

BLOGS: The Conversation

Management by Imagination

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by Roger Martin

The perception that good management is closely linked to good measurement runs deep. How often do you hear these old saws repeated: "If you can't measure it, it doesn't count"; "If you can't measure it, you can't manage it"; "If you can't measure it, it won't happen"? We like these sayings because they're comforting. The act of measurement provides security; if we know enough about something to measure it we almost certainly have some control over it.

But however comforting it can be to stick with what we can measure, **we run the risk of expunging something really important**. What's more, we won't see what we're missing because we don't know what it is that we don't know. By sticking simply to what we can measure, we come to imagine a small and constrained world in which we are prisoners of a "reality" that is in fact an edifice we've unknowingly constructed around ourselves.

The late 19th and early 20th century American pragmatist philosopher **Charles Sanders Peirce** was the first to point out that no new idea in the world was ever produced by inductive or deductive logic. Analyzing the past, crunching the existing numbers to produce the future can do nothing more than extrapolate the future from the past. So if you stick to measuring what you can already measure, you cannot create a future that is different than the past.

For that to work out at all well for any institution making its decisions on that extrapolation, the future needs to be remarkably similar to the past — or bad things start to happen. If an institution is all geared up for a future that is like the past and the future changes radically, then the institution becomes an anachronism, like a Motorola or GM.

Managers in this situation tend to blame forces beyond their control: "How could we have ever predicted such a change?" In some sense, they are absolutely right. They had no way at all of predicting change. Their core conception — "If you can't measure it, it doesn't count" — precludes them from demonstrating to themselves that the future will be anything but an extrapolation of the past. Note however, that it is a prison that they have built for themselves. They build it, lock themselves in a cell, throw away the key; and then complain about being unfairly locked in a prison cell.

We need to get away from all those old sayings about measurement and management, and in that spirit I'd like to propose a new wisdom: "If you can't imagine it, you will never create it." The future is about imagination, not measurement. To imagine a future, one has to look beyond the measurable variables, beyond what can be proven with past data. While Motorola was projecting future sales volumes of "feature phones," Mike Lazaridis, founder of Research in Motion, was imagining what executive life would be like if you could receive your emails on a handheld device. How compelling would an ordinary phone be if you could have a BlackBerry attached to your belt? He couldn't "prove" that this would be a good idea. There was no data on the demand patterns for smartphones, because smartphones existed only in his imagination. But a mere 11 years after the launch of the product of his imagination, RIM leads Motorola by an ever-accelerating margin in sales, market share and profitability.

Long ago, Peirce coined a term for the thinking that Lazaridis used to create the BlackBerry: *abductive logic*. He referred to it as "inference to the best explanation" and "a logical leap of the mind." Lazaridis couldn't prove that executives would become *so addicted to his invention* that it would acquire the nickname CrackBerry. But as he watched executives behave in their day-to-day work, he inferred that there was a good chance that they would highly value immediate access to their email regardless of whether they were at their desk or on the road. There was nothing to measure. What counted were inferences; inferences made on lots of qualitative insights and "a logical leap of the mind."

The difference in the world of a Mike Lazaridis vs. the "if you can't measure it..." executives is like day and night. For the abduction logician, the world is expansive and the possibilities are endless. For the measurement types, the world is a brutal place, full of nasty surprises that are impossible to predict. That is why any expression that starts with "if you can't measure it" is dangerous for your managerial health.

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