A wealth of experience: using the past, inventing the future

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As I brought to a close my eight-hour interview with A.G. Lafley, President and Chief Executive of Procter & Gamble, I was deeply struck with the power of well-considered and well-leveraged experiences. In walking through 33 years of decision-making experience with him, from running a U.S. Navy retail operation to running P&G since 2000, I came to appreciate how Lafley became a consummate integrative thinker. The most striking aspect was how he used his experiences both to deepen his mastery and nurture his originality, rather than focusing on one at the expense of the other.

Mastery requires repeated experiences in a particular domain. Because masters in their domain have seen particular phenomena before and know what they mean, they don't have to interpret every input from scratch as a novice would. They can pull out the few salient data points that make a difference and mentally map their causal relationships. And because they have done it many times before, they know from experience how to architect the problem in order to create a resolution. Mastery isn't gained by accident. It comes only through planned and structured repetition of a consistent type of experience. That is why I argue that experiences don't necessarily deepen mastery.

At P&G, Lafley continued to deepen his understanding of consumers by repeatedly listening to needs and wants, taking responsive action, and measuring the results against expectations to hone his understanding.

His mastery was essential during an internal battle in 1984 over the naming of the new liquid version of Tide laundry detergent. Usually, when P&G developed a substantial innovation of an existing product, the new product got a new and entirely different name, but in this case, Lafley saw good reason for breaking precedent. “We had convinced ourselves that powder Tide was for particulate soil remover and liquid detergent was for greasy, oily food removal,” he says. But Lafley had done enough loads of laundry at home to know that the distinction was meaningful only to the scientists who developed P&G's detergent formula. “The issue was,” Lafley says, “how does the consumer see it?” The consumer saw the detergent as the same old reliable Tide in a convenient new form. Why not, then, call the product liquid Tide?

The logic of Lafley's argument prevailed and within twenty years, the U.S. market for liquid detergent was more than three times the size of the powdered detergent market, and liquid and powdered Tide had claimed more than four times the share of the next biggest brand. Had the liquid detergent been branded under a separate name, it's not likely that Tide would be an immediately recognizable brand, a sixty-year-old mainstay towering over an array of brands with twenty or fewer years on the shelves.

Some contexts don't reward the repetition, structuring, and planning that are the hallmarks of mastery. Those non-standard contexts require the creation of a new approach or solution—that is, originality. Originality demands a willingness to experiment, spontaneity in response to a novel situation, and openness to trying something different than perhaps first planned or intended. Rooted as it is in experiment, originality openly courts failure. It's important become comfortable with the process of trial and error and iterative prototyping, or you'll be tempted to focus on the less risky mode of mastery, to the exclusion of originality.

His originality came into play when he faced a big decision about compacting packaged laundry soap. Though P&G's R&D folks had devised a way to compact the big fluffy granules of powdered detergent into a form that was less than half the volume, consumer tests showed a lukewarm response and P&G mastery would have said without a clear test win, the new product should not be launched.

But that verdict didn't sit right with Lafley. With his carefully nurtured capacity for originality, though, Lafley focused on what was potentially unique about the situation that might call for a novel response from P&G. He saw that unlike the majority of product upgrades, this one had the potential for massive cost savings for retailers as the smaller boxes would take up half the space in warehouses and on store shelves for the same dollar of sales. In addition, P&G's manufacturing and logistics operations would reap the same cost benefits as the retailers. And the voluntary comments that some of the consumers added to their quantitative research forms revealed that while
consumers weren't wildly enthusiastic about compact detergents, few were actively hostile to the idea.

Lafley totted up the data points. Retailers saw compact detergent as a big win, and so did P&G manufacturing. Consumers were neutral at worse. So despite the lack of conclusive consumer evidence, Lafley argued for a huge investment to convert all powdered detergents to compact. It turned out to be a big win for P&G. “We ran and we won the race,” Lafley says. “It was huge, absolutely huge.”

As Lafley illustrates, the great ones utilize their experiences to build and deepen their mastery while maintaining and expressing their originality. Mediocre leaders do one or the other. Some deepen their mastery over time but never learn to trust their ability to express originality. They keep the proverbial trains running but will never invent the future. Others express their originality but do not develop their mastery. They are sought out as “ideas people” but aren't trusted to run organizations of size and endurance because they can't or won't cultivate the multiple masteries that large-scale leadership demands.

By the same token, originality without mastery is flaky if not entirely random. Mastery is required to distinguish between salient and unrelated features, to understand what causal relationships are in play, and how to architect a complex problem. Without such mastery, the creative resolution is likely to be a random guess. It might succeed once, but there's little chance of repeated and consistent success.

At its core, integrative thinking requires the integration of mastery and originality. Without mastery there won't be a useful salience, causality, or architecture. Without originality, there will be no creative resolution. Without creative resolution, there will be no enhancement of mastery, and when mastery stagnates, so does originality.

Reprinted from The Opposable Mind: How Successful Leaders Win Through Integrative Thinking by arrangement with Harvard Business School Press. Copyright 2007 Roger Martin. Prof. Martin is Dean of the Rotman School of Management, University of Toronto. He holds the Premier's Chair in Competitiveness and Productivity and serves as Director of the AIC Institute for Corporate Citizenship at Rotman.

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