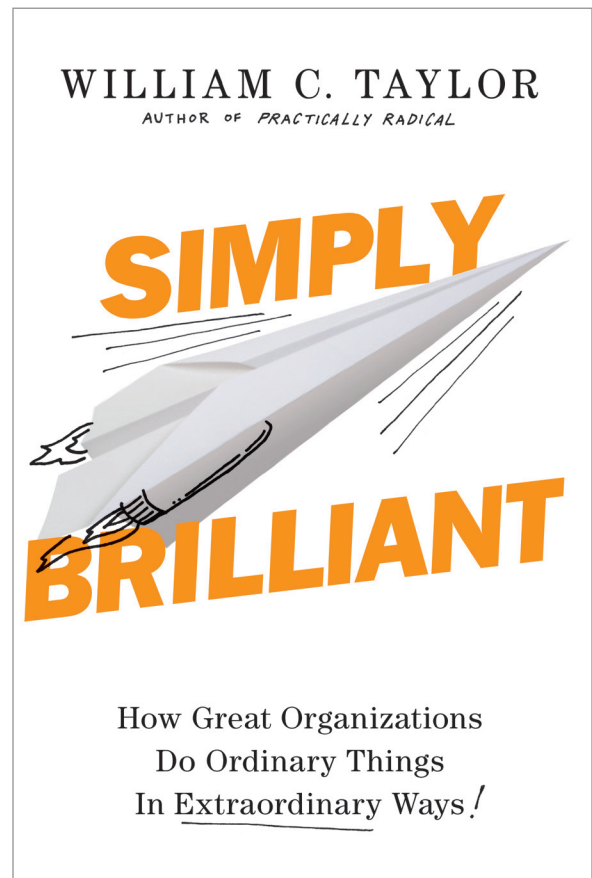


*From the cofounder of Fast Company and the bestselling author of Mavericks at Work and Practically Radical comes a collection of back-to-basics insights on the future of competition, leadership, and change...*

# **SIMPLY BRILLIANT**

**How Great  
Organizations Do  
Ordinary Things in  
Extraordinary Ways**

By William C. Taylor



**COMING  
SEPTEMBER 20, 2016**

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## PROLOGUE

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# The New Story of Success

*“The Possible Is Immense”*

Who doesn't want to be part of a great success story? To run, start, or play a leadership role in a company that wins big and changes the course of its industry. To launch a brand that dazzles customers and dominates its market. To be the kind of executive or entrepreneur who creates jobs, generates wealth, and builds an organization bursting with energy and creativity.

These days, in the popular imagination, the quest for success has become synonymous with the spread of disruptive technologies and viral apps, with the rise of radical business models and new-fangled work arrangements. This is the stuff that fuels the dreams of countless engineers and venture capitalists in Silicon Valley, and inspires hard-charging innovators such as Facebook's Mark Zuckerberg and Uber's Travis Kalanick. The “new economy,” the story goes, belongs to a new generation of companies and leaders who have little in common with what came before.

But why should the story of success be the exclusive domain of a few technology-driven startups or a handful of young billionaires? The story of this book, its message for leaders who aim to do something important and build something great, is both simple and subversive: In a time of wrenching disruptions and exhilarating

advances, of unrelenting turmoil and unlimited promise, the future is open to *everybody*. The thrill of breakthrough creativity and breakaway performance doesn't just belong to the youngest companies with the most cutting-edge technology or the most radical business strategies. It can be summoned in all sorts of industries and all walks of life, if leaders can reimagine what's possible in their fields.

What I have come to understand, what I have tried to bring to life in my messages and case studies, is that it is possible to turn even the most familiar offerings, in some of the world's most traditional settings, into products, services, and experiences that are genuinely remarkable. This is not, I concede, a widely held point of view, even among leaders in those fields. I've heard the same reservations time and again, from executives in long-established industries who are reluctant to contemplate a dramatic break from the past: "This place has been around for a hundred years, we're not Google or Amazon," they tell me. Or, "This is not a glamorous business, we can't be a passion brand like Apple or Starbucks."

Their real message: Don't blame me for being average or old-fashioned, I'm not from Silicon Valley or Seattle. To which I reply: Don't use your company's age or industry as an excuse for mediocrity. There is no such thing as an average or old-fashioned business, just average or old-fashioned ways to do business. In fact, the opportunity to reach for extraordinary may be *most* pronounced in settings that have been far too ordinary for far too long. If how you think shapes how you compete, then it should be easier to compete in fields locked into old ways of thinking.

Why this story now? Because we have entered a new era of business and leadership, an era defined less by advanced technology than by ever-advancing competitive intensity. When customers have higher expectations than ever, when rivals are more capable than ever, when choices, options, and brands are more numerous than ever, then familiar strategies and comfortable ways of working are less effective than ever. In any industry, especially in long-established industries, leaders who make waves and make their mark are the ones who rethink what they've always done, who refresh and reinterpret the products and experiences they offer, who invite new voices into the conversation about the future of their organization.

Thomas L. Friedman, the agenda-setting *New York Times* columnist, has coined a phrase that nicely captures the tenor of these demanding times. “Today,” he argues, “average is officially over. Being average just won’t earn you what it used to. It can’t when so many more employers have so much more access to so much more above-average cheap foreign labor, cheap robotics, cheap software, cheap automation and cheap genius. Therefore, everyone needs to find their extra—their unique value contribution that makes them stand out.”

This phenomenon is being played out across the economy and around the world, with huge consequences for those who fail to reckon with it. Lior Arussy, one of the most provocative business thinkers I know, advises some of the world’s most prominent companies on the relationship between strategy, innovation, and growth. The problem with most organizations and brands, Arussy likes to say, is not that they are broken. It’s that they are *boring*. And boring organizations don’t lend themselves to runaway success.

“We are living in a new world,” he argues. “Customers no longer accept an ‘okay’ job. It’s exceptional or nothing. In most fields, what was once exciting quickly becomes boring, and boring becomes annoying. ‘Impress me, surprise me, do something I will remember’—that’s what customers want. That’s what organizations have to deliver.”

Truth be told, even in a world in which “average is over,” the choice facing leaders in most fields is not between one-of-a-kind creativity and end-of-times calamity. The more likely outcome is something closer to endless (and endlessly frustrating) mediocrity. Despite our fascination with digital disruption, radical reinvention, and the merciless logic of survival of the fittest, countless organizations endure for decades in the face of bland results. The status quo is surprisingly powerful, and not always fatal.

“There are many organizations whose performance, by any standard, falls short of the expectations of owners, members, and clients,” sociologists Marshall W. Meyer and Lynne G. Zucker remind us, “yet whose existence continues, sometimes indefinitely.” In such “permanently failing organizations,” their delightfully expressive turn-of-phrase, executives avoid extinction, even as they excite almost no one. The day-to-day reality is one of “sustained low performance” rather than deep-

seated crisis, a kind of active inertia driven by short-term self-interest, rather than purposeful change driven by a shared drive to excel.

In other words, with apologies to that memorable scene from the movie *Apollo 13*, failure *is* an option, if by that we mean a failure to make the most of the ideas, people, and technologies available to us. This quiet brand of failure—a failure of imagination, a failure of nerve, a failure to muster the will to break from the past—has become a familiar part of the business landscape. Harvard Business School Professor Linda Hill, faculty chair of its Leadership Initiative, has argued that run-of-the-mill executives focus on closing “performance gaps”—the difference between what is and what should be. This is the work of efficiency, productivity, improving on the past. But the real action, the true agenda for leaders, is in closing “opportunity gaps”—the difference between what is and what *could* be. This is the work of innovation, transformation, inventing the future. Merely surviving is not the same as truly thriving.

*Simply Brilliant* is addressed to leaders who are determined to thrive, not just survive, who aim to write compelling stories of success no matter their industry or field of endeavor. It is organized into four sections, each of which can be read on its own, all of which set out essential principles for exceptional performance—simple, direct, counter-intuitive insights that define a new agenda for strategy, innovation, service, and shared prosperity. My hope is that the material is both instructive and inspiring. Instructive in that it delivers a set of messages and lessons that can be applied immediately, inspiring in that it highlights a cast of characters whose ambitions are bold and whose track record is without peer, and who toil in settings that are familiar and relatable.

I traveled thousands of miles during the research for this book, from London, England to Anchorage, Alaska, from the bright lights of Las Vegas to a quiet town on the banks of the Mississippi River, searching for new kinds of success stories that illuminate the new era we’ve entered. I spent long days touring factories, visiting retail outlets, sitting in on meetings, to observe the work of big companies, entrepreneurial outfits, nonprofit groups, and social-change movements. These 15 organizations were from very different fields and had wildly different histories and cultures, but they shared a defining trait: Their leaders were determined to achieve something important by doing even the most ordinary things in extraordinary ways.

I have tried to bring to these stories what John W. Gardner, the legendary public intellectual, called “tough-minded optimism.” The future, Gardner wrote, “is not shaped by people who don’t really believe in the future.” Rather, “it is created by highly motivated people, by enthusiasts, by men and women who want something very much or believe very much.”

Of course, even tough-minded optimists have to face problems, disappointments, crises. That’s the pressure that goes with breaking new ground, making big change, doing things that haven’t been done that way before. I have no doubt that one or two of the organizations I chronicle will experience setbacks that they (and I) did not anticipate. But what I want very much, what I believe very much, is that the ideas and characters you’ll encounter in this book will fuel your enthusiasm to do extraordinary things rather than muddle through in a state of “permanent failure.”

On one of my last visits for *Simply Brilliant*, I traveled to Euclid, Ohio, a suburb of Cleveland, to spend time with a company I’d been eager to study for years. Lincoln Electric is one of America’s great manufacturers, a globally successful producer of welding equipment and cutting machinery founded back in 1895. Lincoln Electric doesn’t make many headlines, but it has made history since 1958 by vowing never to lay off a single employee and, since 1934, by sharing a big chunk of its profits with its Cleveland-area employees. In a decidedly unglamorous field, and in the face of recessions, financial collapses, and rapid technology shifts, Lincoln Electric has achieved something unrivaled by recognizing that people are at their most productive when they get a piece of the action and a seat at the table.

As I walked from the corporate offices, after a conversation with the CEO, to tour the company’s massive factory complex, I saw a big sign in capital letters with a message from James F. Lincoln, the younger brother of the company’s founder, and the visionary behind the company’s social system and business model. **THE ACTUAL IS LIMITED, the sign read. THE POSSIBLE IS IMMENSE.**

That is the spirit of this book. That is the story of success.

What’s your story?



## EPILOGUE

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# What's Your Story?

*“Work Hard at Work Worth Doing”*

More than a century ago, in his famous Square Deal speech to a Labor Day celebration in Syracuse, New York, President Theodore Roosevelt offered a definition of success that has stood the test of time. “Far and away the best prize that life offers,” he said, “is the chance to work hard at work worth doing.” In these times, “work worth doing” means work that elevates our sense of impact and enriches our sense of achievement—work that rewrites the story of success for a new era of business and leadership.

That has been the work of this book, which draws insights and lessons from organizations and leaders in a range of fields that are doing ordinary things in extraordinary ways. But these stories of success are only valuable if they contribute to *your* success, if they provide a set of ideas and a collection of practices that equip you to think bigger, aim higher, and win bigger. Here, then, is a distillation of the core messages of *Simply Brilliant*, eight questions whose answers, I hope, will help you to write a more rewarding story for yourself and the organizations you care about.

## 1. Can you develop a definition of success that allows you to stand apart from the competition and inspires others to stand with you?

What struck me about every organization and leader I chronicled in *Simply Brilliant* was the sense of purpose they exuded, and how that sense of purpose motivated colleagues, customers, and allies to contribute to their success. Brand strategist Adam Morgan calls it a “lighthouse identity”—a “very particular take” on what organizations are trying to achieve, a “compelling conviction” that their goals are “uniquely theirs” and uniquely important. Venture capitalist John Doerr prefers to invest in entrepreneurs who conduct themselves as “missionaries” as opposed to “mercenaries,” founders who strive not just for success, but for “success and significance.”

The specifics of the metaphors are less important than the universality of the insight. The organizations and leaders that create the most value are the ones that position themselves as the most alluring alternative to a predictable (albeit efficient) status quo. Metro Bank’s Vernon Hill likes to say, only half in jest, that he operates on the “lunatic fringe” of his industry—but that’s precisely why so many employees and customers get so excited about something as mundane as a retail banking. When I sat in on ISMs Day at Quicken Loans, a financial institution with no brick-and-mortar branches, founder Dan Gilbert made the same point. “We are zealots” about customer service, he told his colleagues, “we are on the lunatic fringe.” This not is an argument for lunacy. But it *is* an argument for uniqueness and intensity: What do you do that other organizations can’t or won’t do?

## 2. Can you explain, clearly and compellingly, why what you do matters and how you expect to win?

Ultimately, the only sustainable form of leadership is thought leadership—championing an extraordinary set of ideas, not just good-enough products and services. So leaders who *think* differently tend to *talk* differently as well. My *Fast Company* colleague and *Mavericks at Work* coauthor Polly LaBarre has observed that too many leaders communicate with “jargon monoxide”—empty rhetoric, mind-numbing buzzwords, eye-glazing acronyms. But the leaders we’ve encountered in *Simply Brilliant* are as precise with their words as they are creative with their ideas.

They understand that they have to explain, in language that is unique to their field and compelling to the outside world, why what they do matters and how they expect to win.

When Rosanne Haggerty challenged her colleagues in the “homeless-industrial complex” to reimagine their strategies for addressing an intractable social problem, she led with a vigorous manifesto that spelled out the principles of the 100,000 Homes Campaign and invited others to come along. With precise and provocative language, she and her colleagues explained why they were breaking from convention in their field and how they expected to succeed. As I got to know Alaska’s Southcentral Foundation, and its remarkable work in healthcare, I kept tripping over the term “customer-owners,” which holds a sacred place in the organization’s vocabulary. “Can’t I call people patients?” I pleaded. “Or customers?” But CEO Katherine Gottlieb was adamant. “We want people to live and breathe ownership of their health,” she said, and to recognize that they literally owned the health system that delivers care. That’s why she and her colleagues talk the way they do. Do you know how to “talk the walk?”

### **3. Are you prepared to rethink the conventions of success in your field and the logic of your success as a leader?**

The “paradox of expertise” is one of the most dangerous occupational hazards for leaders. In a world being remade before our eyes, leaders who make a difference are the ones who can rethink what’s possible with their organizations. Yet the more closely you’ve looked at a field, and the longer you’ve been working and succeeding in it, the more difficult it can be to see new patterns, new prospects, new possibilities. The people with the most experience, knowledge, and resources in a particular area are often the last ones to seize opportunities for something dramatically new.

That’s why this book devoted so much attention to leaders who were not just disrupting their industries, but also disrupting themselves, leaders who, in the words of management thinker and jazz musician Frank J. Barrett, practice the art of “provocative competence.” Barrett describes provocative competence as “leadership that enlivens activity and rouses the mind to life.” I think of it more simply—as the

capacity to reflect on your career, think hard about the future, and recognize that the mindsets and skillsets that got you to where you are probably won't get you to where you want to go.

Robert Wennett, the boundlessly creative mind behind 1111 Lincoln Road, challenged almost every assumption in his field to build his one-of-a-kind parking structure and civic space in Miami's South Beach. Wennett took the disruptive ideas behind his creation so seriously, and so personally, that he decided to live in the structure he built. "People always ask me, 'Why would you choose to live in a parking garage?'" he cracks. "But the moment they walk in, they never ask again." How do you make sure that what you know doesn't limit what you can imagine?

#### **4. Are you as determined to stay interested as to be interesting?**

The most creative leaders I know are not just the boldest thinkers; they are the most insatiable learners. In his legendary speech on "Personal Renewal," John Gardner explored what it takes for leaders to stay relevant, effective, and engaged as they rose through the ranks. "Not anything as narrow as ambition," he said. "After all, ambition eventually wears out and probably should. But you can keep your zest until the day you die." Translation: As interesting as they may be, the most vital leaders figure out how to remain *interested*—in big ideas, in little surprises, in the enduring mission of their enterprise and all new ways to bring that mission to life.

Garry Ridge, CEO of WD-40, has built an organization filled with what he calls "learning maniacs." He and his colleagues have made an extraordinary commitment to maintain their "zest" for learning and discovery, to stay interested in new ideas about products and purpose even as they work to make the company and its brands more interesting to the outside world. He actually affixes an electronic signature to his emails with the message "Ancora Imparo," Italian for "I am still learning"—a favorite phrase of Michelangelo. "My dream," Ridge says, "is for this organization to be viewed as a leadership-and-learning laboratory for business." What's your strategy for personal renewal?

## 5. Do you pay as much attention to psychology and emotion as you do to technology and efficiency?

Nobody is opposed to a good deal—a dollars-and-cents value proposition that makes sense. But what we remember, what we appreciate, what we *prize*, are gestures of concern and compassion that introduce a touch of humanity into the all-too-bloodless calculations that define so much of modern life. In a world being reshaped by technology, what so many of us crave, what truly stand out, are small gestures of kindness that remind us what it means to be human. As Mother Theresa famously advised: “Not all of us can do great things. But we can do small things with great love.”

That’s why leaders who aspire to do “great things” never lose sight of the small things that make such a huge impression inside and outside the organization. Pret a Manger, the fast-growing, fast-casual British sandwich shop, works diligently to create an atmosphere of high energy and good cheer that generates what its CEO calls the “Pret buzz.” Mercedes-Benz USA, which sells some of the best-designed automobiles on the planet, understands that extraordinary performance is as much about authentic emotion as advanced engineering. “Every encounter with the brand,” CEO Stephen Cannon declares, “must be as extraordinary as the machine itself.” Which means that all 23,000 people who work for the company or at its dealerships must be “driven to delight” everyone they encounter. Are you trying to move products, or are you trying to move people?

## 6. Do the values that define how your organization works reflect the values proposition around which it competes?

The most successful companies I’ve studied don’t just think differently from everyone else, they *care more* than everyone else—about the people they serve and the messages they send, about how everyone conducts themselves in a world with so many temptations to cut corners, fall back on procedure, and reward efficiency over empathy. You can’t be special, distinctive, and exceptional in the marketplace unless you create something, special, distinctive, and exceptional in the workplace. When it comes to “programming your culture,” argues high-tech entrepreneur Ben Horowitz, the goal is to be “provocative enough to change what people do every day.”

USAA, the financial-services juggernaut that does business with active and retired members of the U.S. military and their families, is so successful in the marketplace because it programs its culture so powerfully in the workplace. New employees eat MREs (Meals Ready to Eat) to get a taste for life on the front lines. They try on military backpacks and Kevlar vests, the better to appreciate the physical burdens soldiers carry with them. They read letters from soldiers home to families, and letters from families off to soldiers. USAA immerses its employees, managers, and executives in the complex lives and emotional needs of the people they serve, so that everyone understands the level of connection to which the company aspires. Do you know how to elevate and energize how your organization competes, by elevating and energizing how your people behave?

### **7. Are you as humble as you are hungry?**

If there's one lesson at the heart of the organizations chronicled in *Simply Brilliant*, a perspective on success shared by leaders with vastly different personalities, it's that exceptional performance begins with extraordinary insights. But that doesn't mean it's your job to come up with those insights. In businesses (and social movements) built on new ideas, generating and evaluating ideas is everybody's business. That's why humility and ambition need not be at odds. Indeed, humility *in the service of ambition* is the most effective mindset for leaders who aspire to do big things in a world with huge unknowns. As one CEO cited by Harvard Business School leadership guru Linda Hill explained, "My job is to set the stage, not perform on it."

In Downtown Las Vegas, Zappos CEO Tony Hsieh is trying to set the biggest stage imaginable, an entire urban neighborhood of artists, entrepreneurs, geeks, and other creative types, none of whom will work for his ecommerce company, but all of whom will create "opportunities for serendipitous encounters" that can energize Zappos and fill it with new ideas. "The big bet is to get all these different, diverse groups together in a relatively small space," Hsieh has said, and "make sure they have a bias to collaborate." Can you limit your ego to expand your creative horizon?

## 8. Are you prepared to share the rewards of success with all those who had a hand in achieving it?

The “winner-take-all” model of success is not just an unsustainable way to organize a society; it’s a lousy way to run a company. How can leaders summon their colleagues to rethink what’s possible in their fields, to do things that others won’t do, if they can’t summon a sense that everyone is in it together? Internet evangelist Tim O’Reilly likes to say that successful companies “create more value than they capture.” Put another way: The organizations that inspire the deepest sense of commitment in the ranks, and thus have a chance to make the biggest waves in the market, are the ones whose members get a seat at the table in terms of decision-making and receive a fair share of the value they help to create.

The John Lewis Partnership, one of Great Britain’s most admired retailers, is owned 100 percent in trust for its employees. To share the wealth, the Partnership distributes a big chunk of its annual profits in a year-end bonus that is eagerly anticipated inside the company and widely reported on by the media. All 94,000 employees vote in elections for colleagues to represent them in their local workplaces and at the highest levels of strategic deliberations. This full-fledged business democracy, complete with a written Constitution, create a sense of shared fate that has propelled the business forward. “The focus of most companies is to improve their financial capital,” argues Jane Burgess, who oversees the democratic processes inside John Lewis. “Our focus is on social capital.” Have you figured out how to give everyone in your organization a seat at the table and a piece of the action?

# About Bill

William C. Taylor is a writer, speaker, and entrepreneur who chronicles the best ways to compete, innovate, and succeed. As cofounder and founding editor of *Fast Company*, he launched a magazine that won countless awards, earned a passionate following among executives and entrepreneurs around the world, and became a legendary business success. In less than six years, an enterprise that took shape in borrowed office space in Harvard Square sold for \$340 million.

*Simply Brilliant: How Great Organizations Do Ordinary Things in Extraordinary Ways*, will be published on September 20, 2016 by Portfolio, an imprint of Penguin Random House. *Simply Brilliant* is Bill's sixth book on strategy, leadership, and change. His last book, *Practically Radical*, was a *Wall Street Journal* bestseller and a number-one bestseller on the Inc./800-CEO-READ hardcover business list. His previous book, *Mavericks at Work*, was a *New York Times* bestseller and was named a "Business Book of the Year" by *The Economist* and the *Financial Times*.

Bill has published numerous essays and CEO interviews in the *Harvard Business Review*, and he created the "Under New Management" column for *The New York Times*. He now blogs regularly for *HBR*.

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