers in HR simply find that some of these veterans and boomers have not kept up-to-date with technology and new ways of communication, a clash of generational Thinking 1.0 and 2.0, as most HR decision-makers in 2008 were still Gen X.

Meanwhile, Gen Y thinking is not too far removed from baby boomer thinking on retirement, except that they think about it 30 years earlier than their parents. Tim Ferriss' (admittedly a Gen X claiming to be Gen Y) book 'The 4-hour Workweek' is considered so outrageous, so on trend for many Xers and Yers, and representative of new thinking that it immediately hit best-seller status in 2007. Its central tenet was that *'retirement planning is like life insurance. It should be viewed as nothing more than a hedge against the absolute worst-case scenario: in this case, becoming physically incapable of working and needing a reservoir of capital to survive'*. Tim Ferriss backs up his argument with a mathematical analysis, *'even one million is chump change in a world where traditional retirement could span 30 years and inflation lowers your purchasing power by 2-4% per year. The math doesn't work. The golden years become lower middle-class life revisited. That's a bittersweet ending'*.<sup>201</sup> In fact it is interesting to note that state-sponsored pensions were introduced for over 65s at a time when average life expectancies were just over 65 in a whole host of Western countries. Our new, and extended life expectancy may or not be economically tenable either for the state or for individuals in a whacky world. Instead, Tim suggests a lifestyle of mini-retirements throughout life - eg. 3 months learning how to master the Tango in Buenos Aires at 29 while running an automated internet business on the side. While this lifestyle may not suit everybody it is an aspirational illustration of the zeitgeist of Tim and his younger generational siblings' thinking.

In the long-run, unless immigration laws and freedom of movement paradigms shift, the shortage of talent (and with 25% of US baby boomers reporting they will not be able to afford to retire),<sup>202</sup> may lead to greater involvement for baby



boomers in the workforce. Companies such as Wal-Mart are looking forward in its detachment of age from seniority (a 3.0 move based on merit) with managers fresh out of college overseeing women workers old enough to be their mothers. In countries like the UK, where the employment rate for pensioners is a record 10.9%, older workers may just need to accept this upended hierarchy or upgrade their thinking to flip it back to 'normalcy'.<sup>203</sup> Ageing countries like Japan, Australia and Italy are expected to lead the way in embracing these older workers, which will lead to greater flexibility in employment, a trend which is also driven from the other end by Gen X (work-life balance / telecommuting) and Gen Y (flexible workhours / project based pay / international secondments). In Japan for example in the village of Kamikatsu-cho, 45% of its inhabitants are senior citizens and Tomoji Yokoishi, owner of the company Irodori, which produces decorations such as autumn leaves to traditional restaurants found that many of these were happy to work. About 180 part-timers whose average age is 68 check orders using PCs on loan from the company and receive up to 85% commission on those that are filled.<sup>204</sup> Now that's funky thinking!

And perhaps the older generations who are prepared to Think 3.0 are younger at heart and head than ever in history. What it means to be 50 in this whacky world is very different from previous generations. Nine out of ten women over 50 believe that they are not the 50 year old their mother was. 89% of UK women believe that they are 'too young to be old'. Eight out of ten women take pride in sharing their age. Only 3% of women over 50 would describe themselves as 'over the hill'. 98% of women over 50 still wear makeup, and 96% of over 50s still enjoy a pair of killer heels.<sup>205</sup> This is a market trend tapped successfully in Dove's pro-age women campaign which states that 'age is not an imperfection to be corrected'. While baby boomer women feel comparatively younger to previous generations, and aim to feel more accepting about the way they look, the question is how they and their male counter-parts position their brains to be compatible with a 2.0 and 3.0 world. While botox, plastic surgery, and tantric workshops are keeping us all young in body, I am more concerned with the state of our minds, particularly given medicine has evolved the pharmaceutical drugs to keep our bodies alive for longer, but has not yet found the answers to keeping our brains firing on all synapses for as long. As Masami Ihara, chairman of the Japan Senior Citizens Welfare Organisation,

recently stated '40 million of the 120 million Japanese are 65 years old or over - and we have many problems with the national pension and medical care system, so it is up to individuals to keep as healthy as possible, and that includes being mentally alert'. That mental alertness may well flow from upgrading your Thinking to 3.0. And Gen Y Thinking 3.0 may be the best brain training there is.

Equally, we need to design jobs in a 3.0 way which is compatible with the style of thinking representative of Gen Ys today. Today's 20 somethings are 'digital natives' in comparison to their workplace elders who are 'digital immigrants'. Importantly Gen Y is the first generation for whom technology has been a social tool first and foremost (think mobile phones, sms, virtual worlds), as opposed to a business tool first and foremost. This is one of the reasons why we are seeing more mash-ups between social networking tools and business tools like the integration of Facebook with Salesforce. In the same spirit, the lines between social and business, work and life, advertising and information is blurring, and jobs need to be re-designed to harness the connected thinking, ingenuity and creativity that kids pour into video gaming, their blogging, or their re-creativity DJ culture on YouTube. This may require a total re-definition of what work actually means, because the old industrial age idea of 8 hours at work, 8 hours of fun, and 8 hours of sleep is truly defunct in our whacky world.

If we look to the computer games industry for a moment there are also novel lessons to be learned. More specifically the multiplayer online games like *World of Warcraft*, are permeated by a version of thinking every organisation should be trying to attract. These games are large, complex, constantly evolving social systems.<sup>206</sup> Their perpetual newness is what makes them so enticing to players, and with each new generation of games, a new generation of participants develop a more evolved form of game thinking.

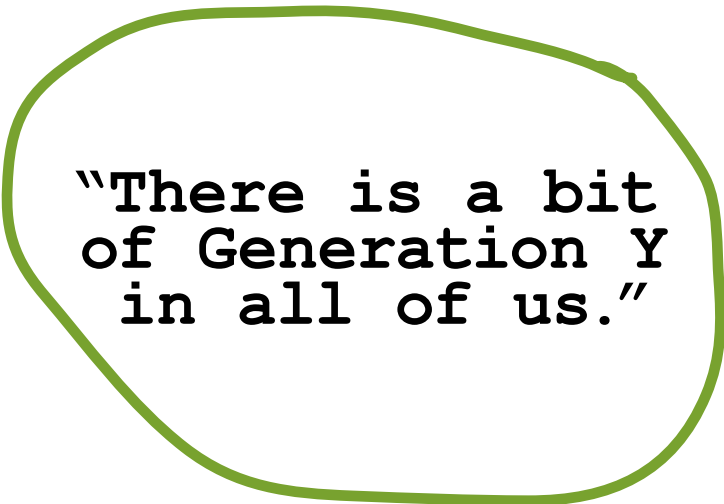
According to a recent *Harvard Business Review* article,<sup>207</sup> people with this style of thinking are better able than their non-gamer counterparts to thrive in the 21st century workplace. Why? These players are bottom line oriented because these online games have embedded merit-based systems of measurement and assessment in the form of points, rankings, titles,

and external measures. The games are also deliberately diverse, and each player is by definition incomplete, with the strongest teams in a gaming environment those that are a rich mix of diverse talents and abilities. The criterion for advancement is not 'how good am I?'; it's 'how much have I helped the group?'. As mentioned, the games are constantly evolving, and hence the most successful players are those who thrive on change, and even more so, those who choose to create the change. This creates a 3.0 expectation of flux, and a sense that learning is fun. In fact, the fun of the game lies in learning how to overcome obstacles, how to assemble and combine tools and resources that will help them learn, with the reward being the conversion of new knowledge into action, and the recognition that current successes are resources for solving future problems. Finally, gamers often explore radical alternatives and innovative strategies for completing tasks, quests and challenges. Part of this 3.0 beta-mode thinking is to explore the edges of the unknown to discover some new insight or useful information that deepens one's understanding of the game. So if your organisation is looking for employees who are flexible, resourceful, improvisational, eager for a quest, believers in meritocracy, and foes of bureaucracy, you should take a dive into 3.0 Thinking territory and unearth the generational trends in a multiplayer online gaming environment.

IBM commissioned Seriosity to study the relationship between leadership in (MMORPGs) and the real-world. Not only did it find that the leadership style evidenced in online worlds gives a preview of the business models and leadership styles of tomorrow, but that 3/4s of game-playing executives and leaders found in-game leadership qualities translated directly to in-life business challenges, particularly to cross-functional project work. With the average age of MMORPG players sitting at (Gen Y) 27,<sup>208</sup> this is the generation's thinking that workplace leadership needs to look to in order to create the leadership environment of tomorrow.

To cater for this new breed of (predominantly) Gen Y thinkers the environment you create at work will need to reflect your flexibility in thinking. 3.0 workplaces will see workstations go wireless, enabling telecommuters, consultants and anyone else to pop in temporarily for work.<sup>209</sup> One Microsoft department sits on a raised floor where power receptacles, network connections, desks and even the floor tiles can be

**A massively multiplayer online role-playing game (MMORPG)** is a genre of **computer role-playing games (CRPGs)** in which a large number of **players** interact with one another in a **virtual world**. The term MMORPG was coined by **Richard Garriott**, the creator of **Ultima Online**, the game credited with popularizing the genre in 1997.



"There is a bit  
of Generation Y  
in all of us."



rearranged - physical flexibility which reflects flexibility in thinking.

We are shedding our 1.0 industrial age thinking of what work means, and how, why, where and when it should be done. In Innovation Lab's new space at Copenhagen's IT University, the design collective Bosch & Fjord created a furniture system that is the 'plug and play' equivalent to furniture design, enabling the organisation to refurnish, move to another site or grow and shrink without difficulty. It recognises that in this whacky world organisational structure is in constant change. Therefore we may see more examples of the Floating House; a river studio for resident artists at the *Centre National de l'Estampe et de l'Art Imprime* or ING's futuristic group headquarters in Amsterdam designed to represent the company's ideals; fast-moving, transparency, innovation, eco-friendliness and openness. Functional 1.0 design doesn't cut it anymore, because the work environment must enhance employee recruitment and satisfaction, a 3.0 realisation that massively increases colleague loyalty, according to Hana Ben-Shabat, vice-president of AT Kearney's Consumer Goods and Retail Practice in the UK.

Work is still based on a model that disappeared long ago. That pre-1.0 mindset was that a man worked full-time and his wife cared for the kids at home. That business model is based on the assumption that we are still factory workers. Women now make up 46% of the workforce, but many employers still treat their employees as if women stayed at home, particularly in Anglo economies. In 2007 the *Commission for Equality and Human Rights Review* found that a mother in a relationship who has a child under 11 is 45% less likely to be in work than a man in similar circumstances. In a 3.0 world where Gen Y thinking dominates, this is unacceptable. Add to this the premium placed on female thinking and leadership skills, you will understand that you need to inject and be serious about positioning your female business brains as part of your employment, personal and leadership brand. That is why maternity coaching and women back-to-work initiatives are booming businesses; organisations want to retain their key talent. So 3.0 Thinking companies who think ahead and challenge the old industrial age model of work are making a savvy commercial thinking switch.

Companies cannot afford not to. Have you heard about the war

for talent? The war for talent is over. It was won by talent a long time ago. Notwithstanding the economic downturn, we are still in a seller's market. Workers these days have choices. Many companies have not adapted to this 2.0/3.0 shift, and are seriously struggling in their attraction, engagement and retention strategies because their employment branding and employer value propositions are based on 1.0 Thinking as opposed to more modern versions of thinking. One of the sticky points of contention at the moment is management's struggle with the 3.0 need for constant feedback, rewards and recognition. 10 years worth of *Jackson Organisation Research* shows that companies that value recognition averaged a return on equity of 8.7% versus 2.4% for those that did not.<sup>210</sup> That is a ratio of 3.6 to 1. Equally as virtual work continues to spread (already 40% of IBM employees have no official offices),<sup>211</sup> it is time to match the stated reward, recognition and performance expectation of the intrapreneurial Gen Yers to operational reality. At Best Buy's HQ, more than 60% of 4,000 employees are now judged only on tasks or results as opposed to time. Here, employees report better relationships with family and friends, more employee loyalty, and more focus and energy. Productivity has increased 35% since the introduction of this program and voluntary turnover is 320 points lower than in teams which have not had the change yet.<sup>212</sup> It seems there is something to this 3.0 mindset in the workplace.

3.0 Thinking about generational trends also encompasses telecommuting, and the concomitant questioning of why we have to be physically present to fulfil a task. When I worked for a large top-tier law firm in Banking & Finance in Melbourne, I was handed two bundles of legislation on my first day of work, one current and the other a previous year's versions. I was told by my 1.0 Thinking partner to compare the two manually. There were two questions in my head, which I articulated, a. isn't there a computer software that can do that, and b. if you still want me to do it, I guess I can do it in my own time at home?. I received two blanket No's. I thought of shredding them and claiming firm culture caused me to do it. Instead, I left the firm after three weeks of menial labour.

Only 40% of companies permit any sort of work at home arrangements, because their foremost fear is that they'll lose control of their employees.<sup>213</sup> Telecommuting fears

couldn't be more misguided, with petrol costs experiencing unprecedented volatility in many countries, mortgage stress, green awareness, and the financial downgrade front of mind for many employees. Working from home, or a local cafe with a wireless connection, according to a study at Penn State has 'favourable effects on perceived autonomy, work-family conflict, job satisfaction, performance, turnover intent and stress',<sup>214</sup> 81% of Asian managers believe that telecommuting improves productivity and flow,<sup>215</sup> and the typical on-site office worker is interrupted every three minutes. In the US, leasing traditional offices currently averages a cost of US\$ 21.25 per square foot annually, and a quarter of that is typically either vacant or under utilised at any given time. Given that it costs more than US\$ 15,000 per year to provide an employee with 200 square feet of cubicle space annually, the savings of flexible workplace design, job sharing and telecommuting would save companies hundreds of thousands of dollars annually -<sup>216</sup> savings that could be spent on innovating or selling your way out of an economic slump. For employees, benefits include not wasting time physically commuting, spending more time at home with family, greater productivity levels, and feeling that they have made a positive contribution to the environment by not having their SUV on the road every day.

This 3.0 Thinking is on-trend with Gen Y's asynchronous styles of working, in tune with environmental concerns, and add to a company's top-line and reduce costs. On trend in Australia is Westpac Bank which launched a campaign called *'Every generation should live better than the last'*. It also pitches its employer of choice awards as part of its consumer ads, expecting that empathy and humanity may help the repositioning of the bank's business brains and authentically appeal to a new generation of consumers. In Sao Paulo, a group of professionals meet every Monday to do a Rush-Hour MBA instead of sitting in traffic, and companies around the globe are recognising the Gen Y dilemma: they're young and adventurous, yet lack cash do to the things they want to do, and therefore allow them to acquire accumulated mini-retirements, whereby you can reduce pay and hours and redeem them at a later stage in your life with the company. The only thing stopping these initiatives at other companies is a 1.0 version of thinking that says that *'workers cannot be trusted'*.

Equally generational trends are driving new challenges in future leadership and succession planning, which is re-defining traditional workplace hierarchies. I frequently get asked to talk about the 3 Es, the enthusiasm of Gen Ys, the expertise of Gen X and the experience of Baby Boomers, all of which are the bases of the respective generations' expectations for rewards and recognition. They are also mutually exclusive. Gen Ys believe that age is a defunct measure of competence and that enthusiasm and inspiration should be rewarded. Gen X believe that you cannot be rewarded for enthusiasm alone as enthusiasm does not equal hard earned expertise, yet feel that expertise certainly ranks higher than experience (as measured in years on the job). Baby Boomers are still operating on the assumption that age entails seniority, and that even with a bag-full of MBAs, case studies and healthy doses of bubbling enthusiasm, the two younger Es don't stack up against the wisdom that only follows from having been around the block a few times.

This creates future leadership challenges, because Xers and Yers are unlikely to subscribe to the Baby Boomer 1.0 version of events, and as such will vote with their feet. Aware of this job promiscuity, Ernst & Young in Australia have adopted a 'start here' approach to their graduate programs,<sup>217</sup> and the Australian Defence Force have instituted a Gap year 'try before you buy' graduate recruitment program. Another company that realised the importance of succession planning in order to satisfy its 1.0, 2.0 and 3.0 stakeholders is Pittsburgh designed Mellon Financial (now Bank of New York Mellon Corporation), the world's largest securities servicing firm and one of the world's top ten asset managing firms. In 2002, Mellon CEO Marty McGuinn saw potential value in having the company's future leaders make presentations to the board, presentations that had previously been delivered by the business heads. These heads now accompany the younger prospects and answer questions when absolutely necessary, but the future leaders get the floor. As a result, the board can assess the efficacy of the company's talent pipeline and get access to the 'news from the floor', while the rising stars gain direct access to the board, learning new perspectives, wisdom and experience as a result. Very funky.



We are now living in the brain age, and competitive advantage lies in the ability to create an economy driven not by cost efficiencies but by ideas and intellectual know-how. This means that organisations need to position themselves and create a space for 'clever people' to thrive.<sup>218</sup> This is particularly so with Gen Y, who may well be the smartest ever generation in the workplace. Professor Flynn at Otago University in New Zealand has shown that average IQ scores have increased by 3 points every decade,<sup>219</sup> meaning that the difference in IQ levels between the average baby boomer parent and Gen Y child may be as much as 9 points, depending on their age difference. With no noticeable difference in EQ levels between the different generations in the workplace according to research, one of the challenges for managers is that Gen Ys exhibit many of the same problem behaviours as clever people in general do.

Clever people know their value, they expect you to know it too, and they need you to be intellectually on their plane - read be on the same thinking version as them. In fact they are unlikely to respect you if they feel like you are not a thought leader in your own right. Therefore the psychological relationship leaders have with their clever people is very different from the one they have with traditional followers.<sup>220</sup> Just like clever people who feel that they are part of an external professional community which renders the organisational chart meaningless, Gen Y feel like they are part of a community of like-minded individuals that trumps expertise and experience. That is why maverick leaders like Herb Kelleher, CEO at Southwest Airlines, who threw the company's rule book out the window, BBC's Greg Dyke who empowered his staff to yellow-card every immobilisme rule, or Commerce Bank's Vernon Hill with his 'Kill A Stupid Rule'-rule are so popular amongst Gen Ys. This generation of misfits have set the bar higher on leadership expectations and they are narcissistic, entrepreneurial and clever enough to know that they deserve greater input. Traditions spawned at 3M, Lockheed and Genentech and carried forward in Google's 20% time is a great example of stepping away from micro-management and trusting your business brains to come up with new innovations. If you try to break in smart people, they will break out.<sup>221</sup> You ignore this kettle of fresh thinking fish at your own 1.0 peril.

**immobilism**  
|i(m)'mɒbəlɪzəm|  
noun  
deep-seated  
resistance to  
political change.

Additionally employers need to realise that the lines between

work and life are blurring. The 1.0 idea of keeping work and life separate is no longer possible for companies that wish to maintain a genuine competitive advantage.<sup>222</sup> Business has never been more personal and social. If 70-80% of work that people perform is by way of intellectual capital, is not work a process that goes on continually - 168 hours a week?<sup>223</sup> People do not stop thinking just because they have left the office. As my funky friends Jonas Ridderstrale and Kjelle Nordstrom say many people even work while sleeping,<sup>224</sup> because we process dreams and problems in our brains at different creative vibrations than during our wake state. Equally, work is social. 73% of UK staff meet up with workmates at the weekend, 39% holiday with their colleagues and 55% meet their closest friends at work.<sup>225</sup> Gen Y accentuate this trend because they view life and work as intimately connected, aim to be self-actualised at work, and want a holistic, bonding experience at work. Expect more romances at work - and learn to be ok with it. The compartmentalisation of life is so 1.0.

Today, people are looking for more than a paycheck from their work. Education levels have risen and cross-generational talent are aware of life options. They demand work that has *psychic* income, work that engages the whole person, meets social needs and is meaningful. In this whacky world, people want work that is rewarding, or even a calling. This is a break with history. Before my wonderful grandmother Ingrid passed away in 2006 (bless her soul), she and I had a conversation about the meaning of life, work and how she viewed her time on earth. Ingrid grew up during the 1920s in rural Sweden on a farm, and even though she was the oldest sister, she was not allowed to attend secondary school. This level of education was reserved for the oldest boy in the family who was eventually going to run the farm, even though Ingrid's academic results were stronger and her teachers recommended that she continue into secondary school. 80 years later this still brought a tear to her eye. Grandma experienced the depression era and the second world war, which affected the mindsets of many Swedes, even though we were neutral. She said to me, "You know, Anders, the problem with your generation is that you want to go to work and have fun". This was a totally foreign concept to her, as in her day work was about survival and putting food on the table. Clash of thinking versions. Bless your soul, Mormor.

This is why *firm of endearment*, Patagonia has an environmental internship program that gives employees up to two months a year, with full pay and benefits, to volunteer with an environmental organisation of their choice. At Whole Foods the cultural motto is *'Whole Foods, Whole People, Whole Planet'*, something the company lives every day. These socially responsible human resource activities are not just about corporate social responsibility but part and parcel of a strategic system that reduces costs, improves productivity, and engenders superior customer and employee loyalty. Equally it recognises a trend in employee demands for a more holistic workplace experience that makes employees feel like they are contributing to making the world a better place.

This sense of fun is something 3.0 Thinking companies pride themselves on. At Southwest, Herb Kelleher has become legendary for the numerous stunts he has performed to create a fun atmosphere such as hiding in the overhead bins in a plane, and dressing up as Elvis or in drag. At Southwest a special *'Culture Committee'* is charged with the mission to do *'whatever it takes to create, enhance, and enrich the special Southwest spirit and culture that has made it such a wonderful company/family'*. At JetBlue, the seats on their planes (next to the DirecTV) are imprinted with the line *'without you, we'd just be flying a bunch of TVs arounds the country'*. The Container Store's tongue-in-cheek tag-line for customers is *'Contain Yourself'* and its self-deprecating employment branding to its staff is to *'Think Outside the Box'*. The company has a *'Fun Committee'*, which according to Nancy Donley, director of HR (should be Director of People, Nancy), *'help us to get to know one another on a different level, play a vital role in helping new employees learn about our culture and help us preserve ou culture as we grow'*.<sup>226</sup> At IDEO, founder David Kelly believes that *'play ignites the innovative spirit'*. If it's one thing that the talent shortage and emergence of Gen Y in the workplace has achieved in forward-thinking organisations it's to elevate their thinking version about what constitutes work, life, fun, play and productivity, and the answer lies in combining all of the above into a kaleidoscopic employee value proposition.

Because Gen Y epitomise, represent, and personalise the whacky world we are living in, it is imperative that you *get* their version of thinking. They are the proverbial canaries in the coalmine. By default a Gen Y friendly workplace is a talent friendly workplace. If you want best practice employment branding and creative/innovative output, make sure you create a workplace that takes into account the wishes of this younger generation, while of course listening and actioning the positive suggestions of your Xers and Boomers.

### **Think This**

7 things you need to think about when thinking about Gen Y:

1. They know their worth.
2. They are organisationally and politically savvy.
3. They ignore corporate hierarchy.
4. They expect instant access.
5. They are well-connected.
6. They have a low boredom threshold.
7. They won't thank you.

### **Do This**

Promote on merit, not age.

### **Visit This**

Check out the Gen Y Limegreen Paper on [www.thinque.com.au](http://www.thinque.com.au) or order it by emailing us on [sales@thinque.com.au](mailto:sales@thinque.com.au)

Question

1. In what ways is your thinking version generation biased?

2. How can you best stop that from being the case?

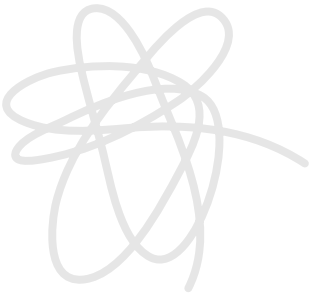
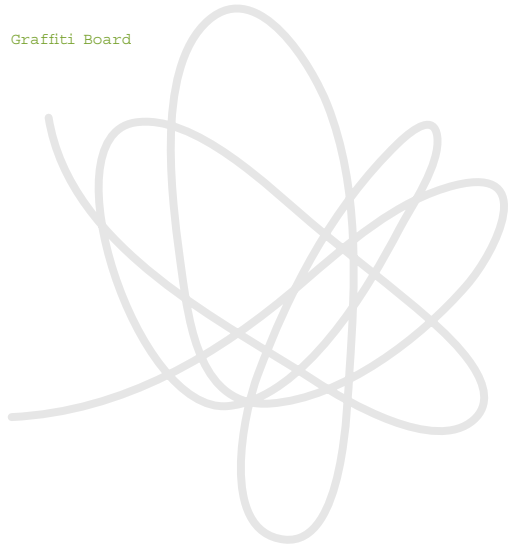
Thought Space:

Mental Graffiti Board





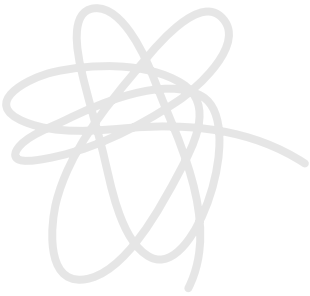
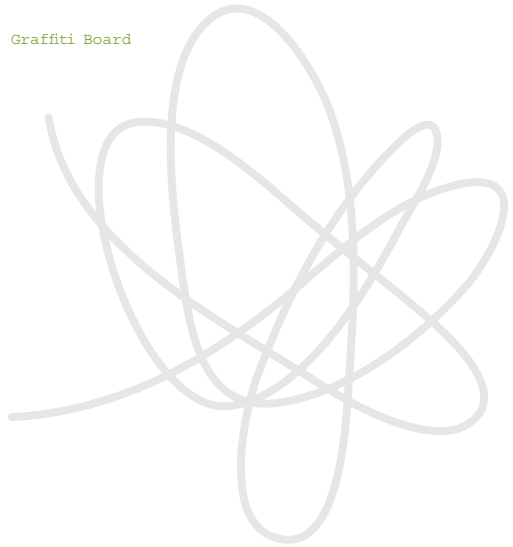
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'The winner is the chef  
who takes the same  
ingredients as everyone  
else and produces the  
best results.'

Edward de Bono

## Chapter XI Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0
MALE	FEMALE	ANDROGYNOUS
BABY BOOMER	GENERATION X	GENERATION Y
CLOSED	OPEN	HYBRID

**Metaphor**  
 Innovation 3.0 is like a web mash-up of the best in closed 1.0 RnD thinking and the best of crowd sourced 2.0 Thinking.

**Statement:** Hybridise your innovation model.  
**Explanation:** The future of innovation lies neither in exclusively closed RnD labs, nor in wide-open crowd sourcing internet fora. But hybridise for a moment and you will find an innovation sweet-spot where you can combine the best of your internal brain trust with the most fresh external perspectives.

Main sources	Main Case Studies	Main Design Inspiration
<p><i>Harvard Business Review</i></p> <p><i>Charles Leadbeater @ TED</i></p> <p><i>Wired</i></p> <p><i>Wikinomics by Tapscott and Williams</i></p> <p><i>Wisdom of Crowds by Surowiecki</i></p>	<p>Procter &amp; Gamble</p> <p>Google</p> <p>eBay</p> <p>Salesforce</p> <p>Red Hat</p> <p>Linux</p>	<p>Toyota</p> <p>Honda</p> <p>Crowd sourcing</p> <p>Mash-ups</p>

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XI

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y

### Ideas: the raw material of hybrid innovation

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
innovation	closed	open	hybrid

When I break my rule of not watching the news, I notice interesting patterns. For those of you who watched the hysterical news reporting of the 2008 financial crisis you may have noticed similarities with how reporters treat Australian bush fires or Californian forest fires. So long as the news of destruction is as exciting as an action movie or as gory/greedy as *Wall Street*, reporters gladly cover the mass myopia. How often do we see reporters go back to Victoria or to the Sequoia National Park in California, 6 months or a year later

reporting on the eucalyptus seeds that can only germinate at burning temperatures or the green shoots that were fertilised by the destructive fires? Too seldom. Yet I believe that now is the time to sow some innovation seeds to regenerate your business eco-system and spawn further biodiversity. The real driver of success in an economic downgrade is innovation. In a 2008 *Business Week*/ Boston Consulting survey, less than half of senior executives said they were satisfied with their return on innovation.<sup>227</sup> Some of this discontent may be due to the fact that their thinking version was incompatible with the prevailing business model version. You need to make sure that innovation is approached with the right thinking version to ensure that your innovation initiatives yield the desired crop.

The Roman God Janus had two sets of eyes, one pair focussing on what lay behind, the other on what lay ahead. This is kind of like innovation thinking in a 3.0 world. The difference is that we need a third set of eyes that focus our thinking on the present. The past and present gives us the landmark readings to actually program our mental innovation GPS for the future. This looks like a **hybridised** version of the extreme innovation models of 1.0 and 2.0 Thinking. Just like some people are ambidextrous or Janus-eyed, so we need to develop the innovation acuity to synthesise the best in innovation thinking to successfully navigate a shifting business landscape.

Innovation has nothing to do with downturns. Eric Schmidt, Google CEO, believes that companies can skirt downturns entirely by coming up with innovations that change the game in their industries - or create new ones.<sup>228</sup> When asked if Google's strategy would change as the economy headed into a likely recession in 2008, he replied: "What recession?". He was backed up by Google's Q1 2008 earnings, which whacked bearish investors on the head. The perpetual beta attitude of Google is standing it in good stead in testing as well as cruising times. Take a moment to reflect on Bill Gates' words in 2008 that, '*even though we're in an economic downturn, we're in an innovation upturn*'. To be on the front foot in this innovation upturn, you need to ensure that you upgrade your innovation thinking.

## hybrid

[ˈhɪbrɪd]

noun

a thing made by combining two different elements; a mixture : *the final text is a **hybrid** of the stage play and the film.*

- Biology the offspring of two plants or animals of different species or varieties, such as a mule (a hybrid of a donkey and a horse) : *a **hybrid** of wheat and rye.*

- offensive a person of mixed racial or cultural origin.

- a word formed from elements taken from different languages, for example *television* (*tele-* from Greek, *vision* from Latin).

By analogy, here is the old story of how humans and other organisms get things done in tough times. Biology is war and only the fiercest survive. Businesses and nations succeed only by conquering and dominating their adversaries. The zeitgeist is shifting and we are beginning to see a new story which spans a number of disciplines, in which cooperation, collective action and complex interdependencies are at play and survival of the fittest shrinks ever so slightly.

If you look back at history, human communication, media and the ways in which we organise socially have been co-evolving for a long time. At some point nomadic hunters gathered together to solve bigger problems, like hunting mammoths. At the height of the Cold War and while game theory (prisoner's dilemma) was very much en vogue, Robert Axelrod famously asked the biological question that *'if our ancestors survived because of their competitive spirit, how could the co-operative spirit possibly survive?'*. Interesting chestnut, isn't it?

There is no longer any doubt that co-operative and symbiotic arrangements have moved from a peripheral role to a central role in biology. Ego is no longer always the central motivating factor.

### ***The Collaborative Mindset***

But this is not a new phenomenon. If we were to answer the question, 'who invented the mountain bike?' traditional economic theorists would argue that it was invented by a big bike corporation with a large RnD lab, according to innovation guru Charles Leadbeater. In reality, the mountain bike came from young users in northern California who were frustrated with traditional racing bikes and the big old bikes, so they combined the gears for racing bikes, the breaks from motorcycles, and the frames of the old bikes.<sup>229</sup> Fifteen years passed before big corporations caught onto the idea of mountain bikes, and 30 years later, 65% of bike sales in America are made up of mountain bikes and their accessories. This is a market entirely designed by users. So imagine the possibilities with internet passionate co-designers. The explosion of creative input can be and is awesome. This is a huge challenge to 1.0 Thinking.



Creativity has always been highly interactive and collaborative, but through the infrastructure of the internet more and better ideas are jumping upstream. When the mobile phone companies invented SMS they had no idea what it would be used for. It wasn't until the technology mashed-up with a teenage mindset that texting each other took off. Most creativity is cumulative and creative, and it does not happen in a vacuum but over time, like Linux. Rap music for example was created and distributed by users at a grass-root level, not by big music companies. (Pro-ams) like these are people who want to create for the love of it, but equally to a very high standard. They work at their passion and use technology that is getting cheaper all the time. This has huge implications for organisations, as consumers can now be co-producers and inventors. These consumers have whole RnD labs inside their business brains. Yes, you too.

**pro-am**  
 |'prɒ 'ɑːm|  
 adjective  
 (of a sports event) involving both professionals and amateurs : a *pro-am* golf tournament.  
 noun  
 an event of this type.

What does this mean for our organisational landscape? One model is closed, one is open. The innovation debate is about copyright, intellectual property, and digital rights; while the closed mindset seeks to stifle open innovation and the threatening new model it represents. There has been a complete corruption of the idea of patents and copyrights which were originally meant to incentivise creativity and the dissemination of ideas. Imagine the situation of going to a venture capitalist asking for funding for a product that will compete with a near monopoly like Microsoft or Explorer. No venture capitalist without loose screws will fund you so the only form of competition will come from the open system of pro-ams - like Linux or Firefox. There will be a further movement from the closed to the open. Intelligent, forward-looking, formerly closed companies will need to become hybrid models that blend both the open and closed models.

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
innovation	closed	open	hybrid

We may be moving into yet another (3.0) economic form which is very different from the models we have known before. IBM, HP, Sony, InnoCentive, Sun, Eli Lilly, Amazon, eBay and Toyota are open sourcing their software or providing portfolios of

## prisoner's dilemma

noun  
(in game theory)  
a situation in which two players each have two options whose outcome depends crucially on the simultaneous choice made by the other, often formulated in terms of two prisoners separately deciding whether to confess to a crime.

patents for the commons. Eli Lilly for example has created a market for solutions for pharmaceutical problems. Toyota, instead of treating its suppliers as a market place, treats it as a network, training them to achieve higher production standards, even though they are training them to be better for their competitors. They are not doing it out of pure altruism because they realise that a certain kind of sharing is in their self-interest. Google enriches itself by enriching thousands of bloggers like me through adSense. Amazon has opened its application programming interface to 60,000 developers. They are enriching others as a way of enriching themselves.

The same goes for eBay. It solved the time consuming and distrustful relationships between buyer and seller in papers like the *TradingPost*, by creating a new market, and a feedback mechanism that turned a prisoner's dilemma to an assurance game (even though the first time I used eBay I nearly had my identity stolen by a Nigerian Missionary, before eBay resolved the situation 24 hours later). In founder Pierre Omidyar's words, eBay began simply as a (3.0) 'thought experiment'.<sup>230</sup> Wikipedia has enlisted thousands of volunteers to create a free encyclopaedia in just a couple of years. ThinkCycle has enabled NGOs in developing countries to put up problems to be solved by design students in a crowd sourcing fashion including something that was used for tsunami relief in 2005, a mechanism for rehydrating cholera victims. BitTorrent turns every downloader into an uploader, in a system that becomes exponentially more powerful with the more people that use it. Simultaneously, it is whipping up a powerful torrent that is threatening business models stuck in defensive earlier versions of thinking.

Ask any CEO in the world to write a top 10 wish list, and chances are innovation will feature in the top 3. It may very well be the top pick. These strategic thinkers know that innovation and ideas are the most precious form of currency in our evolving world. Without a constant flow of ideas, a business is condemned to obsolescence. The great news is that innovation has never been easier. That is, if you are operating on the latest version of thinking of course. There is in fact little new in innovation. What is new is that innovation no longer happens solely in RnD labs behind closed doors. It can happen in cafes amongst pro-ams, in a private hobby lab, at InnoCentive or through crowd-sourcing on linkedin. In this

information-obese world, we are increasingly inter-connected to each other and to old ideas. Innovation is nothing but the systematic use of old ideas as raw materials for one new idea after another. In this sense the collection of otherwise disconnected pools of ideas is the ultimate in sustainability. The steam engine for example was used in mines 75 years before Robert Fulton wondered how it could propel boats. At IDEO, designers visit the local Ace Hardware store to see new products and remind themselves of old ideas, Barbie Hall of Fame, airplane junkyards, and a competition where custom-built robots fight to death. *'Discontinuous change requires discontinuous upside-down thinking to deal with it, even if both thinkers and thoughts appear absurd at first sight'*.<sup>231</sup> In innovation, going off on a tangent is sometimes the best 3.0 Thinking you can do.

Are you following?

We need more tangential thinking in fact. Purposefully straying off path is why we are currently being freed from the old school 1.0 dogma of only looking within one's company and industry for innovation. Just like in some of the most innovative companies in the world who use well-designed spaces to boost random encounters, smart thinkers from all over the world bump into each other on collaborative websites and engage in 3.0 idea exchanges to solve new problems. In fact creating the space and the Thinking 3.0 culture of hybridisation/synthesis may be the biggest service you can do to your innovation efforts. It has been argued that Sir Thomas Edison's (one of the first 3.0 innovators) greatest invention was the invention factory at Menlo Park,<sup>232</sup> which illustrated that a strong set of implementable ideas could be generated if a company was organised the right way. Rather than focussing on one invention or industry, Edison created a setting - and new ways of thinking and working - that enabled his inventors to move easily in and out of separate pools of knowledge, to keep learning new ideas, and to use ideas in novel situations.<sup>233</sup> Edison made the innovation profession one that blended art, craft, science, business savvy and an astute understanding of customers and markets.<sup>234</sup> Innovation companies like Procter & Gamble hire people with varied thinking skills, interests and backgrounds. The product firm Design Continuum has plenty of engineers on staff, but also anthropologists, English majors and theatre designers.<sup>235</sup> Google's flexible infrastructure acts as an innovation hub where

## discontinuous

[ˌdɪskənˈtɪnjuoʊəs]

adjective

having intervals

or gaps : a *person*

with a *discontinuous*

*employment record.*

• Mathematics

(of a function)

having at least one

discontinuity, and

whose differential

coefficient may

become infinite..

DERIVATIVES

**discontinuously**

[ˈdɪskənˈtɪnjəwəslɪ]

adverb

ORIGIN mid

17th cent. (in the

sense [producing

discontinuity]

): from

medieval Latin

*discontinuus*,

from *dis-* 'not' +

*continuus* (see

**continuous**).

third parties can share access and create new applications that incorporate elements of Google's functionality,<sup>236</sup> and Salesforce.com has used its AppExchange in similar ways. Analogue business incubation centres facilitate cross-fertilised innovation between seemingly disconnected start-ups around the world, from Stockholm to Sydney, from Silicon Valley to Shanghai.

In a downgraded economy like the 2007-2008 financial crisis aftermath, it is even more important to upgrade our innovation think. We hear it all too often, 'innovate or die': the competitive imperative for virtually all business brains today is that simple. Where does it occur though? Innovation most often happens at the intersection of different disciplines/versions of thought, in environments where thought patterns can collide, synapses can spark, and new interpersonal neural networks can be built.<sup>237</sup> That is why incubation spaces, open innovation and think tanks are so powerful. They engage idea and *weltanschauung* abrasion creatively, and are the opposite of the comfortable clone syndrome which ('synapse-strings') many organisations. Therefore organisations need to make the leap to 3.0 Thinking which is where they understand theoretically and practically that they need to create a safe and challenging environment where cognitively diverse people respect the thinking of each other, and strive for a common innovation objective.

In hybridised 3.0 Thinking territory, leaders need to become comfortable with contradiction, ambiguity and paradox. Stable and paranoid, systematic and experimental, formal and frank - these seemingly bipolar personality disorders are what lie at the heart of much of Toyota's success according to recent research.<sup>238</sup> The company succeeds because it mixes hard innovation like the Toyota Production System (TPS) and soft innovation that relates to corporate culture. The hard and soft measures work in tandem. Like two wheels on a shaft that bear equal weight, together they move the company forward.<sup>239</sup> Studies of human cognition show that when people grapple with opposing insights, they understand the different aspects of an issue and come up with innovative solutions.<sup>240</sup> This is why Toyota was able to invent and bring to market a hybrid engine that combined the power of an internal combustion engine with the environmental friendliness of an electric motor much earlier than rivals.<sup>241</sup> Toyota moves slowly

## synapse

'sin,aps|

noun

a junction between two nerve cells, consisting of a minute gap across which impulses pass by diffusion of a neurotransmitter.

ORIGIN late

19th cent.:

from Greek

*sunapsis*, from

*sun-* 'together'

+ *hapsis*

'joining,' from

*haptein* 'to

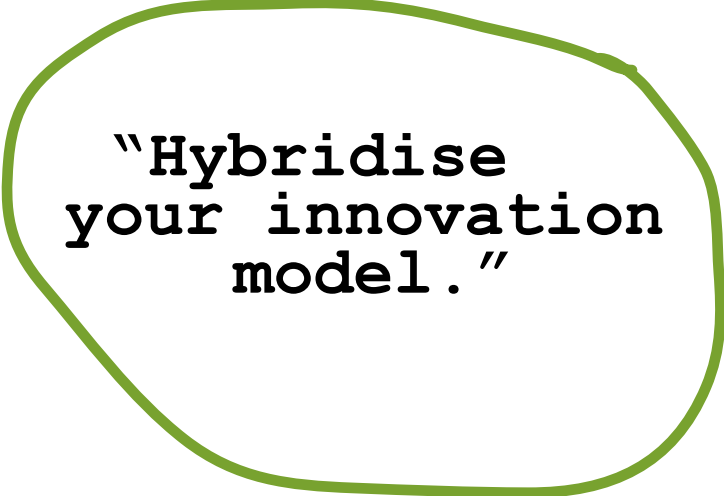
join.'

(setting up production in the US), yet it takes big leaps (hybrid engine), its operations are efficient (TPS) yet it uses employees' time in seemingly wasteful ways (massive and frequent meetings), it is frugal (lights off at lunch time), but it splurges on key ideas (dealer networks), it insists internal communications be simple (one page presentations), yet it builds complex social networks (cross-functionally), it has a strict (Japanese) hierarchy, yet empowers employees to push back ('pick a friendly fight' culture). Toyota asks their employees to upgrade their thinking and think as if they were two levels higher in the organisation, and trains its employees in problem-solving methods during their 1st ten years with the company.<sup>242</sup> Even the output of Toyota's hybrid thinking is hybrid cars, and is on trend with the new zeitgeist. Full force forward and back to basics at the same time.

### ***Research and Development***

But it is not just about internal, closed smarts anymore. At one point during the research for a conference I was speaking at, I engaged with my network of 47,642 global researchers on linkedin.com to see how the 2008 economic downturn was affecting the travel business. My aim was to tap into challenges and solutions thought up by volunteers outside my company, who gave up their time, energy and expertise to make life better for one of my clients. Does this sound odd? Well, if you're not conducting an exercise like this at your organisation every month, you risk missing the boat on a sea change that is transforming business. This is one example of 3.0 hybridised thinking which aggregates the best research available and boosts the tailored value that I provide to my clients. Tap those idea ingredients to your advantage. The global brain is waiting to be asked.

The internet has made possible an entirely new wave of innovation and Research and Development (RnD). Technological advancements in everything from product design software to digital video cameras are breaking down the barriers that once separated amateurs from professionals. In fact it has unleashed and enabled the cross-fertilisation of ideas that is the essence of James Surowiecki's book 'Wisdom of Crowds'. The idea of crowd wisdom is that crowds will consistently make better decisions than an individual when that crowd has certain qualities. For example, the crowd should have a



**"Hybridise  
your innovation  
model."**



diversity of opinions, contain independent thinkers (left-brained, right-brained, and rewired), a decentralised system of experts with local knowledge, and be able to aggregate the different opinions into a collective decision. Homogeneity, group think, personal domination are all enemies of diversified thinking, innovation and creative RnD in this whacky world. In fact diversity is the mother of all creativity, invention and progress.<sup>243</sup> If you truly want to maximise your Return on Thinking from your organisational brain trust, you need to make sure that your innovation model is a hybridised 3.0 version of the best of 1.0 and 2.0 Thinking. Funky companies are now tapping hobbyists, part-timers and dabblers to nourish the latent talent of the crowd. Closed and open - at the same time.

Yet many companies still cling to the 1.0 model of innovation. This is centered on bricks and mortar RnD infrastructure and the closed 1.0 idea that their innovation must principally reside within their own four walls. These companies are increasingly trying to move forward with acquisitions, alliances, licensing and selective innovation outsourcing. These may offer incremental improvements, but in downgraded times, the only way these companies' brain trusts will actually be compatible with a new era in thinking is if they actually upgrade their innovation think model. One company that has made this leap into 3.0 Thinking territory is the software development company SAS Institute. It collects feedback during an annual user group's conference, which has become a hot-bed of creative energy.<sup>244</sup> It's a hybrid 3.0 forum for interdependent stakeholders to challenge each other to improve and innovate. SAS provides software to 96 of the top 100 companies on the *Fortune* 500, and to 90% of all 500. How would you like that as an open innovation group? Since these customers have access to all the latest software on the market, SAS is in a unique comparative position to innovate, synthesise creativity and tailor forward-looking products for their clients.

### **Free**

One of the disruptive trends that is forcing us from 1.0 to 2.0 and 3.0 Thinking in the innovation and RnD space is the trend of free. This trend incorporates phenomena as diverse as wikipedia to AirAsia tickets, and from diapers to music. This trend thrives on a full frontal war for consumers'

ever scarcer attention, the resulting new business models, new marketing techniques and the ever decreasing costs of producing physical and digital goods. For example, the price of television has fallen by 9% annually on average since 1998.<sup>245</sup> This has created an online post-scarcity dynamic in the world, partly fuelled by Generation Y's never ending appetite of, or contribution to user-generated content, the many C2C (consumer-to-consumer) market places enabling consumers to swap, instead of spend, and an emerging recycling culture such as seen on eBay (where I recently sold a digi-cam).

If you live in a city other than Sydney that has a well-functioning public transport system you may have noticed market-leading newspapers like Metro. This newspaper distributes more than 8 million newspapers globally at train and bus stations, and have a combined readership of 70 million people daily, upending the traditional publishing model by making all their profit from advertising. In the telecomm industry, Skype and various VoIP providers are moving from pure computer-to-computer models of communication to regular handsets, fixed and mobile (see the 3 Hutchison version for Skype anyone?), displacing the old 1.0 telecom monopolies. Free is perhaps the most disruptive force in business ever, since it forces immensely creative business models, and a whole new way of thinking. The old 1.0 way of thinking dictated that something could only be of good quality if we had to pay for it, but a new generation of consumers are used to high quality goods and services, ranging from open sourced software, mp 3 downloads, movies, tv series, entertainment, and information that costs zilch. Free is fuelling the innovation trend from closed, to open, to hybrid.

### ***User-Generated***

User-generated content throws methol onto this fire. This trend is fuelling some of the world's fastest growing and most competitively advantaged organisations; in some cases revolutionising the economics of entire industries by radically shrinking their costs structures. Think of eBay which engages consumers to fill its shelfspace, or Wikipedia which has trounced the value proposition of the 230 year old Encyclopaedia Britannica by offering a free encyclopaedia written and updated frequently by unpaid amateurs.<sup>246</sup> Skype incurs almost no costs because its internet based phone



system is built on the unused processing power of its consumers personal computers'. Free and user-generated are not just for the internet high-flyers anymore, with old-economy behemoths like Procter & Gamble, Unilever, Honda, Best Buy and Hyatt tapping the trend. Best Buy for example discovered that unfiltered information from colleagues can be more effective than memos from HR, and thus Blue Shirt Nation ran a contest in which employees submitted videos they had conceived and produced, with no company oversight, to spur employee adoption of 401(k) (superannuation/pension plans). The result of the buzz generated by the contest? A 30% increase in plan enrolment. Honda has set up a consumer maintained GPS system called InterNavi which updates traffic conditions in real-time based on the strength of its network of users.<sup>247</sup> User-generated content is the most important concept in Web 2.0, and as a defining concept in the business thinking of this age, companies need to replicate Web 2.0 processes to engage crowd wisdom and free into its innovation initiatives.

Over the next few years we are likely to see more and more examples of industries transitioning into 2.0 and 3.0 Thinking, and making their money from business models completely unrelated to their company origins. RyanAir's CEO Michael O'Leary promises that eventually '*more than half our passengers will fly for free*', relying instead on seat-back ads, the billboardisation of the plane, and inflight entertainment marketing for revenue. US based *Freeload Press* publishes free college textbooks, Dutch Boomerang Media offers free travel guides, and French *MesPhotosOffertes* gives clients free picture processing and home delivery in exchange for tear-off ads at the bottom of the photos. Meanwhile, T-Mobile and At&T is installing wifi hotspots at over 7,000 Starbucks stores in the US, offering two hours of free wifi to Starbucks card holders, and in Australia mobile broadband carrier Unwired has co-branded with forward-looking cafes to offer wireless internet to free agents like myself, one example being the organic and very funky Cafe O on Crown Street in Surry Hills, Sydney where I wrote this paragraph. In the entertainment industry EA has released a free, online version of its popular game *Battlefield Heroes*, hoping to cash in by selling adverts within the game. Free is also affecting the stock image industry with sites like *istock.com*, *britepic*, and *stockvault* displacing the incumbent Getty Images. Rather than continue in sleepy 1.0 Thinking, Getty

realised the disruptive nature of the free trend and acquired istock.com in a forward-looking move. If you cannot think like 'em, acquire 'em. And for God's sake, let them keep operating on the thinking version which created their success!

For those who are worrying about a prolonged recession and cost-cutting, (nearly free) open source software may be a source of solace. As IT budgets shrink, 2.0 open source software has the ability to keep cost-cutting ships sailing. The 2008 version of Open Office 3 word processor is just as powerful as the Microsoft Office suite at zilch cost. Equally 2.0, the virtual machine VirtualBox, the content management system WebGUI, the desktop replacement for Windows Ubuntu, and the CRM software Sugar are all top of the line products backed by reputable companies like Sun Microsystems and SugarCRM, and are either free or require a significantly lower investment than their 1.0 cousins. This is the reason why the New South Wales government in Australia has been recommended by the secondary principals' council to issue laptops running open sourced Linux operating systems as part of the state's push for its 'Digital Education Revolution',<sup>248</sup> while Google won a major Gmail contract with NSW's Department of Education and Training in 2008 which expands the available storage for each student from 35MB to at least 6GB, as well as offering better filtering, search and security than other previous versions. Search analyst Stephen Arnold recently commented on this move on his blog by saying that the '*real pay-off, to my way of thinking, will be the students who graduate with Google as part of their thought processes*'. A whole generation of 3.0 Thinkers perhaps? Procter & Gamble recently scared the bejesus out of Microsoft by flirting with Google Apps and it required the personal intervention of MSFT COO Kevin Turner to save a 3 year contract, which is estimated to contain terms which are extremely favourable to Procter & Gamble.

These and other examples raise a two-pronged, thought provoking question - a. what services, thinking and products can you sell for free as part of a business model where you make more money and b. if you cannot think of a, how do you compete with 'free'? It may just take you some 3.0 Thinking to find the answer...

In this whacky 2.0 world, we may just see enterprise open source software businesses emerge from economic challenges, like the economic downgrade, stronger than the proprietary market. In August of 2008, Red Hat, the main distributor of Linux, posted second quarter revenues 29% higher than the same quarter 12 months prior, while its subscription revenue also enjoyed double-digit growth to beat analysts' estimates. Red Hat's offerings are most popular among high-tech companies that use IT for a competitive advantage. It seems some 2.0 and 3.0 Thinking companies realise the importance of tapping the open source trend, but Red Hat is also niched in the military, security and intelligence agencies around the world. In a whacky twist which highlights how much the world has changed in the last 20 years, the Russian military has adopted Red Hat's Linux technology because SE Linux, the core security technology, is deemed the most secure among its competitors,<sup>249</sup> a technology developed by the National Security Agency in the USA. Interestingly, to compile the millions of lines of source code in the original Red Hat Linux, would have taken 8000 employee years of conventional development time at a cost of \$ 1.08 billion a year,<sup>250</sup> had it not been developed in an open sourced, free fashion. In Australia, Red Hat has just collaborated with the Queensland Government in the launch of its Asia Pacific engineering, support, research and innovation headquarters in Brisbane, with open source making its way into the mainstream curriculum of the Queensland University of Technology. The now is open rather than closed, the future hybrid rather than open.

And this is not only true of intangible products like software. Open source *hardware* is also making a splash. The Arduino circuit board (a hot microcontroller for tech savvy gadget-builders) was invented, brought to market, its specs put online deliberately and people encouraged to rip it off for free.<sup>251</sup> The business model is built on the concept of giving everything away for free. On its website it posts all its trade secrets for anyone to take - all the schematics, design files, and software.<sup>252</sup> Because copyright law which governs open source software, doesn't apply to hardware, they decided to use a Creative Commons license called Attribution-Share Alike. This means that anyone is allowed to produce copies of the board, to re-design it, or even to sell boards that copy the design. Importantly, the only 'protected' piece of the company is the brand 'Arduino', the use of which attracts a licensing fee. It is the way they have positioned

## Cambrian

['kɑmbr̩ən; 'kɑm-|  
adjective

1 (chiefly in names  
or geographical  
terms) Welsh : *the  
Cambrian Railway.*

2 Geology of,  
relating to, or  
denoting the first  
period in the  
Paleozoic era,  
between the end of  
the Precambrian  
eon and the  
beginning of the  
Ordovician period.

• [as n. ] ( **the  
Cambrian**) the  
Cambrian period  
or the system of  
rocks deposited  
during it.

The Cambrian  
lasted from about  
570 million to 510  
million years ago  
and was a time of  
widespread seas.  
It is the earliest  
period in which  
fossils, notably  
trilobites, can be  
used in geological  
dating.

ORIGIN mid  
17th cent.: from  
Latin *Cambria*  
'Wales,' variant  
of *Cumbria*, from  
Welsh *Cymry*  
'Welshman' or  
*Cymru* 'Wales.'

their business brains in the form of the brand that is their competitive edge. Brand matters in a 2.0/3.0 world, because it evidences your version of thinking.

And so it should according to the world's premiere globalisation guru, Jagdish Bhagwati, who in fact reckons intellectual property should be free. Many globalisation fans freak out when they see Indian patients buying generic drugs. But draconian copy right laws are protectionism in another form. 'The creation of knowledge often requires using previous knowledge', Bhagwati says. Globalisation isn't just about the free flow of labour and capital, but of ideas too.<sup>253</sup> The freer the flow of ideas, the more innovation and progress.

Today, there are open source synthesisers, MP3 players, guitar amplifiers, and high-end VoIP routers. You can buy an open source mobile phone, and a chip company called VIA has just released an open source laptop. Anyone can take its design, fabricate it, and start selling the notebooks.<sup>254</sup> This sounds totally out of whack with business reality, yet it is the new reality. Linux too sounded whacky back in 1991 when Linus Torvalds announced it, because nobody believed that a bunch of volunteers could create something as complex as an operating system or that it would be more stable than Windows, and that eventually many Fortune 500s would trust software that couldn't be owned. Yet 17 years later, the open source software movement has been crucial to the Cambrian explosion of the Web-economy. In recent years hackers have been aggressively cracking consumer devices to improve them - adding battery life and jail breaking iPhones, installing bigger drives on TiVos and ripping apart Furby toys and reprogramming them to function as motion-sensing alarm-bots.<sup>255</sup> Your brain or product is probably being reverse-engineered as we speak. The trend is that everything is being reverse-engineered, and that even closed hardware is open to hackers globally.

*Show me the money!*

So how do you make money when you give stuff away for free?

- a. Sell your expertise as the inventor, and if you're the first to market like Linus Torvalds the community will congregate around your church of IP, and

b. Sell servicing and consulting at the back-end.

Creative destruction of 1.0 Thinking - I hear the sound of a thousand 1.0 business models crumbling under a (Bit) torrent of funky thinking. Crash, boom, bang!

This type of 1.0/ 2.0 collaboration with a 3.0 mindset has become common for open source software. IBM and Sun Microsystems pay staff members to contribute to Linux because it is in the companies' interest to have the software grow more powerful - even if competitors benefit.

### **Hybrid**

Forward-thinking companies are changing the face of RnD. It is no longer about isolated white lab coats, it is about over 90,000 'solvers' at networks like InnoCentive, the research world's equivalent to Wikipedia, launched by Eli Lilly in 2001 to connect with brainpower outside the company. Companies like Boeing, DuPont, and P&G now post their most frustrating and advanced problems on the InnoCentive website and anyone within this brain trust can have a crack at solving the problems for which the solvers are handsomely rewarded. P&G has had problems solved by a graduate student in Spain, a chemist in India, and an agricultural scientist in Italy. The strength of these networks is the '*diversity of intellectual background*' according to Karim Lakhani, a lecturer in technology and innovation at MIT, who surprisingly noticed in a survey of 166 InnoCentive problems that the odds of a solver's success increased in fields in which they had no formal expertise.<sup>256</sup> So much for the real-life application of that PhD.

In 2006 IBM launched its InnovationJam (tagline '*Don't be shy, you're the expert*'), which was an online event inviting employees, partners and customers to contribute ideas. Out of this process, the CEO, Sam Palmisano, funded the ten best ideas. In the realms of government, Australia's Prime Minister Kevin Rudd tried to back up his *fresh thinking* mantra with the 2020 Summit - an idea exchange initiated with the hope of setting a crowd sourced course for the future. Larry Huston, one of the initiators of Procter & Gamble's cross fertilised, hybridised 'Connect and Develop' innovation model, argues that in the face of research costs rising faster than sales rates, the old 1.0 closed model of innovation is broken.<sup>257</sup>

P&G's 3.0 hybridised model is now so engrained and successful in the company that the line between its 9000 RnD staff and its 1.5 million external network researchers is hard to draw. The 2006 IBM Global CEO Study reported that companies that used significant external sources of innovation like P&G reported higher revenue growth than companies who did not.

In fact, a leading case study of 3.0 Thinking comes from Procter & Gamble's hybridised model for innovation. By 2000, their 1.0 invent it yourself model was seriously out of whack with a new business climate and was not capable of sustaining high levels of top-line growth. Their RnD productivity had levelled off and their innovation success rate had stagnated at about 35%.<sup>258</sup> Meanwhile their market cap had halved when their stock slid from \$ 118 per share to \$ 52 a share. *The Advertising Age's* front page title at the time read '*Does P&G still matter?*'. It was at this point that the P&G CEO A.G. Lafley challenged the company to reinvent the company's innovation model. Procter & Gamble set out to leverage the concept of leveraging one another's (even competitors') innovation assets; products, intellectual property and people in 2000. Historically, P&G's best innovations had come from connecting ideas across internal businesses, and after studying the performance of a small number of products they'd acquired beyond their internal labs, they knew that external connections could produce highly profitable innovations, too. P&G made it their goal to acquire 50% of their innovations outside the company; a goal that they are well on their way to achieving. The strategy was not to replace the capabilities of their 7500 researchers and support staff, but to better leverage them. In their mapping of their internal and external brain trust P&G realised that for every P&G researcher there were 200 scientists or engineers elsewhere in the world who were just as good. A total of perhaps 1.5 million people whose talent they could potentially use. As part of the change management process this move inevitably meant for the organisation, they needed to shift the in-house attitude from resistance to innovation 'not invented here' to enthusiasm for those 'proudly found elsewhere'.

It was against this backdrop that their 'Connect and Develop' innovation model was developed. This meant that P&G could identify promising ideas throughout the world and apply their own RnD, manufacturing, marketing and purchasing capabilities

to make the products more profitable, faster. Now, more than 35% of their new products in market have elements that originated from outside P&G, up from about 15% in 2000. And 45% of the initiatives in their product development portfolio have key elements that they discovered externally.<sup>259</sup> Their innovation success rate has more than doubled, while the cost of innovation has fallen. Unlike 1.0 and 2.0 styles of innovation this is not about either cannibalising ideas or going fully open sourced with their innovation. Rather, it is about keeping an open-mind to external innovation and focussing the internal thinking strengths on the areas of greatest opportunity. As P&G's 3.0 Thinking CEO A.G Lafley says *'I'm not an either/ or kind of guy'*.

Hybridised models like Procter and Gamble's 'Connect and Develop' model are likely to replace the extremes in Thinking 1.0 and 2.0 as the new standard, as 1.0 organisations focus on how they open up profitably and as open sourced 2.0 models look at how they can boost their profitability and sustainability. The ascent of China, India and other emerging economies has compounded the global brain trust, and its convergence with the consumer as participant has created a new innovative talent pool for research and development. The French company CrowdSpirit provides a platform on which participants can submit ideas for consumer electronics but also take part in every stage of the product life cycle, up to purchasing the end result.

3.0 Thinking is not just limited to the business space though. In the mid-1990s underfunding and a rapid population growth had left the Toronto Transit Commission's public transport system in shambles.<sup>260</sup> A public entity the TTC has to regularly consult with its customers, a process that became increasingly contentious as rider frustration grew.

Enter a whacky world. The serendipitous convergence of social networking techniques, a growing army of innovative technology and transit geeks, and a 3.0 Thinking TTC chairman named Adam Giambrone broke the stalemate.<sup>261</sup> He accepted a pitch from local bloggers on how to rejuvenate the TTC website: use the geeks' lively networks as conduits for ideas. On February 4, 2007 Giambrone and a number of other TTC officials participated in a unique live event dubbed TransitCamp - a mash-up of citizen activism with crowd-sourcing.<sup>262</sup> TransitCamp reformed the transportation system by reinventing the way

stakeholders collaborate with decision-makers. The happening emulated an innovative open source problem-solving framework known as BarCamp - a self-organising event where participants gather to think creatively, across disciplines, about areas of shared concern (events that I host in my Thinkque Tanks and facilitate at forward-looking conferences). At the TransitCamp, participants set out to collaboratively cure the transit system as if it were a complex piece of software, and ultimately to reform riders' experiences.<sup>263</sup> A similar initiative was staged in San Francisco in 2008, where the TransitCampBayArea has been labelled a big success.<sup>264</sup> This may well be some 3.0 Thinking that Rail Corp in Sydney needs to adopt.

Why does this work? Funky business thinking means competing with your rivals in the fields of imagination, inspiration and initiative. Open source relies on people who are articulate, passionate and enthusiastic, and hybrid 3.0 systems which can execute on those ideas are the ones that will successfully position themselves in the future. This mindset combines the new with the familiar, and is on the lookout in completely foreign fields for ideas, inspirations and suggestions for new products and services. In the last few years, traditional 1.0 collaboration in meeting rooms and conference calls has been superseded by collaborations on an astronomical scale - with encyclopaedias, soccer teams, jetliners, and mutual funds being created by teams numbering in the thousands or even millions. This is wikinomics,<sup>265</sup> a whacky economic 2.0 /3.0 mash-up where new communication technologies are democratising the creation of value.



### Think this

There is nowhere to hide.

According to Bruce Nussbaum's blog on design in *Business Week* the top 3 out of 10 innovation mistakes:

1. Fire talent. Talent is the single most important variable in innovation.
2. Cut back on technology. The rise of social networking and consumer power means companies have to be part of a larger conversation with their customers, which involves IT spend.
3. Stop new product development. This hurts companies when growth returns and they have fewer offerings in the market place to attract customers.

### Do this

- Create teams with diverse backgrounds (thinking strengths, ethnicity, cultural and gender backgrounds for example).
- To overcome wariness in executives inexperienced in 3.0 Thinking, ask enthusiasts to share stories of their personal experience with user-contribution systems. To build awareness have people use the user-contribution systems found on an Amazon page and classify them by type (if you look hard you'll find 23 separate systems on a single Amazon product page). Expect ideas for contribution systems to emerge from those who use them most.
- Provide external information sources like the *Thinque Quarterly*, *Monocle*, *WGSN*, *Trendwatching.com*, *Wired Magazine* to your staff.
- Expose people to outside opinions - send them to the Thought Leaders' annual conference in Sydney [www.thoughtleaders.com.au](http://www.thoughtleaders.com.au) or enroll your strategic thinkers in one of our Thinque Tanks on [sales@thinque.com.au](mailto:sales@thinque.com.au)
- Promote discussion and opinions. Host cross-generational thinque tanks and brainstorming sessions to solve problems.
- Reward different perspectives.
- Read 'The Wisdom of Crowds'.
- Read 'Wikinomics'.
- Create a Trend Group at work.

- Create an idea management system where employees can email ideas for new products, processes, and company wide improvements to a company wide suggestion box that is action focussed.
- Make your next Conference a 3.0 unConference/BarCamp. Invite me to speak, and get me and my thought leader friends to facilitate unConference break out sessions to nurture your organisation's crowd wisdom. To check my availability email sales@thinque.com.au

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**Question**

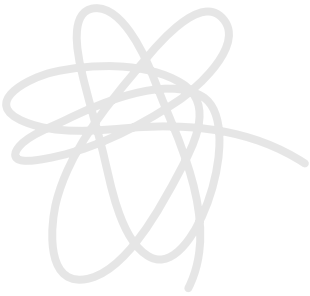
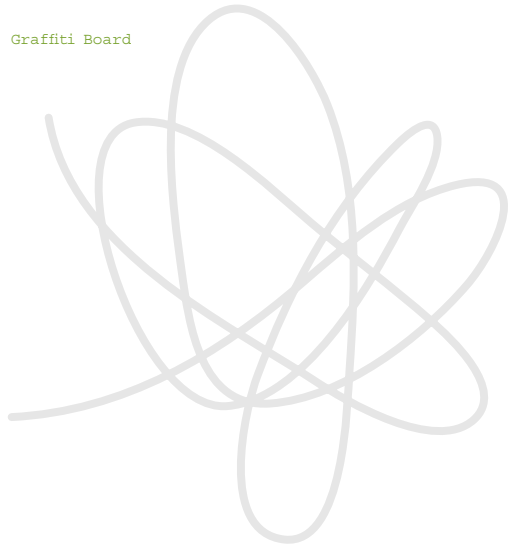
1. How are you going to compete with free?

2. In what ways will you source new ideas from your company's internal and external brain trust?

Mental Graffiti Board



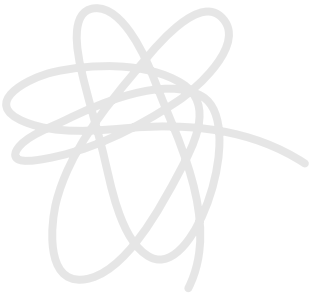
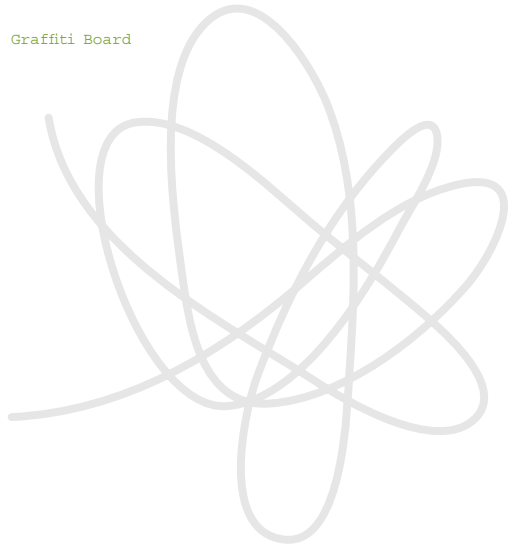
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'Man is the only animal for whom his own existence is a problem which he has to solve.'

Erich Fromm



## Chapter XII Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> It's kind of like mental feng-shui. You need to find an order and balance internally that enables you to find the results you and your business seek.
BABY BOOMER	GENERATION X	GENERATION Y	
CLOSED	OPEN	HYBRID	
DISEASE MODEL	POSITIVE PSYCHOLOGY	HOLISTIC	

**Statement:** Happiness is holistic.

**Explanation:** We have reached a post-materialistic paradigm shift when it comes to our mental well-being. Our thinking has evolved from the disease model of old, to positive psychology, and now the zeitgeist is indicating that we are reaching the 3.0 era of holistic.

### Main sources

*Learned Optimism by Seligman*

*Flow by Csikszentmihalyi*

*Dan Gilbert @ TED*

*Affluenza by Oliver James*

*Sham by Salerno*

*In Praise of Slow by Honore*

### Main Case Studies

Bhutan

Religion

### Main Design Inspiration

Bhutan

Time

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XII

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid

### The whacky business of happiness

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
psychology and happiness	disease model	positive psychology	holistic

The most important thing a marketer, advertising executive or motivational speaker can ever ask themselves is, what makes human beings, and therefore my customers, happy? In the West, we are living in a post-materialistic society which opens up whole new economic possibilities, and the business

of happiness is now booming, as anyone who has recently visited the self-help section of an airport bookshop will know (which is perhaps where you found this book?). Bhutan has even introduced a Gross National Happiness Index to measure the country's collective happiness. In the last 50 years in the Western world, living standards, life expectancy and material wealth have soared, income has tripled. The size of the newly-built house has more than doubled, but happiness has not been an automatic byproduct of our materialistic betterment.<sup>266</sup>

If wealth doesn't bring happiness, what does? In our 2.0 world the concept of positive psychology has attempted to answer this question. In contrast to the 1.0 disease model of psychology, positive psychology illustrates that there are provable techniques for raising our own levels of happiness.<sup>267</sup> Dr Martin Seligman, one of the founders of the positive psychology movement and past President of the American Psychological Association concluded from one of his studies at the University of Illinois that social skills, close interpersonal ties and social support are the essential ingredients in maximising happiness.<sup>268</sup> Do you sell social skills, closer interpersonal ties and social support? If you do, hopefully you have positioned your business brains in such a way that you're laughing all the way to the bank, ashram, or yoga studio - wherever you make your karma deposits.

For you mere mortals who don't sell these, how can you upgrade from a 1.0 to 2.0 to 3.0 mindset that is compatible with the whacky world we are living in by tapping into the global brain's psychology?

In 2 million years, the human brain has nearly tripled in mass - from the 1<sup>3</sup>/<sub>4</sub> pound brain from Homo Habilis to the 3 pound meat loaf that we now have between our ears. When brains triple in size it not only gets bigger, but also gains new structures.<sup>269</sup> The frontal lobe and prefrontal cortex are new important parts of the human brain. One of the most important functions of this part of the brain is its ability to simulate future experience. Together with the opposable thumb, standing upright and our language processing systems, it is responsible for getting us out of the trees and onto Google.<sup>270</sup> We have in us the very capacity to manufacture the rush we are constantly seeking when we choose to experience things; the ability to synthesise and create happiness.

We are living in a post-materialistic world, where many of us have realised that *owning stuff* does not equate to *being happy*. This phenomenon has been highlighted in the tumultuous economic climate following the credit crisis. The old notion of 'that when I have enough stuff, then I will do the things I want to, so that I can be the person I want to be' is finally going out of fashion. Instead, as evidenced by the rise of the personal development industry, yoga classes, and meditation, we are placing more and more focus on being and doing. In 2006, Americans spent almost \$ 3 billion on yoga related expenses, with roughly 16.5 million practitioners across the country - a figure which was up 42% from 2002.<sup>271</sup> In the formerly macho-society Australia, more people practice yoga than play the national sport Aussie Rules.<sup>272</sup> Yoga in its ancient hindi origin in fact means 'to make whole'. This has led to the creation of an experience economy where status, ironically, is derived from being seen as engaging in a particular experience or telling stories about it.

Luxury has now become a term that describes experiences as opposed to products. This experience economy including adventure travel, spas, beauty treatments, and unique entertainment has nearly doubled from an average of US \$11,632 in 2004, to US \$22,746 in 2005, a 95.5% increase. This has also given rise to businesses like 'lifestyle management' companies like Quintessentially whose tag-line 'Beyond Black' has attracted clients like Coldplay and Madonna, offering services like arranging tiger cubs for your wedding, flowers for your mistress, and last-minute tickets to the Super Bowl. This is not just for the experience starved elite, but also an attraction strategy to entice the best global talent. Quintessentially, for example, has already signed deals to provide concierge services to VIP clients of companies like Sony, Volkswagen and Nokia's new high end mobile phone service, Vertu. Status and respect is also increasingly derived from following our passion and living our purpose, evidenced by the popularity of books like 'Pinstriped Prison', 'Hell Has Harbour Views' and 'Anonymous Lawyer', all of which deride the corporate life as escapist charades in suits.

Yet, even in this fast world, where we are trying to keep up, everyone wants to know how to slow down, but the whackiness is how to do it as fast as possible. According to 'Slow' Guru Carl Honoré we seem to be stuck in fast forward, a world obsessed with speed, with cramming more and more into less

and less. Today, even instant gratification takes too long. We get distracted from distraction by distraction. We all suffer from collective ADHD. We used to dial, now we speed-dial, we used to read, now we speed-read, we used to walk, now we speed-walk, we used to date, now we speed-date. In fact scientists have discovered that pedestrians all over the world are walking faster than a decade ago. An experiment conducted in 32 cities has revealed that average walking speeds have increased by about 10% since 1994. Psychologists said the findings reflected the way that technology such as the internet and mobile phones have made us more impatient, leading us to cram more and more activities into a day. The steepest acceleration was found in Asian 'tiger' countries such as China and Singapore, with average speed increases between 20-30%, with Singapore taking out first [last] prize with the fastest pedestrian walkers in the world.<sup>273</sup> We are incredibly marinated in the culture of speed, which means that many of us live the fast life, in the words of Carl Honoré author of 'In Praise of Slow' as opposed to the good life. Today, the 'One-Minute Bedtime Stories' is a collection of the classic bedtime stories compressed into convenient sound bytes for the busy corporate parent.

Have you noticed that we have moved from being 'fine' to 'busy'? What I mean is that when you ask somebody how they are doing, they default to 'busy'. It used to be that we were 'fine', but now everybody is 'busy'. And if they're really busy they'll tell you that they're 'busy busy'. And if you dare to counter-culturally tell them that you're actually 'fine', they'll ask what's wrong with you and give you more work.

However, there is now an enlightened global backlash against the culture of speed, which has realised that by slowing down you don't become institutionalised but that you actually become, live, and relate better. Princeton University has recently introduced a Gap year for its undergraduate entrants because they found that too many high-school leavers were burnt out from the fast over-achiever mentality and in no shape to learn the independence of thinking required to adapt to a university education. Harvard University sends out a letter called 'Slow Down' to its new entrants, encouraging them to return to slower vibes. The International Slow Movement is responsible for the Slow Food Movement, built on the principle

that we get more pleasure, enjoyment and health from our food when we ingest it at humane rhythms. Even countries that have slowed down and focus more on work/life balance like Sweden, Norway and Denmark are finding that slowing down actually translates into a competitive edge, with all three countries ranking among the top 6 most competitive economies in the world.<sup>274</sup> Procter & Gamble has discovered that sleeping pods in the workplace encourage greater productivity. By slowing down, our enjoyment actually increases.

In a 1.0 and 2.0 world, having time was an inverse status symbol. The less of it we seemingly had, the more positively we are perceived. The concept of time is also shifting in our thinking. 70% of American consumers 16 years or older say they don't have enough time in the day to do the things they need to do, and half of US consumers say that lack of time is a bigger problem in their lives than lack of money.<sup>275</sup> 43% of Americans, 39% of British, and 47% of Australians describe themselves as time poor, meaning that they feel short of time,<sup>276</sup> with Americans being the most critically under vacationed, which is both by choice and by circumstance, and 35% of Americans won't take all the time off that they earn, returning upward of 438 million days to their employers.<sup>277</sup> In my conversations with HR managers around the globe, they frequently point out that the problem of work-life balance is as much a DIY problem created by employees as it is by the pressures of corporate life.

Visitors to an exhibition at London's Science Museum can try out an interactive example of using the brain to control an external object. A game called Mindball. Two people wear headbands containing brainwave reading sensors and battle to push the ball to the goal at the other person's end of the track, with the *most relaxed person winning*.<sup>278</sup> Research has shown that when asked to consider lifestyle factors that are perceived to be absolutely necessary to live properly today, 84% stated sufficient leisure time and means to enjoy it (3.0) - in 1990 when asked the same question only 40% of the subjects viewed this factor as important.<sup>279</sup> In a 3.0 world, the holistic and counter-intuitive notion that one wins by being more centered, relaxed, and purposeful is taking hold.

Can money buy more of this happiness? Even though a Porsche ad claims '*Happiness. As bought with money*', the evidence says

no. Can less money make us happier? Perhaps. The financial downturn of 2008 alerted us to the many things we now take for granted without showing an ounce of gratitude: tv, internet, mobile phones, free international phone calls to loved ones, wireless access during air travel, enough food on the table, high standards of education etc. This may just be the time when we get serious about considering the value of materialistic living. New Republic editor Gregg Easterbrook has observed, *'a transition from material want to meaning want, is in progress on an historically unprecedented scale - involving hundreds of millions of people - and may eventually be recognised as the principal cultural development of our age'*.<sup>280</sup> A holistic shift.

Countries are catching onto this happiness trend. Bhutan, as mentioned, have a cultural focus on happiness, where Gross National Happiness has been an integral part of its economic development since the 1970s. Both Gordon Brown (the 'Whitehall Wellbeing Working Group'), Tory leader David Cameron and French President Nikolas Sarkozy have also recently spoken about including happiness as a factor when assessing their economies' growth in the future.<sup>281</sup> *'Happiness, not economic growth, ought to be the next and more sensible target'* in a 2.0 world for the next and more sensible generation, according to economics professor Andrew Oswald at the University of Warwick.<sup>282</sup> Equally, Oliver James in his book *'Affluenza'* prescribes *'volition, humour and playfulness'* as escape routes from the hamster's wheel of consumerism. I believe that happiness flows from a holistic 3.0 perspective on life, and that it can ensue for both people in seeming economic poverty (Buddhist monks) as well as for people in positions of extreme wealth (Richard Branson); with the caveat that happiness ought be both a conscious and unconscious pursuit that we throw ourselves into. Perhaps holistic thinking about thinking is the way to get there...very zen, isn't it?

Of course there are always departures and counter-trends. Recent research shows that it in fact could be *grumpy* workers who are actually a company's most creative problem solvers. This is a departure from general management philosophy that a positive mood leads to creative problem solving.<sup>283</sup> These people tend to be more detail oriented and tend to process the problem more emotively. Perhaps this is not surprising given that many artists and musicians historically have claimed



"Happiness is  
Holistic."





that it was their depression, bipolarity, or melancholy which contributed to their most creative artworks.

The pursuit of self, meanwhile, is a booming business in our 2.0/3.0 zeitgeist. Ten years ago life coaching ('therapy for the sane') was virtually unknown outside of California, now a Google search for 'life coach' throws up 86,600,000 hits. According to the UK's Association for Coaching, an estimated 100,000 Britons used a coach in 2005, and the industry has been valued at \$50 million pounds. In 2006 it entered the mainstream with the finalisation of its National Occupational Standards.<sup>284</sup> In Korea, there is a rising number of Saladents (salarymen/students), business people who want to improve themselves and so take evening classes. According to the author of 'How I Attained 78 Certificates by Making Use of My Mornings', Masatsugu Kurosawa says that '*sustainable self-development is what makes you who you are ... it gives you the strength and energy to overcome any sort of hardship*'.<sup>285</sup> Particularly for affluent consumers who have already achieved a high level of material wellbeing, the goal of leisure, health and entertainment is to reach greater self-actualisation and a well-rounded life. In fact, Credit Suisse has set up a healthier living index where investors can buy shares in companies who focus on wellness.<sup>286</sup> Equally, 'Getting in touch with my true self' and 'getting away from it all' ranked as two of the highest motivations for holidays seekers in a recent survey by the Future Foundation. *Psychologies* is a French women's magazine that explores '*what we're like, not just what we look like*', and companies are offering more adult education, corporate training programs and online educational opportunities in order to give their employees the resources they need to make personal progress. Motorola estimates that every dollar invested in training reaps US \$33.<sup>287</sup> In a time when people are focussing on happiness and self-actualisation, you have to make sure that you enable people to be fulfilled in and outside of work.

This trend is best illustrated by the rise of self-help books globally. In the UK for example, there was a 38% rise in sales of self-help book titles sold on Amazon during 2004. For much of February through April 2007, 'The Secret' book and DVD were #1 or #2 at Amazon, Barnes & Noble, and Borders, displacing 'Harry Potter' as the best-seller that year.<sup>288</sup>

Certainly, religion as business has noticed this trend towards self-actualisation. Christian pastor and author of 'A Purpose-Driven Life', Rick Warren was right onto the same exponential trend, being named one of the world's top 25 leaders by *US News and World Report*, and his book has been on the *New York Times* Best-Seller list for one of the longest periods in history, while also becoming arguably one of the best-selling non-fiction books of all time, topping the *Wall Street Journal* best-seller charts as well as *Publisher's Weekly* charts with over 20 million copies sold worldwide. In Australia, over a million copies of self-help books were sold in 2004, at a value of more than \$US 24 million.<sup>289</sup> There is certainly a renaissance in thinking about self and happiness.

Simultaneously, therapy is seen less and less as a sign of pathology. It is instead associated with the ambition of turning something around or changing one's life for the better. As consumers grow older, they become more connected with values related to relevance, self-actualisation and legacies, so this is a trend that is not only driven by Gen Ys, but also their Baby Boomer parents. The LOHAS consumer make up 27% of the US population and spend more than \$US 350 billion on goods and services every year, a large chunk of which goes to spirituality and personal health and development. Yesterday's luxuries are today's necessities and in this sense, these LOHAS values are becoming ingrained in our 2.0 world and will become even more integrated in a 3.0 world. While traditional, organised, religious spirituality has been on the decline since the 1960s, alternative 3.0 forms of spirituality and healing like Alexander technique, Buddhist groups, herbalism, reiki, tarot-card reading and yoga continue to flourish. In fact, according to a CNN report the astrology business has boomed since the economic downgrade began. Similarly, maverick mega churches, a hybrid of Tony Robbins-esque fire-walking events, Amway and baptist ministries, tap into this demand from Baby Boomers who left the church in adolescence, who don't feel comfortable with overt displays of religiosity, who dread turning into their parents, and who apply the same consumerist mentality to spiritual life as they do to everything else.<sup>290</sup> Whether this is conscious capitalism, or consumerism with a sugar-coating of spirituality remains to be seen, but the focus on happiness is a sign of the shifting 2.0 times we are living in. I believe the next destination is even more holistic 3.0.

A related 3.0 happiness (counter) trend is that consumers cross-generationally, are escaping their real-world selves and experimenting with virtual identities in alternative reality games. Games such as *Lineage* in South Korea or *Second Life* globally attract up to 100s of millions of users, where residents can create avatars, make friends and buy real estate with real cash. The lines between these virtual realities and our real-world are blurring, as businesses relocate into virtual realities, entertainment hybridises with commercial messages, and people get a second chance at life! Universities are providing lectures in these spaces, bands launch songs, and nightclubs feature real-world DJs. Inspired by online shoot-em-up games, Gen Ys in South Korea play harmless location based / online integrated games in the physical world, where teams use GPS technology and digital cameras to 'shoot' each other. In Holland, the WAAG society is exploring location specific gaming using mobile phones as a tool to teach students about medieval Amsterdam of 1550, where 12-14 year old students learn about history, communication and collaboration.<sup>291</sup> Importantly, people spend a lot of real money on their own *virtual* personal development, leading to questions around the sobriety of a phenomenon that may or may not have positive real life effects. Whether that is so remains to be seen, but the blending of real/virtual is a trend that will continue to pose thought-provoking psychological questions as virtual realities become an integrated part of Web 3.0.

The whacky business of happiness is exploding. Whether you are a consumer of happiness products, or a business tapping the trend, we are all engaged in this dance with psychology, meaning, and purpose. Happiness is very much on trend because we all crave it. To experience happiness in this whacky world, with its new psychological dynamics, we need to upgrade our thinking.

**Think this**

Happiness is a journey, not a destination.

The meaning of life is to find your meaning in life. And then pursue it with chutzpah.

**Do this**

- Read 'Flow'.
- Read 'Positive Psychology'.
- Read 'The Art of Happiness'.

**Visit this**

Take the happiness test - <http://tiny.cc/dWSK4>

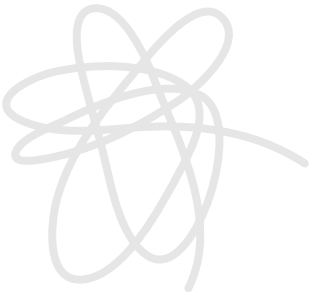
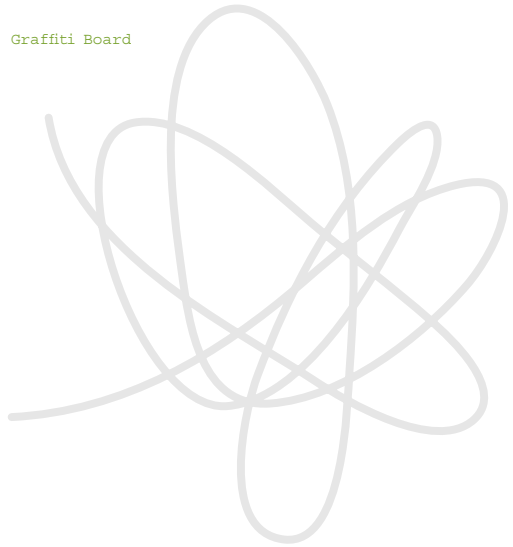
At the time of writing I scored 43 after an intense week.  
What is your score?



Mental Graffiti Board



Mental Graffiti Board

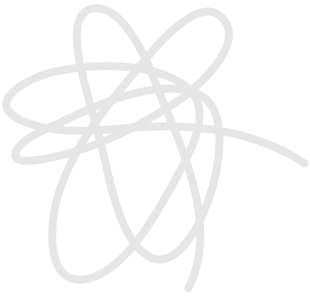
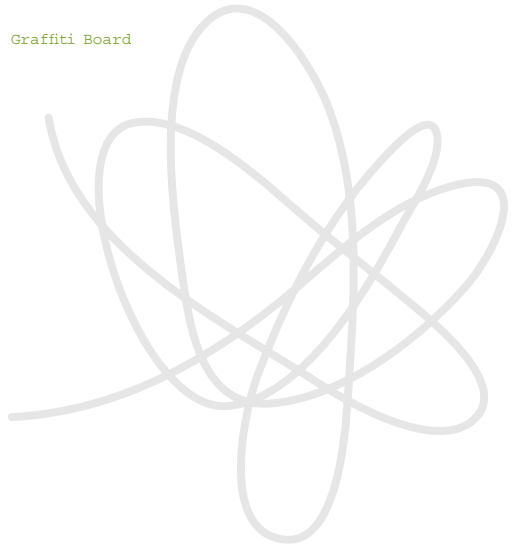


Mental Graffiti Board





Mental Graffiti Board



'One day our descendants will think it incredible that we paid so much attention to things like the amount of melanin in our skin or the shape of our eyes or our gender instead of the unique identities of each of us as complex human beings.'

Franklin Thomas in Gloria Steinem's 'Outrageous Acts and Everyday Rebellions'

## Chapter XIII Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> Diversity Thinking 3.0 is kind of like a new grey-zone of gender thinking. It is neither hetero nor homosexual, but instead flexual.
CLOSED	OPEN	HYBRID	
DISEASE MODEL	POSITIVE PSYCHOLOGY	HOLISTIC	
HETEROSEXUAL	HOMOSEXUAL	FLEXUAL	

**Statement:** Think different.

**Explanation:** Difference is the thinking difference that makes a difference. Organisations that can facilitate performance in a diverse talent force, and position itself flexibly in the minds of flexual consumers will stand out in the new zeitgeist.

**Main sources**

*Rise of the Creative Class by Florida*

*Biological Exuberance by Bagemihil*

*Wade Davies @ TED*

**Main Case Studies**

Bisexuality in Nature

Rainbow Animals Exhibition

Morality

Censorship

**Main Design Inspiration**

Toyota Camry Ad

Language

Multiculturalism

Sexuality

Music

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XIII

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic

**Think Different: the difference that makes a business different**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
diversity	heterosexual	homosexual	flexual

So let us think about thinking for a bit... and while we do that, we need to think about sex. And while we do, I apologise for categorising people who by their nature do not want to be categorised.

What does nature tell us about diversity?

Tongue-kissing manatees, hedgehog males out on romantic expeditions and chimpanzee females that solve conflict sexually. Homosexual animals are coming out *en masse* in the exhibition 'Rainbow Animals' at the Naturhistoriska Museum in Stockholm during the first half of 2009. You know what it is like walking along the water, seeing a pair of Swans romantically gliding through the water, right? And you assume that it is a male and female. Well it turns out this assumption makes an Ass-of-U-and-Me, no pun intended. One example of animal homosexuality are the famous gay ducks in Pildammsparken in Malmo, Sweden which have risen to pink fame. They are not an exception to the rule as it turns out. Homosexuality and bisexuality have been observed in over 1500 animals, a phenomenon which has largely been ignored for much of natural science's history. The gayest animal is the pink rozella, where half the couples studied are same-sex. Reasons for this sexual behaviour vary, with researchers extrapolating pleasure, dominance and love as possible explanations.

There is plenty for business to learn from nature. And this is not just restricted to the 'survival of the fittest model'. My travels in West Africa in 2005 left an indelible mark on my brain, because it gave me an insight into fuzzy logic; the idea that everything exists on a continuum - that the world consists of shades of grey rather than absolutes. Before and during my dusty travels on Tanzanian and Kenyan dirt-roads, I read some riveting accounts on the phenomenon of the social scotoma associated with the study of sexual flexibility in nature. In 1999 a Canadian PhD showed conclusively that science has been tainted for a long period of time by religious and social bigotry. It has reduced the biodiversity and sexual behaviour we have been witness to in nature films by censoring events that happen regularly in nature. As in science and society, censored thinking reduces diversity, creativity and innovation and is totally defunct in the 21st century.

**scotoma**  
[skə'tōmə]  
noun (pl. **-mas** or **-mata** [-mətə])  
Medicine  
a partial loss of vision or a blind spot in an otherwise normal visual field.  
**DERIVATIVES**  
**scotomatous**  
|-mətəs| adjective  
**ORIGIN** mid 16th cent. (denoting dizziness and dim vision): via late Latin from Greek *skotōma*, from *skotoun* 'darken,' from *skotos* 'darkness.'

Many Western religions took an early stand against homosexuality as evidently immoral, unnatural and as a confronting crossing of the Rubicon. Morality is frequently viewed through a black and white, binary and exclusionary lense, and fails to recognise fuzzy logic and approximation. In this sense bigoted morality is the perfect example of Thinking 1.0: narrow-minded, logical, and categorising. This paradigm led to *observer's bias*, as many religions and social norms were banking on the truism that homosexuality is unnatural. In dinner debates around homosexuality, this is still the most frequently heard argument by religious fervents: "homosexuality is wrong because it is unnatural, you've never seen a male lion bang another, have you?". Well, it turns out the reason that few people restricted to government sanctioned nature films had ever witnessed homosexual, flexual or bisexual behaviour in nature,<sup>292</sup> was that it was simply censored out, or not recognised by *observer's bias* in the first place.

The presence of same-sex sexual behavior was not officially observed on a large scale until recent times, possibly due to *observer bias* caused by social attitudes to same-sex sexual behavior. *'No species has been found in which homosexual behaviour has not been shown to exist, with the exception of species that never have sex at all, such as sea urchins and aphids. Moreover, a part of the animal kingdom is hermaphroditic, truly bisexual. For animals, homosexuality is seemingly not an issue.'*<sup>293</sup> Homosexuality and bisexuality seems to be particularly widespread amongst social birds and mammals, particularly the sea mammals and the primates, but dubious sexual behaviour has been observed in more than 1500 different species, including the beacons of masculinity like lions, rams, bison, the epitome of heterosexual romance, the Swan, and the pillar of animal intelligence, the Dolphin.

The point here is not to make a pink political statement, but to challenge our prevailing and reductionist thinking paradigms which tend to categorise things into black and white spheres of existence. The world is not binary, and from nature we learn that diversity and sexual shades of grey is the norm, rather than the exception. A national exhibition held in Oslo in 2007 stepped squarely into the heart of this controversy that dates back to AD 1120 when the Church Council of Nablus described homosexuality as a sin against nature. Importantly this exhibition is part of

a national, government funded (!) initiative that has set out to debunk national and international myths such as that every Norwegian was a heroic resistance fighter in the Second World War, Norway's Integration history, and Vidkun Quisling, the ultimate Norwegian collaborator. This is a great example of Thinking 3.0, fuzzy logic and the constant quest to seek knowledge. Binary is out, diversity Thinking 3.0 is in.

Ask Richard Florida, author of 'The Rise of the Creative Class', who asserts that metropolitan regions with high concentrations of high-tech workers, artists, musicians, gay men, and a group he describes as 'high bohemians', correlate with a higher level of economic development. Florida posits the theory that the creative class fosters an open, dynamic, personal and professional environment.<sup>294</sup> This environment, in turn, attracts more creative people, as well as businesses and capital. The book 'Homopup' illustrates with poetic dedications to the pets of gays how the pet owners are better able to form non-traditional bonds, and thus thrive in a diverse and talented surrounding - with an open mind. I believe that not only do cities need to embrace this type of talent through its culture, but similarly companies and individuals need to elevate their diversity thinking from both 1.0 heterosexual and 2.0 homosexual to flexual 3.0.

Flexual is a term I first heard in San Francisco in 2008. After investing in a US \$50 dollar funky neck-tie for my cat Finnegan in The Castro, I read a magazine article which illustrated that sexuality is no longer a case of categorisation in San Francisco. Homo or hetero doesn't matter - instead many young San Franciscans think of themselves as flexuals, individuals who escape easy categorisation. It is a whacky world.

Today, some men examine maleness with the same vanity and fervour that women have always brought to examining the essence of femininity. And this is not a day over due, particularly in certain Anglo-saxon communities. If we look to the world of advertising which often leads these trends and certainly has the finger on the pulse of sexuality (sex sells, right?), you will notice a significant difference in the way that men are being portrayed. No longer does the old heterosexual 'man's man' (which is what my mum calls the Clint Eastwood style man of old) dominate the billboards.



**"Think  
Different."**





It is instead the David Beckhams and Freddie Ljungbergs of the world that don Calvin Klein underwear, with a particular focus on their androgyne visual features. Interestingly, this positioning is not aimed particularly at the pink market.<sup>295</sup>

This is aspirational stuff for the 21st century metrosexual man, in a world where 45% of Australian men now use cleansers and moisturisers, where male politicians stage feminine listening fests like the 2020 Summit, men endure sexual harrassment, network, and attend seminars on female leadership. Men now go on man-dates and don't need the social crutches of football or pub noise to interact. So how does one please the modern woman who is more into self-actualisation than into survival, who needs someone who listens to her innermost desires, rather than a caveman who can protect her from men from other tribes? Huge question and one that I find personally interesting.

I'll leave you to ponder on that one. Perhaps men are realising that the predominant wisdom in a 2.0 world is feminine, or more accurately 3.0 androgynous. Either way, this shift in diversity and sexuality mindset thinking is one that is simultaneously shifting how we need to position our business brains, and increasingly our mating brains.

Even staunchly traditional Japanese men are turning a corner. 'The Japanese Adoring Husband Society' designated January 31st as a day for husbands to return home at 8pm, look into their wives eyes, and say thank you. Quite a change for a generation of men taught to put their companies first and their wives second.

We're all coming out of the closet in some way or another. Or are we? This whisky ad may imply otherwise:

*'Your dad was not a metrosexual. He didn't do pilates. Moisturize. Or drink pink cocktails. Your dad drank whisky cocktails. Damn right your dad drank it. Canadian Club'.*

The interesting thing is that Canadian Club positions its business brains both to men who want a man's drink, and metrosexuals who want to be more masculine.

Either way, they are using 3.0 flexual thinking to successfully position themselves in a 3.0 world.

### ***Multiculturalism - a case study in flexibility thinking***

Multiculturalism is another case study of a diversity phenomenon which highlights the zeitgeist's need to position oneself flexibly. This is another factor which is affecting the thinking of Gen Ys internationally. Increasing diversity and multiculturalism of the societies in which we live, which is leading to greater creativity, tolerance and open-mindedness to all things *foreign* and *different* is shaping the thinking of tomorrow. As Pedro Freyre, New York based artist of French, Mexican and Spanish heritage says '*we are the new mix. We are the remix*'. This generation's thinking is heavily affected by mixed-race backgrounds which ultimately gives them multiple cultural, religious and linguistic perspectives on life. Being ethnically diverse is chic, especially for Gen Ys which is the most ethnically diverse generation in melting pot nations like the UK, Canada, US, and Australia. Unlike their parents and grandparents today's Gen Ys grew up with *diversity*, *multicultural*, *integration* and *inclusion* as buzzwords. Media fuel this colour blindness in its portrayal of interracial friendship and romance.

Multiculturalism is actually shifting the world's thinking. While the 2008 financial crisis has certainly shown that we are all financially inter-connected, the tendency for 3.0 Thinkers to adopt traditions and attitudes of cultures other than their own, in a fluid process of identity formation, is a thinking mindset that is qualitatively different from 1.0 and 2.0 predecessors. Just like they recreate, remix and sample content on sites like YouTube and MySpace the 3.0 trend is toward combining, sharing and recreating multiple ethnic identity influences. An example of this has been the US trend of adoption (Angelina Jolie, Meg Ryan, Madonna) from foreign countries which is creating new social phenomena. For example, two out of 10 adoptions of Chinese children in the US is by Jewish families, and now communities across the United States can visit Chinese cultural festivals in synagogues.<sup>296</sup> For bigots desperately trying to categorise into binary black and white pigeon holes, this whacky new world challenges their synaptic ability.

Companies are standing ready to tap this trend in thinking. Mattel offers a special Barbie with sandy-blond hair, who wears hot pink stilettos and carries a Chinese baby.<sup>297</sup> This increasingly open-minded thinking was confirmed in 2000 when

for the first time the US Census Bureau acknowledged racial diversity in America, allowing respondents the right to indicate mixed-race heritage in a more specific manner than simply checking a box labelled 'other'. As a result, more than 7 million Americans identified themselves as members of more than one race, while 2.1 million people classified themselves as mixed Asian heritage, many of whom call themselves 'hapa' today -<sup>298</sup> a term which originally described people of mixed white and Hawaiian descent. Hapa is translated as half, fraction or partial, but now applies more holistically to encompass Eurasians, Latin Asians and African-American Asians. The *Hapa Art Project*, dedicated to the phenomenon, saw the following blog post: '*I am YES. An Amer-Asian kid who celebrates hannukah with his Jewish stepfather, prays to Buddha with his Buddhist momma, and then goes to midnight mass with his Christian father and waits for Santa Claus to come down the chimney. Yeah!*' This confident ambiguity in ethnicity, thinking, bilingualism, and tri-culturalism is transforming the face of multicultural societies today and is the new face of diversity thinking.

In fact, the zeitgeist of our times is multi. Leading economies are multicultural, the best form of information is multimodal, kids are hooked on multimedia, and you cannot succeed without being multilingual for much longer. The reason is that these multies are better equipped to flexibly shift perspectives, and adapt to new situations. These guys can handle a *multitude* of pressures, *multiply* their effectiveness when needed, and reap a *multiple* reward for their 3.0 Thinking version.

This blending of thinking creates a new hybrid form that readily morphs into new creative forms of expression. You don't need to look further than music genres, TV programming and literature in popular culture to see representations of 3.0 thinking. Symbolised by the ubiquity of MP3 players, music downloads and mash-ups,<sup>299</sup> Gen Ys like to mix, match and blend different genres to capture the moment in time that is relevant for them. It's the Ipodisation of culture ... the blending is something that this generation has co-opted to define its music'.<sup>300</sup> This is why we are seeing whacky mash-ups like Banghra-Hip Hop (Panjabi MC), Afropean (Les Nubians), Jawaian music (Chief Ragga) and Jewish Reggae (Matisyahu). East Bay alternative rock-bank Bento is named after the Japanese word for 'combination', representing a variety

of bits and pieces coming together as one.<sup>301</sup> This growing multiplicity in identities and thinking is also supported by the Web 2.0 trend of virtual worlds, avatars and use of multiple social networking sites, elevating the importance of differentiation and personal branding.

A 2002 study of 31 mainstream global fashion magazine covers indicated that 20% depicted a minority, when only 5 years earlier that figure was 12.7%. Brown has now become the new white, particularly for Gen Ys which was reared on the ethnically and sexually diverse images of music videos and shows like *Road Rules*, *Big Brother* and *The Real World*.<sup>302</sup> Get some of that flexual thinking.

This kind of synthesised 3.0 Thinking is bound to have even more of an economic impact over the next few years. In America, Asia-Americans make up 20% of Ivy League students,<sup>303</sup> minority owned businesses are the biggest driver behind America's small business sector, as second generation immigrants are obtaining higher education they are moving up the economic ladder and are growing in affluence,<sup>304</sup> and the collective buying power of Hispanics in the south-east of the US increased by 300% between 1990 and 2003.<sup>305</sup> Hyphenated Americans are also over represented in the category of people with doctorates, with 32% of all scientists and engineers working in the Silicon Valley being immigrants.<sup>306</sup> And as their multicultural backgrounds are beginning to be seen as a competitive advantage, we are also seeing the thinking of these hyphenated individuals being rewarded. Joyce Chang, MD of JP Morgan, Heather Fong, Chief of Police SFPD, Indra Nooyi, Pepsi CEO, and Alberto Gonzalez, Attorney General are some examples of 3.0 Thinking and backgrounds making a mark on American and global culture and economics. In this vein, 3.0 Thinking companies like Home Depot introduced its Hispanic targetted paint range, *Colores Origines*, in recognition of the fact that 'hunter green' may not land the same emotive impact as 'verde amazonas'. To be compatible with this style of thinking, you need to position what it is you do in a way that shows that you 'get it' in a culturally relevant way. Think Toyota Camry's Hybrid ad in chapter V.

## ethnocide

['eθnə'sɪd]

noun

the deliberate and systematic destruction of the culture of an ethnic group.

A mosaic of cultures around the world remind us that there are different ways of seeing, being and thinking. Yet (ethnocide) is decreasing the amount of ethnic diversity in the world. The greatest indicator of this lessening of diversity is language

loss. When we were born there were 6000 odd languages spoken around the world.<sup>308</sup> A language is not 'just a body of grammar and rules - it is a flash of the human spirit, an old growth forest of the mind, a watershed of thought, an ecosystem of spiritual possibilities'.<sup>309</sup> And of those 6000 languages, 50% are no longer being spoken around campfires, on tundras and in tipis around the world. Every two weeks, an elder dies, taking with them the last sounds of an ancient manifesto of thought and culture. How diverse is your organisational tribe?

So the question is whether we want to live in a monochromatic world of monotony or do we want to embrace a polychromatic world of diversity? Margaret Mead said that as we drift toward this bland, amorphous, generic *weltanschauung* we would also be reduced in humanity's imaginative capacity and mode of thought.<sup>310</sup> It is the diversity in thinking, cultivated in the right spirit, that brings about the best in human nature. That is a 3.0 way of thinking.

Diversity is no longer a 'nice to have' in business. The ability to personally and organisationally understand that diversity brings a competitive advantage in the form of different thinking styles is essential to business success. Innovation always happens at the intersection of thought, creativity at the cross roads of various ways of seeing the world. Our minds are daily challenged by cultural affronts that take us out of our comfort zones. The world is becoming more diverse - learn to love it.

**mono-  
chromatic**  
|,mä:nəkrō'matik|  
adjective  
containing  
or using only  
one color :  
*monochromatic light.*  
• Physics (of  
light or other  
radiation) of a  
single wavelength  
or frequency.  
• lacking  
in variety;  
monotonous  
: *her typically  
monochromatic  
acting style.*

**poly-  
chromatic**  
|,pälikrō'matik|  
adjective  
of two or  
more colors;  
multicolored.  
• Physics (of light  
or other radiation)  
of a number of  
wavelengths or  
frequencies.

**Think This**

Map and organise your business brains in such a way that the dynamics create well-rounded brain trusts ready for the unique challenges of our whacky world.

**Do This**

Test the thinking styles of your business brains using a psychometric tool, and organise your teams in a heterogeneous way.

The Herrmann Brain Dominance Indicator is my favourite tool for this.

**Visit This**

[www.diversityatwork.com](http://www.diversityatwork.com)

**Question**

1. What's your biggest prejudice?

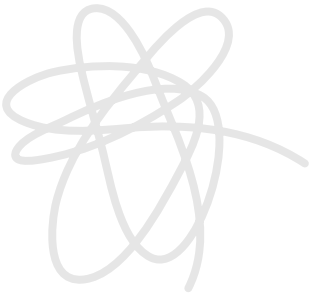
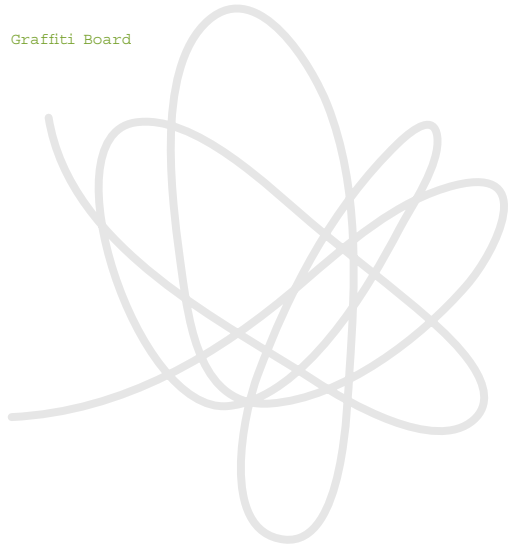
2. What will you do today to overcome it?

Mental Graffiti Board





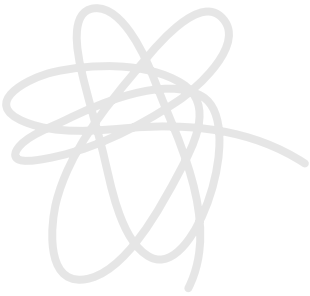
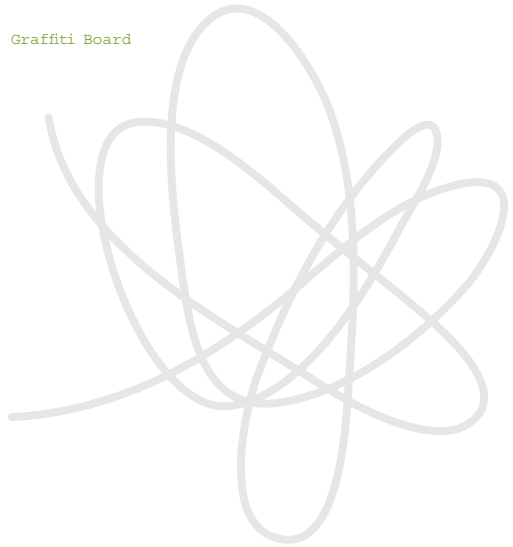
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'At this moment, America's highest economic need is higher ethical standards - standards enforced by strict laws and upheld by responsible business leaders.'

George W Bush, 2002

## Chapter XIV Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> The only thing we learn from history is that we do not learn from history. Will this shake-out provide us with a paradigmatic shift in our thinking about finance?
DISEASE MODEL	POSITIVE PSYCHOLOGY	HOLISTIC	
HETEROSEXUAL	HOMOSEXUAL	FLEXUAL	
EXPLOITATION	CORPORATE SOCIAL RESPONSIBILITY	TRUST	

**Statement:** Trust that trust is the next evolution in financial thinking.

**Explanation:** We do not need more regulation and sugar-coated corporate social responsibility. What is desperately needed in the next version of financial thinking is trust. Trust is transparent, hard-earned, and based on personal connection. In the wake of a total collapse in global trust for the financial sector, earning trust through new models of personal connection is the only solution to re-energise capitalism.

### Main sources

*Banker for the Poor*  
by Yunus

*Harvard Business Review*

*Trendwatching*

### Main Case Studies

LendingClub.com

ANZ Bank

Wachovia Bank

Wall Street

### Main Design Inspiration

Peer-to-Peer

Microbanking

Sharia-compliant Banking

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XIV

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual

Moral Paradigms: a new version of thinking about trust

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
corporate ethics + finance	exploitation	corporate social reponsibility	trust

Consumers are becoming more skeptical and distrusting. Eighty plus of both European and US consumers agree that they have become more skeptical about corporations in the last 5 years,<sup>311</sup> with the 2008 financial meltdown proving that there is little reason to be otherwise. As *The New York Times* puts it '*the majority of the public ... believes that executives are bent on destroying the environment, cooking the books and lining their own pockets*'.<sup>312</sup> Trust drives sales and if a company loses trust, three out of four say they will simply stop buying from them. Conversely if a company earns consumer trust, 42% will buy more products and over half will recommend the products to others. Women in particular (56%) believe trust is an essential quality in the companies they buy from,<sup>313</sup> while 80% are also of the opinion that companies need to back up their claims of ethics with proof. We are growing increasingly skeptical of company ethics, when it can simply be a pretense to increase sales. Interestingly, 9 out of 10 people prefer more straight-talking from companies, it's better for companies to be honest rather than pretend to be squeaky clean.<sup>314</sup> The trend is toward trust, openness and transparency; a version of thinking that has not been adopted by the financial services industry yet. I believe this disconnect is one of the major reasons why the sub-prime mortgage debacle occurred; something which could have been solved had the financial services industry kept pace with our Thinking 3.0 expectations.

Unfortunately there is still a commercial demand for the type of mindset that created the current meltdown. *Wall Street 2: Gordon Gekko Returns* - or *Money Never Sleeps* - is set to become a box office hit when it is released in 2010. Gordon Gekko has just been released from prison and according to rumours in the blogosphere his unforgettable '*greed is good*' style proverbs have been adapted for the 2008 financial crisis much to the salivating delight of pinstriped prisoners in the financial districts of the globe's dollar centres: '*Regulation is for rookies*', '*Fundamentals are for buffoons called Warren*', '*If you are going to lose money, lose it big. Investors cannot sue you if you have blown up completely*', and '*Spending other peoples money is a science. Never paying it back is an art*'. These type of comments are not uncommon at Friday night drinks in Sydney's CBD, nor did Gekko-ism really leave the building which is evidenced by the finance debacle of 2007-2008. What is new is the greater level of post-crisis

2.0 regulation that ensued as part of the Sabanes-Oxley response to Enron, WorldCom, and HIH in the early noughties. (Clearly not enough though.)

### ***Transparency***

The YouTubes, ebosswatch.com's, wikileaks.com and glasdoor.com's of the world have created a new form of *transparency tyranny* for organisations and governments. Their uncensored content exposes raw truths, making Thinking 3.0 even more important for organisations and individuals. We now all have *webutations* that we need to manage. The easiest way to do this is not through censorship but by upgrading our thinking and walking the talk of the values we espouse. In fact, no brand is immune to this style of thinking. Even Apple received a lot of negative publicity in the blogosphere for its monopolistic locking of the 1st and 2nd Generation of iPhones, and even Disney came under scrutiny for its behind the scenes footage of Pluto, Minnie Mouse and Mickey Mouse simulating sex before a stage performance to hundreds of families in Paris. The question is what your company would look like if a behind the scenes video of your culture was released? *User-generated* content is not only great for innovation, equally user-generated discontent can drag a brand name, both in the finance sector and elsewhere, in the dirt. This is the power of Thinking 3.0 and in this naked world of transparency, if you're caught with your clothes off, you better be buff!


This is the reason why forward-looking companies like American Apparel allow for uncensored reviews on their own sites. Following in their footsteps are hotel chains that have begun to include uncensored feeds from TripAdvisor.com - both raving and ranting is allowed. Imagine if financial services firms and banks had allowed this kind of transparency over the last few years. However, if you're not Thinking 3.0 yet, you will probably worry that your webutation will be severely affected by such a move. Wrong, you should be worried that you are not listening to your dissatisfied customers. It is mismanagement of complaints and conflicts that invoke the comments. Instead you should be focussed on superior performance, under-promising and over-delivering. This trend in thinking is *exponentialised* by Generation Y who are living their lives for all to see on MySpace, Facebook and various blogs - they expect the same 3.0 trust *from you to them*.



Companies who get this 3.0 trend will profit. One such company is Bank of America that introduced its 'keep the change program' which enables a Bank of America cardholder to automatically round-up a purchase to the nearest dollar amount and transfer the difference to the customer's high-interest savings account. Customers, in other words, get to keep the change and grow their savings. This mirrors our natural behaviour of putting the change into a savings jar or piggy bank, but the real emotional pay off is the gratification that comes with the monthly statements showing customers they've saved money without even trying.<sup>315</sup> In less than a year the program attracted 2.5 million customers and is credited with 700,000 new checking accounts and a million new savings accounts with enrolments now totalling more than 5 million people who together have saved more than US\$ 500 million. Put that in your sub-prime mortgage pipe and smoke it.

In one of few bright spots for Wachovia Bank in 2008, its WAY2SAVE program takes \$ 1 from every card use or online bill payment, and puts it into a loss-leading 5% account, and offers a 5% end of year bonus. SmartyPig.com encourages people to save before they buy, a novel concept for many Gen Ys. You can set up a savings account with an automatic monthly contribution, and you can share goals online with family and friends, who can also contribute to your account, another aspect Gen Ys may enjoy. ANZ Bank in Australia introduced a credit card in 2008 which clearly stated to its customers that 'we're on your side' during the 2008 financial crisis, by encouraging financial discipline, and awarding frequent flyer points for every dollar that a customer repaid on their credit balance. Similarly, Brazilian Ipiranga gas stations have launched a co-branded Master Card which offsets carbon emissions from their green minded clients.<sup>316</sup> Shop Bloom provide their shoppers with personal scanners which upload your purchases to a personal web space so that you can keep track of your spending and facilitate budgeting. Trust 3.0.

The thinking shifts that are upending various business models may in fact contain solutions in the finance industry also. Peer-to-Peer or P2P networks have thrown the media industry into turmoil, changing the flow of information from a one-to-many model to a many-to-many model. The ability of individuals to both consume and create content greatly threatens traditional



"Trust  
that trust  
is the next  
evolution  
in financial  
thinking."

players.<sup>317</sup> P2P financial systems are now set to reprise in the banking industry what has happened in media, perhaps even more disruptively in the face of the financial downturn in 2008. Websites like [kiva.org](http://kiva.org), [lendingclub.com](http://lendingclub.com), and [prosper.com](http://prosper.com) have extended micro banking to consumers in developed economies. The question to the consumer, that scares the bejesus out of traditional 1.0 lenders, is why do business with a bank when your network's lending and savings interest rates are both 7% (as opposed to many banks which pay around 5% on capital and may lend out at up to 15%?). To grasp the power of such a system, imagine your local credit union with the membership and social networking capabilities of MySpace or Facebook. This is business as *unusual* and it requires the finance industry to upgrade its thinking.

This was pioneered by UK based Zopa and US based Prosper which allow people to lend money directly to others, cutting out banks or other middlemen, which means better interest rates for borrowers and higher returns for lenders. It is kind of like an eBay for loans and works as follows: borrowers list loan details and a personal profile, and lenders bid on the loan. Lowest interest rates win. Lenders bid in increments and lower their risk by bidding on numerous loans. It is currently estimated that default rates amongst P2P and microloans are 2%,<sup>318</sup> a percentage that would probably have prevented the sub-prime mortgage debacle from occurring, and a default rate which is the envy of most banks. From the outset, these P2P lending sites have emphasised diversification, manageable risks and direct relationships between lenders and borrowers, which increases 3.0 trust.

According to the Online Banking Report by 2011 P2P lending in the US could surpass 100,000 loans a year, worth more than US\$ 1 billion. This is also meeting some of the development challenges in countries like China, where personal credit ratings are virtually non-existent, and companies like PPDai use P2P to standardise and facilitate loans between family and friends, which are traditionally more common than personal loans from banks. Dutch Boober meanwhile has brought peer-to-peer lending to the Netherlands. Prospective borrowers list the amount they want to borrow, their credit rating, purpose of the loan, and the interest rate they're willing to pay, with the credit agency Experian determining the credit ratings independently. Loans to AA and AAA borrowers are

## Muhammed Yunus

*(Muhammôd Yunus)* (born 28 June 1940) is a **Bangladeshi banker and economist**. He previously was a **professor** of **economics** where he developed the concept of **microcredit**. These loans are given to **entrepreneurs** too poor to qualify for traditional **bank loans**. Yunus is also the founder of **Grameen Bank**. In 2006, Yunus and the bank were jointly awarded the **Nobel Peace Prize**, "for their efforts to create economic and social development from below."

## sharia

| sh ā'rēə|

(also **shariah**  
or **shariat**

|-ät|)

noun

Islamic  
canonical law  
based on the  
teachings of the  
Koran and the  
traditions of the  
Prophet (Hadith  
and Sunna),  
prescribing both  
religious and  
secular duties  
and sometimes  
retributive  
penalties for  
lawbreaking.

It has  
generally been  
supplemented  
by legislation  
adapted to the  
conditions of  
the day, though  
the manner in  
which it should  
be applied in  
modern states  
is a subject  
of dispute  
between Islamic  
fundamentalists  
and modernists.

guaranteed by debt collectors from Intrum Justitia, at 90% and 99.5% respectively,<sup>319</sup> while investors are required to distribute their investment across ten borrowers to diversify risk. Lending Club is a mash-up with Facebook which ties into existing social networks to leverage human connections and trust in the network. While the system, which began with Nobel Peace Prize winner Muhamed Yunus' Grameen Bank microloans in Bangladesh, is still relatively fresh in the Western world, I wonder whether this 3.0 system would have prevented the 2008 financial crisis? Worth thinking about...

### ***Funky Sharia***

In a related 3.0 trend, Islamic finance is booming. More and more financial services are being provided in accordance with Islamic Law, or sharia. Sharia-compliant banking accounts for more than half of total banking assets in Saudi Arabia as of 2005, and 40% in the surrounding Gulf Area. Malaysia has set a target of 20% sharia compliance by 2010. Standard & Poor's estimates that \$ 750 billion in assets - more than the GDP of Australia - are under sharia-compliant management, and the World Bank reports that more than 300 institutions are providing sharia compliant financial services.<sup>320</sup> This is not limited to Muslim markets either. When Ford sold Aston Martin to an LBO consortium for \$ 848 million, the deal used sharia-compliant structures to meet the needs of the Kuwaiti investors, and Caribou Coffee, America's second largest coffee chain, is controlled by a private equity firm that is fully sharia-compliant. Citigroup, HSBC, Deutsche Bank, Standard Chartered, and ABN AMRO have built sharia-finance units, some of which are separately branded (Citi Islamic and HSBC Amanah) to position its 3.0 qualities. Islamic finance may even have a thing or two to teach regulators and conventional Western financial institutions. The sharia requirement that all parties to a contract must disclose both risks and rewards could have prevented companies from engaging in the kind of financial engineering that led to the 2007-08 sub-prime lending crisis.<sup>321</sup> Similarly, the currency speculation that has historically destabilised some emerging markets could be prevented by sharia rules that effectively outlaw the practice of short-selling, something Australia also froze following hedge funds and CFD traders artificially driving the market to new depths during the financial downturn in 2008. Given the growing importance on values and trust

in the corporate world today, sharia may be an age old, funky 3.0 practice which together with P2P can provide 3.0 solutions to the mistrust of the financial sector.

When I was working with a group of financial advisors at one of Australasia's major banks in 2008, one of the most pressing issues for them was the move away from transactional incentives to relationship focussed advice based on 3.0 trust. In my view this is a positive development. Our work focussed on bringing sexy back to financial planning, with a particular motive being the re-positioning of their business brains in order to engage with the Gen Y consumer. Leaders in the field for making financial advice attractive include companies like MotleyFool.com (its mission is to educate, enrich and amuse) and Fat Prophets (gets the ebonic language that resonates with a Gen Y audience). Switzer Financial Services is another company that is introducing 3.0 Thinking in finance in Australia. Peter Switzer, the company's founder, has implemented a mantra of taking no commissions and having his staff paid by the hour to ensure that the firm's clients receive holistic advice without bias. Any commissions paid by financial institutions despite this are actually paid back to the clients.<sup>322</sup> This the kind of 3.0 Thinking that will over time bring back trust and faith in the financial system.

Time will tell whether this 3.0 trust/ P2P model is the new business model for banks and lending. Good ethics in a sense is the sum total of the *weltanschauung* described in all the other themes. It is the moral underpinnings of all the decisions based on our thinking, and important in any discussion of a thinking version compatible with the world's new *zeitgeist*.

## Ebonics

[ɛˈbɒnɪks]  
plural noun  
[treated as sing.]  
American black English regarded as a language in its own right rather than as a dialect of standard English.  
ORIGIN blend of **ebony** and **phonics**.

**Think This**

How can you contribute to making the world even more abundant in its thinking, as opposed to being adversarial and poverty focussed?

**Do This**

Read Muhamed Yunus' 'Banker for the Poor'.

**Visit This**

[www.prosper.com](http://www.prosper.com)  
[www.motleyfool.com](http://www.motleyfool.com)  
[www.fatprophets.com](http://www.fatprophets.com)

**Question**

1. In what ways has your ethics thinking prohibited you from making the world more abundant?

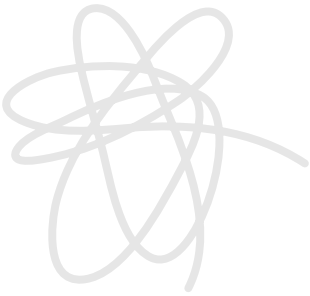
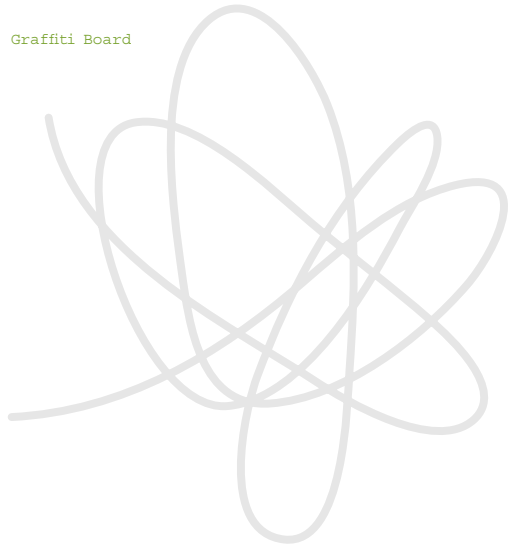
2. How would you like to act instead in the future?

Mental Graffiti Board





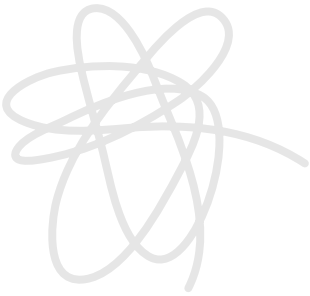
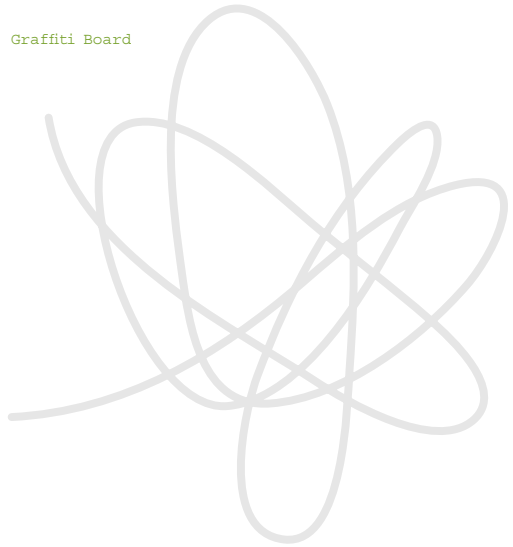
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'It is always a simple matter to drag the people along to war, whether it is a democracy, or a fascist dictatorship, or a parliament, or a communist dictatorship. Voice or no voice, the people can always be brought to the bidding of the leaders. That is easy. All you have to do is to tell them they are being attacked, and denounce the pacifists for lack of patriotism and exposing the country to danger. It works the same in any country.'

Hermann Goering

## Chapter XV Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0	<b>Metaphor</b> With the fall of the Berlin Wall, the world could no longer be easily categorised as either black or white, right or wrong, left or right. A third way of thinking has been rising instead.
HETEROSEXUAL	HOMOSEXUAL	FLEXUAL	
EXPLOITATION	CORPORATE SOCIAL RESPONSIBILITY	TRUST	
POLARISED	UNILATERAL	THIRD WAY	

**Statement:** Ideology is dead.

**Explanation:** Democracy has been democratised and a third way of thinking is rising in politics. No longer are we polarised in our thinking, nor do we know what the poles actually are. Politicians talk to us as adults for the first time in history and are able to transcend the old left-right divide. What is noteworthy is not that 3.0 Thinkers have risen to power in the last few years, but that we are voting for them, which indicates a shifting zeitgeist. Inflexible ideology is incompatible with this new era.

### Main sources

*Jonathan Stevenson in Wired*

*Kristina Shevory in Wired*

*Sanjay Chawla in The Australian*

### Main Case Studies

Obama's Rise to Power

Crowd sourced Legislation

Politics as Web 2.0

### Main Design Inspiration

End of Cold War

War on Terrorism

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XV

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust

The Third Way - the democratisation of democracy and Obama's rise to power

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
global issues	polarised	unilateral	third way

We are in a period of bifurcation - a 'crossroads between death and transformation,' as Margaret Wheatley says, when a system is at maximum instability.<sup>323</sup> Politics have become a contest between shades of broadly similar ideology since the Cold War, which is when capital won out over labour. The Soviet Union entered a state of bifurcation in 1985, fated to reach maximum instability in 1990 and collapse into separate states in 1991. Many in the U.S. smirked and proclaimed absolute victory over socialism at that stage. Since the fall of the Berlin Wall, leftist parties have had to reinvent themselves to appear on the side of capital.<sup>324</sup> Whereas Labour in the UK and in Australia used to be left of the Tories and the Liberal Party, it was no longer of the left. This is why Australia's Labour PM Kevin Rudd brands himself a fiscal conservative, and Tony Blair preached a post-ideological (post 1.0/2.0) third way (3.0). The U.S. economic system was massively disrupted by the actions of the most capitalist doctrinaire conservative administration in U.S. history. During the northern hemisphere autumn of 2008, the US blinked during a moment of maximum instability and nationalised/socialised much of America's leading financial organisations.

Interesting hybrid turn of events, don't you think?

At the same time, PMs around the world are also upgrading their positioning. Rudd talks of transcending the 'left-right divide', and Obama encourages us to not think about America as 'blue states, or red states, but as the United States'. Obama is perhaps the embodiment of this 3.0 bridging of political divides, his emotionally intelligent bridge-building 'strategy of maximum inclusion' being credited as one of the main contributors to his meteoric rise to political success in the 2008 election.<sup>325</sup> The fact that his racial heritage (multiracial/hybrid) and international background walks the talk of reconciliation and functional multiculturalism, is another example of 3.0 being the successful political mindset of the day.

## ideology

ˌɪdɪˈɒləʒi; ɪdɪ-  
noun

**1** (pl. **-gies**) a system of ideas and ideals, esp. one that forms the basis of economic or political theory and policy : *the ideology of republicanism.*

- the ideas and manner of thinking characteristic of a group, social class, or individual : *a critique of bourgeois ideology.*

- archaic visionary speculation, esp. of an unrealistic or idealistic nature.

**2** archaic the science of ideas; the study of their origin and nature.

### ***Beyond Binary***

We are no longer living in a simple, binary world. During the Cold War, each side had a frighteningly effective deterrent against nuclear strikes: threaten to launch an apocalyptic nuclear retaliation. The strategy, aptly named MAD, for *mutual assured destruction*, paradoxically cemented peace. This thinking about the unthinkable still works well for the US against states like North Korea, but has little effect on the thinking or behaviour of Islamic terrorist.<sup>326</sup> After *'seven years of wishing al Qaeda was more like the Soviet Union, it's time US anti-terrorism experts muster the same creativity that the great nuclear strategists marshaled to stave off Armageddon'*.<sup>327</sup> The mental and strategic battle ground has moved into virtual Web space like everything else. Jihadists have turned the net into what Israeli author-terrorist expert Reuven Paz calls *'an open university for Jihad studies'*,<sup>328</sup> and this is the battleground that Thinking 3.0 would take American strategists to (rather than Iraq), yet many of them are still hiding in the 1.0 polarised / 2.0 unilateral closet of backward-looking strategy.

The 3.0 third way would involve encouragement of anti-jihadist clerics like Abdul Haqq Baker of the Brixton mosque in London to speak out in the blogosphere, and recognising that groups like Hezbollah, Hamas and the Muslim Brotherhood have achieved some legitimacy by participating in non-violent elections.<sup>329</sup> This would signal a real commitment to the democratic process which the US so heralds at home, and highlight that there is a better choice for making their voices heard in public than through car-bombings and hijackings. In fact, terrorism only works in opposition. The democratic process actually serves to pacify the discontent and puts pressure on jihadists to verify, legitimise and back up the claims which fuels its activity. The 1.0 lense of hawk v dove, left and right, is not a useful lense to deconstruct this global issue. Upgraded thinking that recognises the nuances of grey is required to actually solve this problem.

### ***You-ism***

Global issues are no longer purely reserved for governmental action. More people are prepared to get proactively engaged at a grassroots level. Thirty, forty years ago the state



provided most of our welfare needs. Now, the individual is expected to provide for that. Life is a DIY project. So are increasingly global issues.

Participant Productions is the first film company dedicated to social impact through story telling via media such as *An Inconvenient Truth* and *Syriana*. It is a pro-social commercial operation, a 3.0 hybrid emblematic of the social-entrepreneurship movement. In the UK in the political beehive of education, at a London school, *pupils* are advising on teaching technique and grilling job applicants ie. their future teachers.<sup>330</sup> The world is out of whack.

In Cuba, where the government controls the internet, brave bloggers like Yoani Sanchez dare to post criticisms about life in Havana on her blog named *Generacion Y* for which she was featured in *Time Magazine* as one of the 100 most influential people in the world. Similar Web activities have recently highlighted government corruption and insider information on the case of Dr Anwar Ibrahim in Malaysia.<sup>331</sup> We have also seen regions like California, and companies like Wal-Mart rate as some the largest economies and trading partners of states around the world, and terrorism has changed the polarised Cold War paradigm of two opposing megalomaniacal states, to decentralised, highly complex and technological warfare where unilateral 2.0 Thinking doesn't work either. In 2006 *Time Magazine* voted 'You' as the person of the year, highlighting that the individual thinker now has more power than ever before. This is shifting how we think about global issues. It is the democratisation of democracy.

The 3.0 empowerment of the individual is also evident in the citizen movement and thinking in social networks. Political activism has found a third way, which integrates both online and offline declarations of beliefs and the mobilisation of (dis)content. Egyptian Ahmed Maher is the founder of the *April 6 Youth Movement* - an internet phenomenon that quickly attracted more than 70,000 members in 2008.<sup>332</sup> This amorphous movement is a bullseye to the zeitgeist, and a manifestation of will significant enough to arouse the ire of Egypt's internal security forces. Maher is part of a new generation in the Middle East that through blogs, YouTube, Flickr, Twitter, and now Facebook, the third most visited website in Egypt after Google and Yahoo, is using virtual reality to combat corrupt



**"Ideology is  
Dead."**



and oppressive governments. Social networking is effectively changing the thinking of political dissent, because it spreads messages and news like wildfire in countries where government 1.0 censorship is still rife. In a fitting testimony to the importance of 3.0 Thinking on global issues, when Maher was arrested by Egypt's security police at an April 6th rally, he was beaten, stripped, and threatened with rape, in an attempt to persuade him to release his administrator's password to the Facebook page. Since then, Maher's real-world profile has become high enough that torturing him could backfire against the Egyptian government, inspiring countless networked young people to take action.

This is shifting global issues and politics from a binary stage to a 3.0 third way stage. No longer can a polar opposite or political opponent be easily identified and targeted as in a 1.0 world. We are all guerillas now.

#### ***Politics As The Web***

One person who gets the third way of 3.0 Thinking in global politics is Ellen Miller, the cofounder of the Sunlight Foundation which aims to tap some of the Web's best thinkers in order to make Washington as open and user-friendly as a Google API.<sup>333</sup> Her personal mission is to make DC more like the Web, and upgrade its thinking. Says Miller, *'Washington politicians like the firewall they have erected. They will have to be dragged into the 21st Century'*.<sup>334</sup> The Web is a haven of messy democracy and engaged thinking (just check a Thinq Tank blog post thread), but this ideal of transparency has not yet infiltrated US government. Miller suggests that crowd sourced legislation may be one way to inject some Web 2.0 and 3.0 Thinking into government. Draft bills could be uploaded for wiki-edits prior to presentation at House and Senate debates. Let's hope that President Obama adopts the internet's' values of openness and 3.0 Thinking in his presidency. If his embracing of Twitter and Facebook in the election and his re-booting of government websites since is anything to go by, at least my hopes are high.

## Obama

Speaking of Obama, I believe that his thinking represents a paradigm shift, even a thinking upgrade, in politics. His magical campaign allowed Americans to submit to what Samuel Taylor Coleridge called '*the willing suspension of disbelief*', to dream, to hope. I believe that the reason Obama won was because of the thinking he represents and how he positioned his political brains in a way that was compatible with his consumers' (voters) thinking. '*I am asking you to believe*' reads the slogan across the top of his website. Consider the titles of his two books, the autobiography '*Dreams From My Father*', and his political paean '*The Audacity of Hope*'. The editor of *The American Conservative*, Scott McConnell, describes this shift in consumer demand as a wholeness hunger - a longing for release from corrupt, narrow, divisive parliamentary factions, a search for a more poetic, binding politics,<sup>335</sup> instead of George Bush's 1.0 / 2.0 politics. To track the change in the American political thinking, *The Wall Street Journal* mapped the rise and fall of the terror-thriller *24*, where hero Jack Bauer was unquestioningly popular even as he tortured sources in his single-minded quest to protect America from terrorist attacks. As America finally woke up to their government's systematic practice of torture, their real-world revulsion turned into disdain for the series whose numbers fell by over 30% in 2007, and was taken off air to be re-branded.<sup>336</sup> This zeitgeist was captured and capitalised on by Obama and his advisors in his election campaign in 2008.

More than any previous US president, Obama is a candidate of the world. His 3.0 message to the people '*watching tonight from beyond our shores, from parliaments and palaces to those who are huddled around radios in the forgotten corners of our world ... our stories are singular, but our destiny is shared*' is paradigmatically different from Bush's binary post 9-11 battle cry that '*every nation in every region has a decision to make ... you're with us or against us*'. Obama speaks to us as adults. Maybe finally the world has grown up.

Without overtly stating it, Obama made us aware that we were watching a historic moment, tracking Ann Nixon Cooper, a 106 year old's journey through American milestones, encapsulating the zeitgeist of the day as one that she and all of us will remember as a paradigm shift in thinking. Obama also bridges

the binary gap just by being who he is - an African-American President reared partly in Indonesia and raised by a divorced woman. He appealed to young and old, rich and poor, Democrat and Republican, black, white, Latino, Asian, Native American, gay, straight, disabled and not disabled. The match-up between McCain and Obama evidenced that 1.0 / 2.0 messages of black and white, right and wrong in a world of grey do not land with an increasingly savvy political audience.

He is the third way just by being Obama and in a testament to the new 3.0 zeitgeist we voted for him.

Interestingly, Obama's victory was due as much to technology savvy as his poignant 3.0 Thinking. There was a massive two to one swing in favour of Obama by the usually tech-savvy voters younger than 30, even though the percentage of young voters only increased from 17 percent in 2004 to 18 percent in 2008.<sup>337</sup> Conventional wisdom would say two things contributed to Obama's win, the financial downgrade in 2008 and a general dislike of George W Bush. The under 30s are unlikely to be affected by the former in the long-run and even the short-term consequences of the 2008 downgrade would be negligible as many Gen Y neither owned sizeable share portfolios nor real estate at the time of the election. The dislike for Bush was palpable already in 2004, but the Democrats under John Kerry were unable to translate this discontent into political votes. With Obama's outreach through sites like Facebook, Myspace and Twitter, he was able to create and organise a grassroots campaign which raised more than US \$150 million from small contributions pledged online.<sup>338</sup> With at least 1/3 of US voters watching online political ads, Obama took advantage of Web 2.0 technology to the hilt, which produced an election history first - a larger Democratic election treasury than that of the Republicans.<sup>339</sup> This thinking enabled targeted marketing proliferation through the Barack'n'Roll phenomenon with music remixes of Obama's speeches by Will.i.am's songs going viral on YouTube. This meant that Obama's total internet marketing spend was less than US \$8 innovative million in total.<sup>340</sup> As associate professor Sanjay Chawla at the University of Sydney says, *'Obama is the first political Marco Polo who silked his way through the web 2.0 information bazaars and profited'*.<sup>341</sup> Not only was his Thinking 3.0, but he also positioned it compatibly with the zeitgeist by suggesting a 3.0 *third way* forward. One that bridges gaps.

## Directive on the enforcement of intellectual property rights

Directive on the enforcement of intellectual property rights ) is a **European Union directive** in the field of **intellectual property** law, made under the **internal market** provisions of the **Treaty of Rome**. The directive covers the remedies that are available in the civil courts, but not criminal offenses.

## FRA law

The **FRA law** (*FRA-lagen* in **Swedish**) is a **Swedish** legislative package that authorizes the state to warrantlessly wiretap all telephone and Internet traffic that crosses Sweden's borders.

At the other extreme of popularity, we see politicians out of tune with the zeitgeist ruin their political good will. ABC in Australia was broadcasting a program called *The Howard Years* in 2008. It was about the demise of ex-PM John Howard's political career. One commentator said it best - the world changed, and John Howard blinked. In his last 2 years as prime minister, he was out of tune with a world that is a bit out of whack, a shifting zeitgeist, and a tsunami of change completely upended his previously secure seat, humiliating him in Bennelong, and resulting in discontent from most of his cabinet ministers, most of all his heir apparent, Peter Costello. John Howard's business and political brains were made redundant and he enabled a landslide victory for his opponent Kevin Rudd. People wanted change.

Nowhere is this zeitgeist shift more evident than in the blogosphere. The blogosphere is scary because it threatens the status quo. Bloggers are the new form of citizen journalism and are a form of the pro-am culture that is raging on the net. 'Rather-gate' was exposed by bloggers noticing that in an internal memorandum a typeset was set in word rather than old typewriter font, the kryptonite evolution 2000 lock was hacked with a ballpoint pen on a 'how-to' blog, and during Hurricane Katrina and the Tsunami in 2004, MSNBC did regular updates on its blog because of the easy distribution nature of blogging tools. The same goes for the 2008 Mumbai terrorist massacre, where they became a central 'on the pulse' reporting mechanism used by CNN in its content coverage of the event. To highlight the upsetting power of blogging information, United Airlines suffered a 75% drop in its share price after Bloomberg's blog featured a 6 year old story relaying that United had filed for bankruptcy, and Apple experienced a similar bump when the CNN blog featured an unverified account of Steve Jobs' ill-health. For better or for worse, blogs are here to stay, and they're affecting our thinking.

The blogosphere has whacked electioneering and politics as we used to know it on its head. During the debates surrounding the introduction of Swedish laws against piracy based on the EU wide 2008 **IPRED** directive, it became evident that a third 3.0 player had entered the new guerilla warfare that informs politics in the Web 2.0 world. No longer do politicians have a political polar opposite that they can point to. Opposition to invasive legislation like the recently passed Swedish **FRA** laws and the IPRED directive is not led by a political party

but by groups on social media network platforms. 3.0 third way is not a single debate rival, but a big mob of angry thinkers, who know how to spread a message more effectively than many governments' PR agencies. It is not a clash of civilisations. It's a clash of thinking versions.

It is not just in democratic elections that we see a shift in the political zeitgeist though. On the other end of the generational spectrum we see another third way forward in solving global issues - Global Elders. The Global Elders or The Elders is a group of public figures noted as elder statesmen, peace activists, and human rights advocates. The goal of the group is to solve global problems, using almost 1,000 years of collective experience to work on solutions for seemingly insurmountable problems like climate change, HIV/AIDS, and poverty, and use their political independence to help resolve some of the world's most intractable conflicts. Recognising that our global village needs an independent set of global elders the group was initiated by Sir Richard Branson, and musician and human rights activist Peter Gabriel together with anti-apartheid activist and former South African President Nelson Mandela in 2007. Nelson Mandela announced the formation of the group on his 89th birthday on 18 July 2007 in Johannesburg, South Africa. The group of Elders present at the announcement were Mandela; Mozambican activist Graça Machel, Mandela's wife; former Secretary-General of the United Nations, Kofi Annan; former Irish President, Mary Robinson; Nobel Peace Prize winners, Desmond Tutu, former United States President Jimmy Carter, Grameen Bank founder and microcredit pioneer Muhammad Yunus; and former Chinese Foreign Minister Li Zhaoxing. At the launch ceremony a chair was left empty on the stage for Aung San Suu Kyi, the human rights activist and Nobel Peace Prize winner who is a political prisoner in Burma. Other members who were not present at the launch were the Indian trade union leader and SEWA founder Ela Bhatt, former Norwegian Prime Minister Gro Harlem Brundtland, former Algerian ambassador and veteran U.N. envoy and advisor Lakhdar Brahimi, and former Brazilian President Fernando Henrique Cardoso. Not a bad collection of thinkers whose 3.0 third way style of thinking is being employed to solve the Sudan crisis (albeit the results have been mixed so far).

Luckily or not so luckily, human beings are becoming smarter. And that is a problem. It is a problem because we are growing older, and each new generation that we are competing with is smarter than the previous one, technology is on an exponential growth curve, and we do not yet have the intelligence to understand all of our knowledge. Meanwhile our children who are raised on an intellectual diet of intricate television plots, complex video games and difficult multi-tasking scenarios, may be extremely well placed to survive in a world where climate change, environmental decay and global unrest have thrown up hugely complex problems for those inheriting the planet to solve. If they influence us to upgrade our thinking to 3.0, we stand a good chance of solving many of our global issues by 3.0 third way thinking.

Democracy has been democratised by the internet. Global issues can be solved in whole new ways. What is needed to create successful solutions is an ability to transcend old 1.0 and 2.0 styles of thinking. The integration, interdependence and hyper-linking of the global brain means that bloggers, Facebookers, and the internet are the new shapers of opinion, and politicians are more exposed than ever before. It is a case study in why we need to position our business brains in a way that is compatible with the global zeitgeist and make sure we operate on the same thinking version as the most enlightened global perspectives put forward by the global brain. This is also the way to build bridges in an interconnected world and solve the most pressing problems.



**Think This**

It's not about left or right political views. Global problem solving and successful idea positioning can only take place when we transcend the divide.

**Do This**

Start expressing your opinion. On your Facebook, on a blog, or in a forum. Create a ground-swell movement.

**Visit This**

[www.theelders.org](http://www.theelders.org)

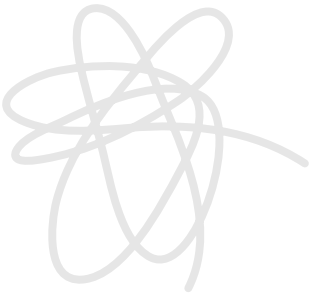
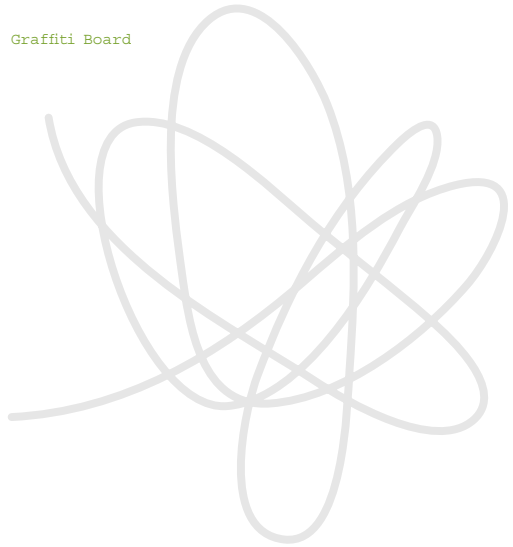


Thought Space:

Mental Graffiti Board



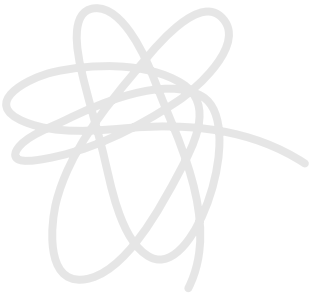
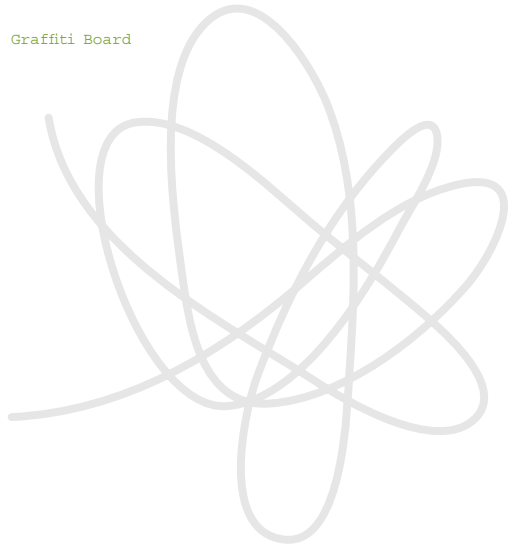
Mental Graffiti Board



Mental Graffiti Board



Mental Graffiti Board



'A musician must make music, an artist must paint, a poet must write, if he is to be ultimately at peace with himself. What a man can be, he must be. This need we call self-actualisation ... it refers to man's desire for self-fulfillment, namely to a tendency for him to become actually in what he is potentially: to become everything one is capable of becoming.'

Abraham Maslow



## Chapter XVI Executive Summary

CONTEXT | META | STRATEGIC | PICTURE | FRAME

THINKING 1.0	THINKING 2.0	THINKING 3.0
EXPLOITATION	CORPORATE SOCIAL RESPONSIBILITY	TRUST
POLARISED	UNILATERAL	THIRD WAY
IQ	EQ	FQ

**Metaphor**  
 IQ is like hardware.  
 EQ is like software.  
 FQ is your unique personal brand and your ultimate source of competitive advantage.

**Statement:** Ultimate intellectual capital resides in your funky quotient (FQ).

**Explanation:** We pray that our children are born with good hardware - IQ. We encourage them to upgrade their software - EQ. And if they should be so lucky they will find their calling - their FQ. A high FQ that sits on a solid foundation of IQ and ever-increasing EQ is a recipe for fulfilment, self-actualisation and success. Nobody can copy your FQ. It is the ultimate personal brand and gives you a never-ending niche.

Main sources	Main Case Studies	Main Design Inspiration
<p><i>Peak by Conley</i></p> <p><i>Firms of Endearment by Sisodia, Wolfe, and Sheth</i></p> <p><i>Emotional Intelligence by Goleman</i></p> <p><i>Man's Search for Meaning by Frankl</i></p> <p><i>Descartes Error by Damasio</i></p>	<p>Apple</p> <p>Summa Health Systems</p> <p>Home Depot</p>	<p>Maslow's Hierarchy of Needs</p> <p>Multiple Intelligences by Gardner</p> <p>Rene Descartes</p> <p>Apple's Retail Stores</p>

Content | Matter | Executable | Stuff | Detail | Story | Case Study | Statistics | Research | Example | Process | Steps

## Chapter XVI

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
quality	defunct	dys/functional	funky
time	1990-2000	2000-2010	2010-2020
webovolution	web 1.0	web 2.0	web 3.0
technology	analogue	digital	digilogue
entertainment	property	free	creative commons
business design	left-brained	right-brained	rewired
culture	male	female	androgynous
generational trends	baby boomer	generation x	generation y
innovation	closed	open	hybrid
psychology and happiness	disease model	positive psychology	holistic
diversity	heterosexual	homosexual	flexual
corporate ethics + finance	exploitation	corporate social reponsibility	trust
global issues	polarised	unilateral	third way

**Intelligent Design: the ultimate competitive advantage**

<u>THEME</u>	<u>THINKING 1.0</u>	<u>THINKING 2.0</u>	<u>THINKING 3.0</u>
intellectual capital	IQ	EQ	FQ

Reminder: this book is fractal which means the same positioning advice and upgrade encouragement goes for all brands, both personal and organisational.

I believe that ultimate intelligence resides in having the chutzpah to go out and do what you're destined to do: self-actualise! This is FQ - your funky quotient. Harley-Davidson's re-engineering of its company and its unique approach to creating a cult brand with its customers can be partially traced back to Maslow's theory of self-actualisation, and senior leadership in diverse companies from Whole Foods, to Joie de Vivre to Apple to Men's Warehouse also credit Maslow for encouraging them to play in this space.<sup>342</sup> I think of the journey of self-actualisation as the journey toward your ultimate intelligence, the one that is built on solid pillars of IQ and EQ, but where your funky quotient is the true navigational north, your aspirational quest, your intuitive help line on *Who Wants to be a Millionaire*. As psychologist William James said, 'the deepest hunger in humans is the desire to be appreciated'. May I add, *appreciated for being you, Thinking 3.0 and standing in your self-actualising self*.

Today everybody wants to be self-actualised. In fact, the most striking feature of contemporary culture is the un-slaked craving for transcendence, meaning, and purpose.<sup>343</sup> According to Nobel Prize winner in Economics, Robert William Fogel, prosperity and economic development has made it possible to extend the quest for self-realisation from a minute fraction of the population to almost the whole of it.<sup>344</sup> Even in the face of downgraded economics, people still don't want to compromise on realising their potential. Regardless of whether this is a positive or negative reflection on human kind, it does highlight the need for organisations and individuals to pitch themselves in a way which is aligned to this aspirational quest. We need to smarten up our act on both an individual and organisational level to tap this trend. Why? Because to tap this trend is to recognise that we

all want to be self-actualised, and to create an actualising environment for yourself, your clients and your staff is to be truly successful in business.

Being smart in today's workplace means more than it used to. It means understanding and interacting with people. In a study of *Fortune* 1000 senior executives that was conducted to understand the nature of relationship-centered organisations, Gulati and Kletter found that sustained performers are set apart from their competitors by a higher willingness to engage in activities that increase the longevity of their relationships, both internally and externally.<sup>345</sup> This trend was even stronger in a down turn. In downgraded times, more than two-thirds of the top performing firms (top 25%) in Gulati and Kletter's survey devoted their primary focus to heightening their (EQ) awareness of their customers' needs while the bottom performing companies devoted more of their attention to cutting costs and shedding under performing assets.<sup>346</sup> Equally Daniel Goleman, the best-selling author of books on 2.0 emotional intelligence, says, 'after analysing 181 competence models from 121 organisations world-wide, we found that 67% of the abilities deemed essential for effective performance were emotional competencies'.<sup>347</sup> Good emotional psycho-hygiene is critical to thriving in up and downgraded times.

## EQ

abbreviation

- educational quotient
- emotional quotient.

[ORIGIN: after IQ, 'intelligence quotient.']

- equalizer, specifically a graphic equalizer.

## IQ

intelligence quotient

(abbr.: IQ)

noun

a number representing a person's reasoning ability (measured using problem-solving tests) as compared to the statistical norm or average for their age, taken as 100.

IQ |'ar 'kju|  
abbreviation  
intelligence quotient.

It is impossible to remove emotion from the workplace. The old notion that we are all rational economic units who make choices based on logic, is irrational logic. Embrace *illogique*. Ever since Howard Gardner published his landmark book 'Frames of Mind: the theory of multiple intelligences' in 1983, dynamic intelligences have featured frequently in our collective neo-cortexes. In 1990, Peter Salovey and John Mayer published an article entitled 'Emotional Intelligence' that dealt with 'one's ability to be aware of one's own feelings, be aware of other's feelings, to differentiate among them, and to use the information to guide one's thinking and behaviour'.<sup>348</sup> The term was then popularised as a counterweight to the retronymous (IQ) by Daniel Goleman's best-sellers 'Emotional Intelligence: why it can matter more than IQ', and 'Working with Emotional Intelligence'. Goleman defines 2.0 EQ as the 'capacity for recognising our own feelings and those of others, for motivating ourselves, for managing emotions well in ourselves and in our relationships'. Researchers have found that 2.0 EQ leads to competitive advantage because it is a

prerequisite for the kind of leadership and culture necessary for positive and strategic change.<sup>349</sup> Goleman's research with more than 200 organisations around the world has led him to conclude that EI matters twice as much as cognitive IQ or technical skills in distinguishing high performance employees from mediocre performing ones. The same research also shows that star performers and average ones in executive positions differ largely in terms of EQ factors rather than cognitive abilities.<sup>350</sup> The importance of 2.0 EI in the workplace cannot be underestimated as its absence inevitably leads to low morale, intense conflict, and high levels of stress, all of which negatively impact performance. The great thing about EQ, as opposed to IQ, is that it can be upgraded through life with deliberate training, open-mindedness and personal evolution. Illogically, the only rational way for you to upgrade your IQ is through EQ.

Leaders with strengths in a critical mass of six or more 2.0 emotional intelligence competencies were far more effective than peers who lacked such strength. In analysing the performance of division heads at a global food and beverage company, David McLelland, a noted Harvard psychologist, found that among leaders with this critical mass of competence, 87% placed in the top third for annual salary bonuses based on their business performance. More telling, their divisions on average outperformed yearly revenue targets by 15-20%. At the other extreme, the divisions of leaders who lacked emotional intelligence under performed by an average of almost 20%.<sup>351</sup> Unlike IQ, which is largely genetic and changes little from childhood, the skills of 2.0 emotional intelligence can be learned at any age. It is in this sense more merit based and fluid, and can be upgraded with practice and commitment.

So it's interesting to note that traditional management theory is heartless by design. It is ancestrally based in René Descartes scientific method, formulated some 400 years ('*I think, therefore I am*'). Descartes is so 1.0. The Cartesian method discounted the value of emotion in truth seeking, and has been largely debunked by neuro-scientist Antonio Damasio in his book '*Descartes' Error*'. Descartes 2.0 would say '*I feel, thus I think, and hence I am*'. Descartes 3.0 would say '*I feel, I think, and I follow my passion, thus I am*'. Loyalty of any sort (both from your staff and clients) is more a function of how *one feels*, rather than what one

thinks.<sup>352</sup> This is supported by a recent study which showed that brands engaged the emotional right-brain more than other proper nouns generally do. In a sense the right-brain has the right of way. Coupling this with Damasio's scientific theory that 2.0 emotion, not 1.0 reason, is how we determine the relevance of anything to us, lends support to the central 'no brainer' premise of this manifesto:

**It is time for an upgrade in organisational and personal branding thinking.**

Creating a space for your staff to develop their FQ is directly related to your organisational performance. Richard Barrett found that 40% of the variability in corporate financial performance comes down to something as seemingly simple as employees' sense of fulfillment in the workplace.<sup>353</sup> Motivated employees are anywhere from 52% to 127% more productive than employees who have average motivation.<sup>354</sup> Studies have shown that the average salary that people accept for a new job is only about 5% more than they're currently making - the key differentiator is that your staff feel appreciated, and seen for all of their talents and successes.<sup>355</sup> People want to work for a cause, not just for a living. Give them a chance to self-actualise their FQ with you. If you give them a job you're thinking 1.0, if you give them a career you're thinking 2.0, if you give them a calling you're Thinking 3.0.

You can have a high IQ and EQ and still be unfulfilled. FQ is a reminder to not just focus on what is, but what could be. While I sometimes disagree with Jim Collins, here is an apt observation from Jim:

*In the end, it is impossible to have a great life unless it is a meaningful life. And it is very difficult to have a meaningful life without meaningful work. Perhaps, then you might gain that rare tranquillity that comes from knowing that you've had a hand in creating something of intrinsic excellence that makes a contribution. Indeed, you might even gain that deepest of all satisfactions: knowing that your short time here on this earth has been well spent, and that it mattered.*


That is why great companies have great causes. Apple was initially founded on the premise of the democratisation of the desktop and has morphed that cause into being the world's leader in mixing aesthetic and music with technology. Southwest Airlines is about the freedom to fly and connecting with loved ones through the much lower fares they offer.<sup>356</sup> Viktor Frankl, author of 'Man's Search for Meaning',<sup>357</sup> one of the ten most influential books of the twentieth century according to the Library of Congress,<sup>358</sup> writes counter-intuitively '*the more one forgets about himself - by giving himself to a cause or to serve another person to love - the more human he is and the more he actualises himself.*'<sup>359</sup> Your highest calling is not one that is just about you, and by definition it must be one that contributes and makes a positive impact on your community, the environment, and the world. In fact the most impactful thing I believe people can do in the 21st Century is to self-actualise and step into their FQ. You're bound to inspire others to do the same.

One company that gets this 3.0 Thinking, and the importance of the outward manifestation of it, is Summa Health Systems Hospital of Ohio. Richard Boyatzis and Annie McKee in the book 'Resonant Leadership' profiled the process that Summa used in interviewing their employees to understand what gives meaning to them before creating the following statement on a wallet-size card that each employee carries with them:<sup>360</sup>

... Yours are the comments people hear when they think they can't. Yours is the intelligence and caring that people hope they can find here. If you're noisy, so is the hospital. If you're rude, so is the hospital. And if you're wonderful, so is the hospital. No visitors, no patients, no physicians or coworkers can know the real you, the you that you know is there - unless you let them see it. All they know is what they see and hear and experience. And so we have a stake in your attitude and in the collective attitudes of everyone who works at the hospital. We are judged by your performance. We are the care you give, the attention you pay, the courtesies you extend.

Thank you for all you're doing.

This company gets 3.0 Thinking, and the impact people high on FQ can have on the performance and culture of an organisation.



"Ultimate  
intellectual  
capital resides  
in your funky  
quotient  
(FQ)."



Perhaps most importantly they understand how FQ impacts the lives of the organisation's clients. Woodrow Wilson once said, 'I use not only all the brains I have, but all I can borrow'. How are you encouraging the optimal performance of the brains you borrow?

Google is another company, which like Summa, does not struggle for high quality brains wishing to put their FQ to work. Early on Google created a top ten list of why people should join them, with not one of those ten reasons being related to stock options or compensation. They have reasons like '*Life is Beautiful. Being part of something that matters and working on products in which you can believe is remarkably fulfilling.*' And '*Boldly go where no one has gone before. There are hundreds of challenges yet to solve. Your creative ideas matter here and are worth exploring further.*'. FQs are attracted to FQs - self-actualising individuals to self-actualising companies. At Home Depot, the mantra is '*You can do it. We can help.*'. Companies who enable high FQ amongst their clients and staff are profiting from passion and purpose.

Importantly, *clients* are more attracted to companies high in FQ who facilitate their self-actualisation. Ron Johnson is senior vice - president at Apple and responsible for retail stores world wide. He was the person famously shifting Target from a store where the priciest item cost \$ 10, to [Tarzhay] which sold Michael Graves' \$ 40 tea-pots. During his time with Target it became a status symbol for those who wanted to think of themselves as smart, funky and thrifty. Ron Johnson summarises Apple's high retail FQ in the following way, '*we will help you get more out of your Mac so you can get more out of yourself.*'<sup>361</sup> This is historically engrained in the company, where Steve Jobs' mission was to create a personal computer which was '*like a bicycle for the mind*' giving people the ability '*to explore like never before.*'. For its retail store roll-out, Apple chose exclusive locations (like the corner of King and George Sts in Sydney), hired non-commissioned sales people focussed on service, and provided free internet to anyone who entered the store.

Apple took its cues from the hotel industry, after Ron invited 18 friends and thought leaders and asked them about their ultimate service experience, with 16 of them mentioning a

hotel experience. Thus, the Apple stores are patterned on how a top end hotel operates, with everything from a doorman who opens the door to a genius bar where practical advice is dispensed. Ron even had his first ten employees spend time at the Ritz-Carltons chain around the US to immerse them in a culture of service, so that Apple could align its retail store experience with its ambition to help raise the FQ of its clients. Apple's Procare program offers Apple's most self-actualised customers the ability to pay \$ 99 per year for unlimited access to everything in store,<sup>362</sup> including one free hour of personal coaching each week for 52 weeks. As a delighted fan and user of the service (it has helped me design the basics of this manifesto [.pages] and the manifesto's website [iweb]), these customers end up being the company's biggest individual spenders and most avid word-of-mouth evangelists. 'Amen!'

This 3.0 Thinking enabled Apple to become the fastest retailer in history to reach \$ 1 billion in sales, and it has some of the highest per square foot retail sales of any retailer in the world. Its price per square foot of sales is five times more productive than Best Buy, known to be one of the premier technology retailers. Apple is currently rolling out 40 new stores per year (which are an event in and of themselves) and Ron Johnson likes to feel that these are *'like a gift to the community, while at the same time, providing Apple a great platform for our brand.'* While Apple is a client of mine, I have probably learnt more about 3.0 Thinking from them than they have from me. It is in many ways the epitome of high FQ.

Future-minded companies seem to be noticing this trend with Sticars selling magnetic graphics for cars' exteriors with the motivation that *'where others see car, we see blank canvas. Envision a world where cars are an extension of your personal style - artful with hip designs that express individuality'*. Both Volkswagen Beetles and Mini Coopers can be similarly fashioned, Nike ID continues to tailor unique sneakers, and Freddy & Ma goes after the DIY bag set, but perhaps the greatest recognition of our strive to be unique are companies who will literally tap your DNA with a home swab kit to make personalised fragrances (My DNA Fragrance) or DNA artworks based upon your saliva, kiss-mark or thumb print (DNA 11). This is *meconomy* - the total opposite to the passive, uniform drones we remember from Apple's iconic advertising play on Orwell's 1984.

We all want to be unique. For the first time in history, we now have the opportunity to make a living and to do business based upon our own and other's uniqueness. The truly intelligent in this whacky world realise that when you stand in your own strength, tap your unique thinking, and package your intellectual capital in a way that connects emotionally with those around you, there is no competition. It's too hard work to try to be someone else, and by the way, everyone else is already taken. The smart thing in this uber-competitive world is to be you. As the great social commentators Cath and Kim said *'look at me, look at me, look at me!'*.

The lesson from all of this is that we need to upgrade our thinking by realising that it's neither all about IQ, nor about EQ these days. Yes, hire good brains and wish the best for your children including a high IQ, then do the best with the situation by developing EQ every day of your life, but most importantly step into your own genius by embracing your Funky Quotient - your ultimate competitive advantage.

### Think This

- Schedule a strategic retreat with your own brain and answer the question: what do I love doing?
- Schedule a strategic retreat with your team and ask them the same question.

### Do This

- Name it - what did you do today that was self-actualising for you? (if you're a manager, how did you enable someone else's self-actualisation?)
- Encourage your staff to job-craft and design their job so it's more closely aligned with their meaning in life.
- Mindmap your answer to the question 'what inspires me in life?' - don't think too much, be prolific by simply brain vomiting on the page.
- Enquire with us about Emotional Intelligence psychometric assessment and trainings to move your organisation from 1.0 to 2.0 in the direction of 3.0 - sales@thinque.com.au
- Boost your business brains by doing the following:
  1. Provide employees with self-actualising work.
  2. Provide a work climate that allows self-actualising work to be performed in ways that satisfy and fulfill the employee.
  3. Provide incentives and rewards that supplement the self-actualisation that the employee is already experiencing.
  4. Provide the necessary tools, materials, and support that allow the employee to optimise quality performance.
  5. Stay out of the way of your self-actualising employees!

### Visit This

[www.thinquefunky.com](http://www.thinquefunky.com) for your online Funky Quotient test to see if your thinking is predominantly 1.0, 2.0 or 3.0.

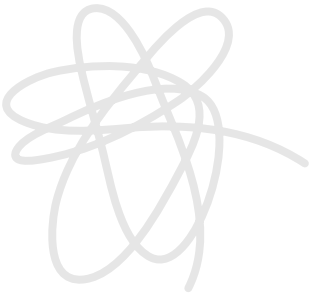
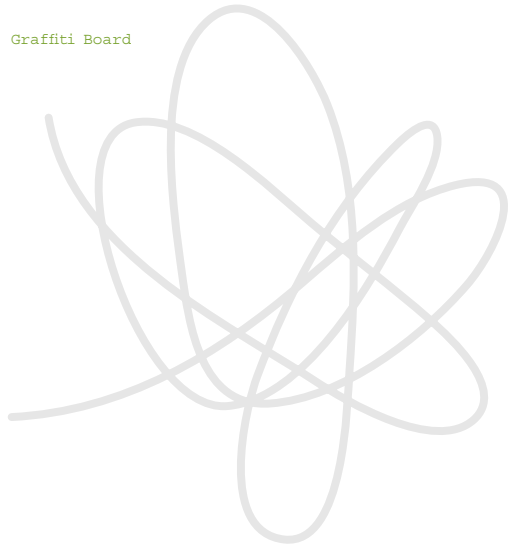
Question

1. What positively and absolutely do you love doing every day?

Mental Graffiti Board



Mental Graffiti Board

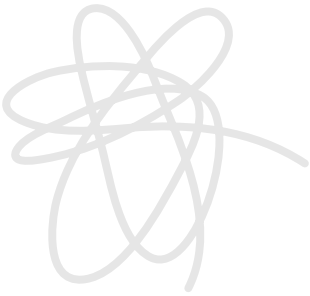
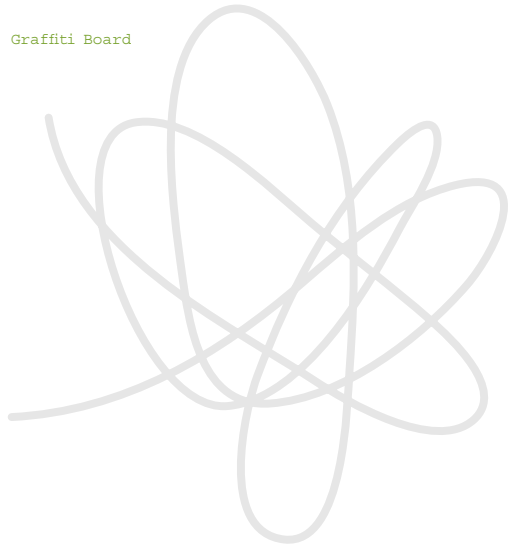


Mental Graffiti Board





Mental Graffiti Board





**Futurethought** (as opposed to a conclusion)

I am refusing to make any concluding remarks. A conclusion is the point where someone stopped thinking. This manifesto is designed to *start* you thinking.

Remember Winnie the Pooh's comment: *'have you ever stopped to think and forgotten to start again'?*

I hope I got you started again.

In the George Lucas movie *Willow*, the town magician High Aldwyn annually chooses an apprentice. This year the aspiring magician Willow steps forward as one of three candidates.

When it becomes time to select a candidate at the annual town fete, High Aldwyn regally declares with the voice worthy of a magician his size:

"Magic is the bloodstream of the universe ... forget all you know, or think you know. All that you require is your intuition. The power to control the world is in which finger?"

High Aldwyn puts his hand out for the contestants to choose a finger. The first chooses the middle one, the second chooses the pointer.

Willow in turn hesitates, looks at his own hand for a moment, and then chooses Aldwyn's ring finger.

High Aldwyn: "No apprentice this year!" (crowd sighs in disappointment)

A few scenes later in an exchange between High Aldwyn and Willow:

High Aldwyn: "What's your problem son? When I held up my finger what was your first intuition?"

Willow: "To pick my own finger."

High Aldwyn: "Haha! That was the correct answer. You lack faith in yourself. More than anyone in the village you have the potential to become a great sorcerer..."

I think this scene is evident of our own personal and organisational struggles with the world; our role in it, our sense of meaning in life and (dis)trust of our own ingenuity.

Would the world not be a better place if we all stepped into our own FQ, and upgraded the way we think to 3.0, both personally and organisationally? Surely, it has never been more important than now to upgrade the way we think, and claim our birthright.

Consider the ramifications of the global financial downgrade.

Many hundreds of thousands of people may be laid off around the world before the downgrade is over, many business brains rendered redundant in the face of change.

Your only true competitive advantage now is:

1. To keep upgrading to 3.0.
2. To position your business brains flexibly in a way that profoundly connects with your audience.
3. To step into your FQ.

Or as Anais Nin once wrote, *'The day came when the risk it took to remain closed in a bud became more painful than the risk it took to blossom'*.

I believe the time to blossom is now.

And armed with a navigational tool to find your way forward in a constantly shifting business landscape, I trust that you feel empowered to do so.

Give me a call and let me know what you think!

Anders

+61 2 8006 2196





## Author Biography

Anders Sorman-Nilsson is a reformed lawyer, and the founder (2005) and principal *agent provocateur* at *Thinque*. A thought leader on innovation, change management and generational trends, Anders' keynotes, *Thinque Tanks* and mentoring provide GPS directions for organisations and individuals seeking to successfully navigate a constantly changing business landscape.

Swedish by origin, Anders grew up in Stockholm, learnt English and French in his *second-language German*, and emigrated to Australia aged 16. He holds bachelor degrees and graduate diplomas in Arts and Law (Australian National University), and received a highly irrelevant Specialisation in International Law from the University of Vienna.

Anders has previously authored *Future Thinking: a trendspotting report* and the *Gen Y 2.0 Limegreen Paper*. He is the creator of the popular podcast series *Thinque's Espresso Shot*, is a columnist for Australian Innovation Magazine *Anthill*, and has been interviewed on future trends by SBS, ABC and most importantly *CLEO*.

With clients like Apple, MTV, McCann, Johnson & Johnson and Schwarzkopf et al., Anders Sorman-Nilsson believes that for business brains to stay relevant, be competitive, and gain market-share in downgraded times, you need to *upgrade your thinking*.

Experience the *Thinque Funky* mindset and *upgrade your thinking!*

Contact [info@thinque.com.au](mailto:info@thinque.com.au) to learn more.

Visit [www.thinque.com.au](http://www.thinque.com.au) or [www.thinquefunky.com](http://www.thinquefunky.com) for more resources, videos, FQ tests and trend reports.

Call *Thinque* on + 61 2 8006 2196 to book Anders Sorman-Nilsson for your next conference.

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