

Exclusive from The Weave

YOU THE EXPLORER

LET YOUR NORTH STAR GUIDE YOUR
ENTREPRENEURIAL MINDSET

BY JAMES CRACKNELL MSC SYSPRAC



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Let Your North Start Guide Your Entrepreneurial Mindset

JAMES CRACKNELL MSc.



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*To the Team at The Weave – being on this journey with you all is
fantastic, inspiring and a real motivation to me*

ABOUT THE AUTHOR

JAMES CRACKNELL MSc SYSPRAC

Thinking in Systems

Since 2011, and post a 32-year career in the corporate world, James Cracknell has been working across the North-East of Essex and Suffolk, either developing his interests in business or supporting aspirational micro-business owners to start and grow theirs. The desire to learn and improve has been a constant driver, sharing knowledge, a real passion. In a knowledge economy, developing learning skills is our mightiest challenge. Entrepreneurs need to push the boundaries to overcome any limiting beliefs they might have. As an educationalist, James believes that the power of inquiry furthers and deepens understanding and opens up new pathways to thinking. In today's business world, clarity of purpose, an agile mind and an awareness of causations lead to strategic, coherent action. Entrepreneurs can benefit from this mindset to increase capacity, grow networks and embed creativity into their enterprises.

James has established himself as a business advisor for Colbea and an Entrepreneur in Residence for the University of Essex. He is a co-founder of The Weave, an entrepreneurial education business that stands in the middle of the ecosystem of support connecting aspiration to resources, empowering growth and creating quality jobs that keep our talent pool local.

ALSO BY JAMES CRACKNELL

Creative You

YOU – THE EXPLORER

"In the depths of winter I finally learned there was in me an invincible summer." – Albert Camus

Welcome to the world of The Weave, an entrepreneurial education business on a mission to develop a regional learning community to help us become better life-long learners. Think of us as your University of Life – a place where experiences are captured and understood, where fresh ideas and new thinking underpin the knowledge and insight you have. As entrepreneurs, we are all on a learning journey. Being part of a social learning system compounds this.

The pandemic has changed things. The dust of broken dreams is still settling for many people on a changing landscape. Now more than ever, we need to don our scruffy attire, grab a rucksack and put in the essentials we need for light travel. To become a learner, we must first learn how to learn; grow the capacity to do more, discover more, and deliver more, all of which takes an explorer's mindset. It

takes resilience and belief that "an invincible summer" lies ahead.

This guide will give you a holistic approach to develop an entrepreneurial mindset. It addresses finding opportunities, understanding the role of innovation in exploiting them, and measuring how effectively change is delivered. Our *nine tips to becoming an explorer* acts as your compass as you start to create the map that will be the strategy. You will consider *why an organisation that learns is essential* for surviving in the wilderness and look at a model to build that learning business. Next, you will see how *developing an innovation process* will help you to consistently generate new ideas and not rely on those lightbulb moments.

As a consequence of being an explorer, you will uncover opportunities in a world of uncertainty. At certain times, explorers need to anchor themselves, find the right altitude to set up basecamp, rest and become acclimatised. Creating these staging posts requires *valuable metrics* to measure progress and pinpoint our position. We will explain a few of the most valuable ones that articulate how you are doing, judge whether you need to move in a different direction or take on board more fuel.

ALL EXPLORERS REQUIRE A COMPANION

"This solitude oppressed her; she was accustomed to have her thoughts confirmed by others or, at all events, contradicted; it was too dreadful not to know whether she was thinking right or wrong." E.M. Forster – A Room with a View

What struck me about E.M. Forster's *A Room with a View* were the people travelling together; the experience would have meant so little if the view had not been shared, felt and captured through many different perspectives. On her journey of exploration and awakening of life, the heroine, Lucy, battled against solitude through seeking and having companionship, at times forced and intrusive but always welcomed.

An explorer starts with a deep desire to find something, it is their calling or purpose. To do this alone increases the risks whilst to do this with others lessens them. Standing on new ground, in isolation, one cannot truly capture the vista through a single lens. It is better experienced and understood through the different perspectives; this is the only way we can make sense of the new, gain insights into what might be and what ought to be. Our opinions and assumptions need to be informed and guided by others. Debate is the means of understanding the novel, a way of challenging preconceptions, and giving our discoveries context and meaning.

The trajectory of our lives underpins our purpose. The physical world still holds pockets of the undiscovered, and this is what prompts a few to plunge into darkened caves or hack their way through dense jungles. Entrepreneurs must know themselves better, understand the drivers, competencies and skills, and find ways to compensate for their weaknesses.

My trajectory has given me a passion for education and learning. My failings academically, an inability to engage with traditional routes of learning at a young age, could have

forced me on a different path. Instead, and thanks to the support of others, I fostered a deep desire to utilise my time outside of traditional education to learn how to learn, to educate myself through doing and via practice. It was the explorer in me that responded to my failings by embracing the challenge in a new frame of mind.

A holiday job in a travel company (what better place for an explorer to land!) became a permanent job. Gaining the support and being open to the mentoring from senior managers encouraged me to apply for the permanent position. It gave me the confidence to see a different future for myself, one where new lands beckoned and opportunity could be found.

An explorer's mindset is permanently left open. In my case, I became a sponge, absorbing information and observing others at work, I watched how things were done, and constantly questioned if they could be done better. Fast forward to 2011, redundancy number two and a career change beckoned. My ability to build networks and passion for lifelong learning kept my career alive in the City of London. Outgunned by the many when it came to academia, I relied on my antenna to find opportunities and used my lack of formal training to discard the shackles of conformity and embrace agility. Listening became a superpower and drove an ability to empathise. Working with others and building teams was a competency that was deeply rewarding and of great value in that domain. It was not obvious to me, at that time, that these qualities were transferable to the micro-business culture of my region. It was only when I invested into my education that my past experiences became a

significant part of my practice and academia became the means to validate my skills. The decision to stay in my home region, to move on, left me bereft of a network, realisation that I needed a new one became the driving force for the next stage, my next moment of exploration.

If I was to tread upon new ground, I needed to develop a greater understanding of the terrain beneath my feet. The greatest of explorers do not rely on potluck and chance alone, they mitigate the risk of failure and increase the chance of success by testing and learning as they go. It is this new found knowledge that informs them that the next foot forward is placed upon solid foundations and not quicksand.

The observation that I needed a new local network stemmed from a desire to help others going through a similar process of discovery. I built my crew of fellow explorers and started a voluntary organisation called the Colchester Executive Job Club. This network identified many people, senior managers and leaders, now going through a career change. I was back in the saddle of learning and leadership. At the same time, there was a personal realisation that those experiences I had gained were from different times and in a context that bore no similarity to the one we were now in. How I did something, achieved what I did had little relevance to what others faced. Any evidence that experiences gained in one arena were of value in another was missing. The decision to engage with academics was the means by which my former experiences could become validated, and in doing so be of value to others. I attained a degree in leadership and management using the

Club and an educational franchise as my practice ground. This one decision made me fall in love with academics; now, all this theory had a purpose in framing experiences and giving new meaning. The Club became a social enterprise and cooperative, and from there it stumbled and died, whilst the franchise went by the by, but as a consequence of these activities, my passion for learning and academics increased and my attention turned to doing a Masters.

My reading had introduced me to the new world of Systems Thinking, or as Peter Senge called it, the fifth discipline in his 2006 seminal work of the same name. The complexity of life was to be embraced and understood. Levers of change could be identified and utilised. The unexpected outcomes, the effects of change, are better appreciated for the opportunities that they create. My focus was on innovation, change through technologies, and understanding how communities and ecosystems coexist. Included in my reading was the work of Peter Drucker, management consultant, educator, and author, whose writings contributed to the philosophical and practical foundations of the modern business corporation.. Perhaps the most influential of all management consultants. He believed, and the evidence suggests, that within a knowledge-based society, learning was a life-long experience, and "the most pressing task was to teach people how to learn."

ENTREPRENEURS cite learning through experience as our primary mechanism to retain and process knowledge. But actually, we rarely process things well. Instead of the catalyst for positive change, failure becomes a mechanism to react or, worse, to repeat what we have done before.

The learning process is not replete until we enter into an exploration and, by the very nature of learning, reflect on inputs, actions and outcomes. The explorer must develop this skill; failure to do so will lead to a world of foginess and unstable footings on which to tread.



WHY EXPLORATION MATTERS

Exploration is about finding new ways to make money and, in doing so, de-risk the choices you make and the investments you consider. The external world is full of volatility, uncertainty, complexity and ambiguity (VUCA), an acronym coined by Professor John Mingers of Kent Business School. We must learn to deal with that world, engage with it, use it, survive, and ultimately prosper by adopting an explorer's mindset. It requires a constant balancing act between ensuring the current ship is seaworthy and that shallow waters do not force us to run aground.

THE EXPLORER MINDSET

Every day the forces of change are hitting our businesses. For the most part, we repel these through firefighting, engaging with what is directly in front of us by counteracting forces to maintain a stable environment. The need to fight

these forces creates inertia for change. This battle with the dynamic world is a daunting and often draining aspect, and many owner-managers feel less like looking for new horizons, and instead, seek the comfort of relative calm in the harbour. In this world, progress is measured by gradual increases in revenues, taking on a few customers each year and carving out an extra few days of 'me time' in which to enjoy life. It is comfortable and not too hard to maintain unless something disrupts it – which happens more than we think. Your marketing approach is mostly via word of mouth; the downside to this strategy is that people refer to similar people. Your customers are generic; we think we are lessening the chances of failure by focusing on one customer type. In reality, we are limiting the opportunity to find more lucrative customers. In this world, we equate growth to doing more of the same, not doing things differently. That is a daunting concept; the only way to get busier is to eat up the hours and sacrifice that 'me time' for work time. We create pressure and carry the weight on our shoulders. We need to get the business out of the box, give it air, derisk it and find new opportunities. The good news is that there are many of them; the challenge is that we have to go fishing, and the sea can at times be an inhospitable place. The Explorer follows a pathway of discovery, gradually changing what we have with tested alternatives, casting the net wide to find a more valuable catch. By its very nature, exploration carries risk with it, but staying still, adopting a defensive approach and building a fortress to resist the forces of change creates more significant vulnerabilities in today's world. We must be mindful that competitors could set up

camp elsewhere, out of sight and, therefore, out of our minds. While we expend energy to protect our ground, those others have the time to wow our customers with better, more relevant experiences.



In a 2021 paper, "*Unpacking entrepreneurial alertness: How character matters for entrepreneurial thinking*", Homa Pirhadi and his colleagues identified three characteristics present in entrepreneurs and a requirement for being alert to the operational environment. They were valour, industriousness, and critical thinking. To have the courage to stand by one's purpose and share it, the hard work and diligence to cover the basics and an approach to being self-critical and forcing away biases. These are the traits all explorers must possess.

As a child, I had a fascination with the explorers of the past. I remember my first school project focused on the

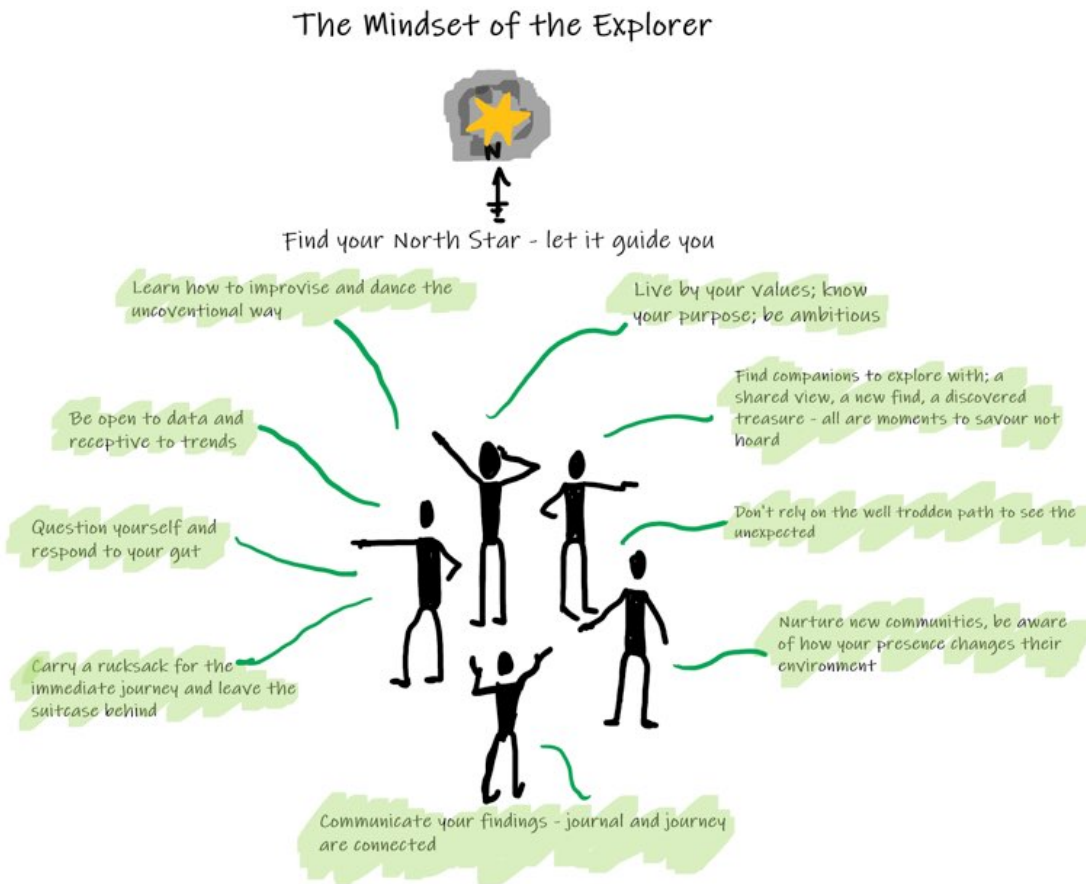
failed attempt to reach the South Pole by Scott and his party of brave souls. The competitive tension between Scott, and the Norwegian Roald Amundsen, was a tragic folly since winning or losing was the binary choice to define success and failure. That should never have been the case. The depiction of an amateur explorer, defeated by the efficiency of a well-prepared Norwegian expedition, filled the papers and journals of the day and enlivened society's interest in the notion of winning at all costs. As a 10-year old boy, the story of courage and loyalties forged in the ice-cold depths of the world's most inhospitable place ignited an eagerness in me to discover more. An enthusiasm I took with me into adult life.

I never trekked across a desert or pitted my survival skills against any physical wilderness; instead, my explorations were more to do with bringing in newness and novelty into business—an excursion into enterprise, finding better ways to start and grow businesses. Maybe a cop-out from the adventurer hero, but still a worthy quest to bring about better ways of creating value for many people. We do not find the new and innovative without adopting something of the explorer mentality.

The author Tendayi Viki, in his book *Pirates in the Navy*, uses the metaphor of innovators not as thieves and despots but as commissioned privateers, licensed rampagers seeking the next opportunity wherever it may muster. These privateers were explorers, people like Sir Francis Drake and Sir Thomas Cavendish. Charged with finding new lands, they benefited from their spoils but also shared their discoveries with others.

That is why we encourage you to lose the shackles and find the freedom to trust your instincts and set about your travels. Your business will be far better for it. You may pride yourself in securing a future but being overly optimistic is a state that carries risks in its own right.

NINE TIPS TO BECOME A BETTER EXPLORER

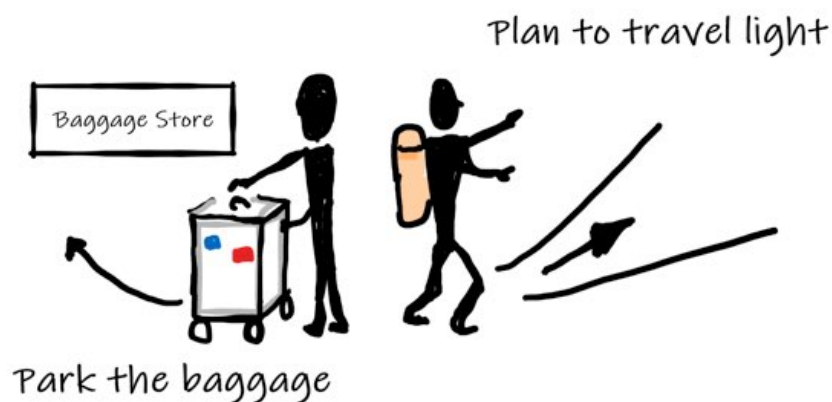


1 - CARRY A RUCKSACK AND LEAVE THE SUITCASE BEHIND

On life's journey, we carry with us a lot of baggage. Nervous of the need to let things go, we hoard these experiences in bulky trunks

and cases. We rely on what is in them to define us in ways that may or may not be relevant to what will be. It is always tempting to dig into experiences and forget about the context in which the incident occurred. To look at this in isolation and not take from it the lessons that accompany it. This transposing of experience from one context to another limits its power to create a fresh perspective, to see things with new eyes.

The Explorer who drags around their suitcases adds unnecessary weight to the journey, denying themselves the agility to pivot and correct. We need heuristics in our lives, stimulants to encourage further idea exploration, and what experience can teach us are the 'craft skills' we need to take with us. It is essential, especially in today's world of instability, that we engage with the scouting motto, "Be Prepared," that is, we "are always in a state of readiness in mind and body to do your duty", to go where no one has gone before. Go, Jim, go!



2 - QUESTION YOURSELF AND RESPOND TO YOUR GUT

Daniel Kahneman introduced many of us to the idea of the duality of thinking in his seminal book 'Thinking Fast and Slow'

(2). Fast is using intuition and slow, the deliberate deeper mode of thought. Inevitably, our fast mind, which he called System

System 1 generates ideas, is creative and evaluates at speed. Exploring means leaning into our System 1, listening to the signs that define how we consider the options.

The Explorer's mind feels situations as they emerge; they contemplate the context in which events happen and evaluate actions appreciatively. They concern themselves with the human impacts and assess these situations regarding themselves and those around them, and they rely on their values to do what's right. This learning system constantly seeks to lighten the load, replacing laboured behaviours bogged down by extensive analysis with a gut reaction based upon intuition.



Humans have been reliant on this type of decision making for as long as humanity has been around. It is what tells us that danger is lurking around the corner, not just the one time but in every situation that feels familiar. It can save our lives and kill us since System 1 is full of assumptions based on past behaviours.

The hard part is when we forcefully have to stop thinking reactively and build more thoughtful, reasoned thinking into our decision making. To engage the System 2 mind, Kahneman suggests we create what he terms as cognitive strain; we need to challenge it. One way to make your mind function in System 2 mode is to present information in a confused, hard to discern way, prompting the mind to work harder and more profoundly to question conclusions. We also need to carve out the time to do this, break the reactive mode, and engage with deeper zoned-in thinking.

3 - BE OPEN TO DATA AND RECEPTIVE TO TRENDS

Discovery is about asking good questions and collecting good answers. We gain wisdom when we pry open new pathways, explore alternative ways of doing things, lift the lid on ineptitude, and look for explanations supporting or challenging what customers are doing with your product or service.

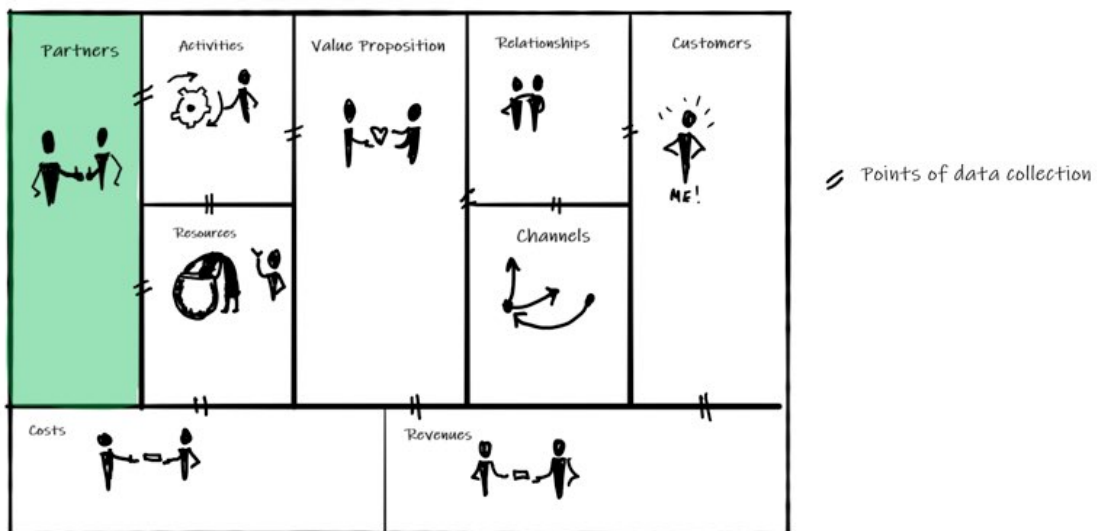
We are interested in two states: what is happening right now and what ought to happen in the future. I use the word 'ought' deliberately since it implies an ethical consideration. We cannot hope to understand these two states without engaging with the data and thinking about the future forces.

Data is copious. How do we decide what to look at and analyse and what to ignore without limiting exploration? We do not create information systems for the hell of it; we want the information to inform us and guide us to attain the objectives we have set ourselves. Data is a requirement of analysis, essential to driving our strategy so, it must be relevant to our core purpose. Look at the whole rather than the individual areas – data in isolation tells us very little. The explorer of today has GPS systems that guide us, pinpoint our locations with amazing accuracy, tell us our speed and direction of travel. They use technologies to extricate data from signals, information that then guides our next decision. This is the data of the 21st century. Explorers of the past, they had the stars, a sexton and a compass. Regardless of how and where the data originates, without it the explorer would be lost.

An example of this would be to look at the financial data without considering the drivers of revenues. We can't establish a price without understanding a customer's perception of value or how costly or cheaply we can deliver the service or product, which is a viability test. In business, nothing works in isolation of something else; everything depends on something happening

elsewhere. The best data, the information that offers you the most significant value, is the data that allows you to see and understand those connections as a whole.

Using the Business Model Canvas (BMC) as a data strategy framework provides that perspective. If you have yet to engage with the BMC, you can check out our resources and engage with the BMC webinar and module. It is a fabulous tool for seeing the picture and also where data collection points occur.



<https://www.strategyzer.com/>

Data collected this way helps us understand the connections between different parts of the business. Casualties that may not be obvious can become apparent, deepening our awareness of what matters at that moment, augmenting our gut reactions with quantifiable insights that improve decision making. We will look at some of the more traditional metrics we should capture as our businesses develop and grow.

Data is only half the story; interpreting its meaning helps us make more informed decisions about trends. Recognising opportunity is an essential facet of being an entrepreneur. In a recent survey, 79% of all entrepreneurs said it was 'easy or very

easy' to find new opportunities, whilst 45% felt it was difficult to act upon them. It surprised me that opportunity hunting was perceived as easy when so few of us engage in the process of innovation.

To be opportunistic, we have to be alert, use what experience we have to smell out the next trend and do so via our networks. We have to have confidence and self-belief, defined as entrepreneurial self-efficacy, engage with creativity and absorb the signals from the world around us.

Knowing what is hot and what is not saves us money and helps secure a pathway to growth. Questions, once again, are at the heart of the exploration. Jeremy Gutsche of Trend Hunter suggests three questions that might help; what innovations are happening in your industry? What is occurring in adjacent industries? What is wowing your target customers and grabbing their attention right now?

CONDUCT AND ENGAGE with regular **environmental scans**. Many may have heard of the acronym PEST; we have added a few more letters to create additional insights. The purpose of the scan is to engage with each category and question what is happening, then what 'could happen' to de-risk our project and, finally, bring in innovation and change by asking what 'ought to happen'. We do these quarterly and utilise tools like *Feedly.com* to scrape stories about what is happening and *trendhunter.com* to explore new ones. As we look around, we reflect on what may impact us, what new opportunities are out there and what risks may derail us.

By instilling this discipline into your business, you will start to engage with the environment beyond the current boundaries and seek new opportunities over the horizon.

4 - LEARN HOW TO IMPROVISE AND DANCE IN AN UNCONVENTIONAL WAY

I remember the first time I heard Miles Davis *Kind of Blue*. I was in awe of the melancholy tones, the muted trumpet and the simplicity of the sound, it almost felt effortless. Yet, it stood at the crossroads of a movement, a time when jazz transitioned from what was to what is now; a world of 'cool'. Not only a jazz masterpiece but also a composition that transcends genres to influence musicians to this day. It is the gold standard. The album, described as "a fixture in every civilised home and an international symbol of cool" ([Guardian, 2009](#)), sits top of my playlist. In Ashleigh Kahn's seminal book on the subject, we delve into the philosophy of Davis, the less is more approach, the value of humour and the free-flowing interaction between design and outcome.

So, what made it so special, and what can its creation teach us? The story of the making of this iconic album started on March the 2nd, 1959. A turbulent world full of change, Cuba and Castro; uncertainty from the Cold War and social ambitions that emerged from space exploration provided the context in which five richly talented musicians walked into a Columbia Records studio. Some had never met before. They had the vaguest of briefings, the mere smatterings of notes, chords and melodies provided to play, and they set about creating something that will last forever.

Khan gained access to recorded material that included background conversations that took place between band members. Miles Davis was a man of few words, but the feedback and direction he provided to the musicians were picked up and recorded for posterity. Prescient and visionary, he would look at a band member and count them in, locking them into a beat and a sense of space, allowing them time to wildly improvise, but as Khan notes, freedom within the guided framework.

As Kahn says, "(Miles) was a musical visionary balancing personal limitations with an expansive, intrepid spirit". As entrepreneurs, we find ourselves doing pretty much the same.

We need a framework to hang things on in business, but we also need to respond to what our senses are telling us. The improvising and dancing I refer to in this section are about how we create the strategy for our business. I have written many strategic documents in my career, articulated actions designed to achieve a specific outcome. For the most part, these documents have crumbled under the weight of complexity. Frustrated by failure but also convinced by the need, I wanted a new way to create action. The challenge was to bring my thinking from the pathway to the dance floor.

Business is not a binary choice between winning and losing, not a game with set rules, teams and known participants. In his book *The Infinite Game*, Simon Sinek argues this point to significant effect; therefore, strategies designed to outsmart opponents may be good on the football pitch but not necessarily good in business.

Henry Mintzberg, author and academic, who has a long career in developing theories around management, believes that strategy is not just one thing. I like his observation that it can be about patterns of actions, shaping and observing them, changing the formation and noticing when they become misaligned (3). This sense that strategy emerges from being present, fully aware of that moment, the context in which things happen, and the meaning we ascribe to these events. That notion appeals to me. It lessens the load when thinking about the future and recognises the reality of developing and leading change. His work does challenge the conventional and forces us to think about what strategy is – is it tactical or loftier than that? Does it involve stability or flux? Mintzberg talks of *crafting* strategy as the opposite of planning strategy (3).

The intimate, fluid and dynamic process requires engaging intuitively and fostering a mind to learn—a far cry from the planning concept, which sounds more orderly, controlled and corporate.

As entrepreneurs, we need to get comfortable with ambiguity and follow the emergent pathway – one eye on the tiller to adjust and steer and the other on the distant and immovable north-star, aligning to Mintzberg's notion of *strategy as a position*.

We can only engage with the *crafting* metaphor if we liberate ourselves, embrace intuition and learn to dance. To do that, we must free our minds to the elements and commit ourselves to learn. As owner-manager entrepreneurs, we are the explorers, encouraged to carry around burdensome boulders in the form of goals. Dragging around chains like Marley's ghost in a Christmas Carol saps energy and slows reaction times. Smash the chains and engage with strategy as Scrooge did, finding a new sense of purpose and a desire to do good.

A strategy deliberately stated, designed in advance and conducted under military precision may appeal to the traditionalist corporate, but that's not us. These words do not chime with the current chaotic state of the world nor the startup explorer within us. Mintzberg's metaphor of strategy as crafting, makes you the potter, "aware of sitting between her past experience and her future prospects", shaping the clay on the wheel, building something with purpose and intent.

5 - LIVE BY YOUR VALUES. KNOW YOUR PURPOSE. BE AMBITIOUS.

By doing all three, it is how we persuade others and get things done.

When combined, three elements create the passion formula; a combination of doing what sits comfortably within you, changing something that matters to not just you but to a broader community. When combined, these three elements motivate,

energise and inspire us to get out of bed, even when it's cold and wet; elements that create a passion.

So many of us settle for what is without reimagining what could be. We look to create a job and not a business. We lose the passion, work in a way where our values are not aligned, and our purpose sits behind what we do. We settle. If we remove one of these elements, our drive to do more will vanish.

The most powerful question in business is 'what if..?' It changes the way we see something, the imagining of difference. It is the catalyst to the relentless need for organisations to deliver more value, create or discover new opportunities and act upon them. We do not do this by simply tweaking what we have; we take the ingredients and reimagine a unique mix transcribing this from mind to page, from page to customer. For many of us, we do not desire to be the next Elon Musk, but that does not mean we have to settle. Ambition, sometimes seen as being self-centred and selfish, is vital to communication. Not wanting to see our purpose permeate boundaries and impact more people denies them the chance to experience something of value. Rather than renounce our ambitions, we need to embrace them.

When connected with a powerful narrative, these three elements become your pitch—the tool for persuasion.

6 - FIND COMPANIONS TO EXPLORE WITH; A SHARED VIEW, A NEW FIND, A DISCOVERED TREASURE. ALL MOMENTS TO SAVOUR, NOT HOARD.

The explorer in you recognises that using the tiller, reading the map and being aware of the conditions underfoot are better managed with companions than alone.

We open up the resources we need for our expedition by communicating the challenge we set ourselves with passion.

Kon Tiki – how the improbable became possible

On April the 28th 1947, 603 days after the surrender of Japan and the end of the Second World War, an explorer, ethnographer and anthropologist by the name of Thor Heyerdahl set out to prove a theory.

Heyerdahl, a Norwegian by birth, lived on Fatu Hiva, a group of islands in the South Pacific with his first wife. They went there as academics but also with a desire to escape and explore. Whilst on the islands, Heyerdahl was intrigued about how the population grew and theorised that rather than solely being of western origin, the indigenous people of South America must have played a part. The theory was informed as much by the artefacts of the island as it was by the legend of Kon-Tiki Viracocha, who supposedly set sail in a balsa wood raft from Peru, heading west towards the islands. Heyerdahl presented his theory to the academic elite in anthropology. They laughed him out of the room. Herbert Spinden, president of the American Anthropological Association, laid down the following challenge - "see how far you get yourself sailing from Peru to the South Pacific on a balsa raft!"

That was enough for him to be inspired – he proceeded to build a team of five to travel with him. The crew all shared one thing; courage, and they all brought a unique skill. The story unfolds, and despite the challenges, sea, sharks and the novelty of the venture, 4,100 nautical miles over 101 days, Heyerdahl and his crew proved their point and shed new light on human endeavour.

As entrepreneurs, no one is expecting us to face similar challenges – but the lessons are clear. The team we build has to share a common value and bring individual competency to the task ahead. The explorer needs the company of others – find your companions before you depart.

7 - DON'T RELY ON THE WELL-TRODDEN PATH TO SEE THE UNEXPECTED

In life, where we walk determines not only what we see, it defines how we see it. The uniqueness of people's lives shapes how we all engage and interact with situations and how we understand and respond; the complexity and beauty make up the tapestry that is our narrative. Being in business is your chance to deliver something unique to you and unique to your customers.

When I worked in London, I would arrive at Liverpool Street Station at 6.15 AM and walk to my offices. Most people, I observed, walked looking down either their eyes fixed to the screen of a Blackberry or focused upon the pavement. I chose to look up. The path I followed was identical to how we all travelled; I experienced it by observing what was above me, not beneath. Why? Because above me was artwork carved into the overhangs, golden grasshoppers peering across the skyline and ornate coloured windows that glistened in the sun.

Some days, I would detour down one of the narrow alleyways made famous by the runners of The City. I would walk past landmarks that Dickens wrote about in his many books and admire the facades of churches, restaurants and offices. As I travelled these alleys and side streets, it occurred to me that each journey was a unique experience; it may contain a different face, an unnoticed shift of a roof tile or a fresh layer of dirt on a window. I would arrive at work refreshed by my appreciation for working where I did, the day had a newness about it and an expectation of challenges yet to be revealed.

No matter what we sell or deliver in business, changing the route, choosing a new pathway helps us deliver something that sets us apart from others. You don't have to discover the next big thing. You have to apply your uniqueness to the thing you do.

I am a great admirer of the author and marketing guru Seth Godin who said, "Don't be different just to be different. Be different to be better." It is a mantra that I adhere to, a constant belief that difference is about improvement; when we get better, the beneficiaries are those we serve. You do not need to travel a new path; you can travel the same way but with fresh eyes, see things differently, and take true joy from what you discover.

8 – NURTURE NEW COMMUNITIES, BE AWARE OF HOW YOUR PRESENCE CHANGES THEIR ENVIRONMENT

There are significant differences between a network and a community, not least upon how information flows between cohorts.

Networks receive and disperse knowledge in a more ad-hoc manner so recipients can judge the value of what they see and hear in the context for themselves, choosing to pass on information based on an appreciation of who within their network might benefit.

In communities, information flows unimpeded, shared with everyone based upon the common purpose and community benefit. Therefore, communication is judged on that basis, what is suitable for the collective good. What is not relevant rarely gets diffused, and what is gets magnified.

There is a random nature to communication within networks and a more focused exchange within communities. Build communities, and we build engines of growth, advocates and first adopters. Your business will prosper from newfound proximity and relevance. Opportunities will emerge through co-creation and innovation driven by the people who would benefit.

The challenge is not to be exploitive or over noisy, since being too sales-focused or commercially geared weakens our position within the community. Your job is to **facilitate, entertain, educate**

in the domain of interest, and **develop** numbers. I call this the FEED model of community development. Vibrancy leads to engagement and participation – we create a tribe from which our brand gains a welcome boost.

9 – COMMUNICATE YOUR FINDINGS; JOURNEY AND JOURNAL ARE CONNECTED

A Roman Stoic philosopher, Seneca, said this, "I will keep constant watch over myself and – most usefully – will put each day up for review."⁽⁴⁾ In his opinion, it was a virtue being reflective and a vice to be reactionary. Our past plays a significant part in our future, it does not define it, but it gives it an informed

direction. It is the discipline of keeping a record that is a struggle for many, yet writing down what we have experienced is part of a learning process, the means to capture and not forget, to question and seek answers rather than avoid.

If we set out to quiz the day or week as we experience it, the learning process becomes ingrained. Journal and journey come from the French word, jour, which means day. How we physically experience the day and record it is a learning process for us and the organisation we are seeking to build. The vision is of an organisation made up of capable people eager to create, acquire, and transfer knowledge.

Learning is directly related to growth; the more we learn, the more we apply that knowledge, the greater the confidence and aspiration we impart. Since the 1990's, the concept of a learning organisation has always been discussed in the context of large businesses. The issue has always been that despite the effort in understanding the value of the learning business, rarely were the practical steps considered to implement such an idea. Smaller companies, who do not have the time for learning because they

are constantly doing, had even less time to implement cultures to encourage and make it happen, containing aspirations and limiting growth. The priority for many is survival – what time do we have to learn?

The greatest explorers kept a ship's log, a scientific journal that captures events and records insights contextualised by time and place. As entrepreneurs, we are explorers, and we need to do the same.

To journal is to learn how we share and build an approach designed to facilitate growth.

AN EXPLORER SETS OUT TO LEARN



STANDING ON THE BRIDGE OF YOUR SHIP – IS ABOUT BEING POSITIONED FOR FEEDBACK

Exploration is essential in finding new opportunities and uncovering fresh revenue streams from which to grow. The explorer's mindset is relentless in its pursuit, engaged in the process, and constantly learning whilst seeking feedback from the environment.

According to research, the level of alertness that a business displays links to how freely it engages with strategic change, and the passion it has to pursue a new opportunity. Being alert to the environment is one thing; observation is critical, but insights are gained through testing and, ultimately, learning. If we do not do this, observation is merely a pastime. Therefore we must have a passion for the job if we are to counteract indifference. Passion, an intense emotional state that drives meaningful action, needs to fill our business to generate the power to observe, test and learn more.

The individual learner and organisational learner, though different, do share many characteristics.

HOW TO BUILD A BUSINESS THAT LEARNS

Every step into the unknown is a step towards learning. The process of engaging with the new places us outside the comfort zone and into a world of ambiguity, uncertainty and fogginess. This is the world of the explorer and unless we build a system that can learn, we are merely stumbling in the dark and not exploring in the true sense of the word. Now, more than ever, we need to build learning organisations – places where the firm seeks a road to constant improvement and a chance to put new ideas to work. The micro-business owner rarely affords themselves the luxury of thinking in these terms. Far too busy doing or worse still, firefighting to engage with processed learning. Reflective practice, the 'sit back and think' mindset, is deemed a waste of time or considered an unattainable goal. It is though neither of these two things.

Research and writing on learning within the business are ubiquitous. A HBR article, written by David A. Garvin, Amy C. Edmondson, and Francesca Gino from 2008 entitled '*Is Yours a Learning Organization?*' challenges us to embed a culture of learning into our firms by adopting three practices and approaches:

- Tolerance for mistakes
- Processes for learning
- Leadership that walks the talk

These three became the mantra of excellent and adaptable business practice.

TOLERANCE FOR MISTAKES

No one enjoys spending money and energy on getting it wrong. Still, we can appreciate the value of baby steps versus giant leaps by reframing every action as a step forward and not a destination. Neil Armstrong's declaration when landing on the moon was of a giant leap for mankind, but it was also the culmination of the efforts of many smaller steps, some of which were triumphant, whilst others ended in tragedy. There was time for reflection in every instance, and Nasa presented its findings to both those working within, as well as to Congress, who were ultimately accountable.

The greater goal was the North Star, defined by JFK in 1961, to land a man on the moon by the end of the decade. It was why a culture of tolerance persisted so long as improvement was an outcome.

Leadership was about establishing personal and team-based safety for those working on the project; no one would lose their jobs so long as the mistakes were not replications of past failures. Psychological security is an essential facet of tolerance. Having a culture for presenting new ideas and appreciating differing views must accompany any form of learning. Constantly seeking confirmation and only engaging with those who agree with us are two biases that lead to replication rather than improvement.

When I bought a franchise in education, I aspired to create a job and let the design of the business be the

responsibility of someone else. Within a short period, I learned very quickly that this was not working for me. The job was not what I wanted or had, and the lack of control over design meant my values were at odds with those of the franchise. It presented a choice, I either throw in the towel and write off my investment or reframe the purchase as a desire to learn about small business development. The only reason I gave myself permission to fail and a time frame to learn was that I knew my purpose in education was more than owning the franchise. It was to change a system. I learned through a mix of practical activities, regular journaling, seeking theories to relate to observed behaviours and outcomes, and engaging with the tools of the trade whilst picking them apart. Knowledge acquired was never lost, and time for reflection, personal and within the team, was embedded into our routines.

PROCESSES THAT GROW AND SHARE THE LEARNING

Business needs a heartbeat, and the regularity of meetings often sets the rhythm of business. Meetings are a chance to explore actions and outcomes further, garner insights from others and expand our understanding. It is why they are such a valuable part of the learning process.

Set yourself a schedule of meetings and adhere to the timetable.

The project is never just you. Suppliers, customers and families are all stakeholders in the project. Setting aside time to reflect, sharing moments of insight and revelation is all

about learning. Sticking to a routine starts to embed this learning process as the heart of the strategy. These meetings become the mechanism to gather insights, explore the data, interpret it and use it to substantiate arguments and validate decisions. It is also about sharing the information and forging the culture of the business. You need to set up and establish the processes that can be scaled and replicated later.

Avoid silos and hierarchies that impede communication flow.

You are a startup on a growth trajectory, an explorer who needs to react quickly, consider what is happening, and, in doing so, make effective decisions. How we structure the business drives growth. If we sit people in neatly packaged dustbins, we contain creativity and impede communication – we stifle learning. You need to bring in a culture of learning that is inclusive of all. Do not treat suppliers as distant, unconnected participants; consider them as partners, beneficiaries of your growth and you of theirs. Partnerships are strategic alliances that serve both or all parties. They are based on shared values and work to deliver advantage to all. They are also social learning tools and a chance to gain peripheral vision, fresh insights into issues and the opportunity to do more.

FOUR QUESTIONS THAT SHINE A LIGHT ON ACTIVITY

These four questions stem from an approach used by organisations from across the world. They are the means to

build an inquiry, evaluate, and then implement a new direction if needed. Use the BMC to codify the learning.

WHAT DID WE SET OUT TO DO?

Be clear on what the intended 'impact' of our actions were. If your goal was to bring in a new service, what gains were you trying to create? What pains were you seeking to appease? And what job do you intend to do?

WHAT ACTUALLY HAPPENED?

An analysis is about immersing ourselves in the outcomes and asking those involved to share their experience to gain greater understanding. There is a cost to constantly seeking insights; customers tire of being debriefed without a real explanation as to why. We must find ways of including them in the results to demonstrate that their experience shapes a new one and that you are learning.

WHY DID IT HAPPEN?

Getting to the nub of the situation is a process of discovery. The 5-Whys technique uncovers the root cause of any problem within a short space of time. It works by simply asking 'why?', ideally for a minimum of five times. Toyota created this technique in the 1930s and still uses it today as part of their "go and see" philosophy. Used primarily to improve a simple situation rather than a complex issue, it helps develop actions that counter unwanted outcomes. You

will find that any problem will have one of three root causes: human, process, or physical. Any root cause analysis is looking for patterns of replication that drive adverse outcomes.

WHAT DO WE DO NEXT TIME?

(Which activities do we sustain, and which do we improve?)

Having identified the aims, documented the outcomes, and explored the issues, we need to consider future actions. Create a roadmap of possible changes and prioritise them based on complexity to implement and the potential magnitude of outcomes. A simple two by two matrix like this one below can help.

Implementing a process like this and using discovery as part of the meeting agenda will help create a culture of inquiry and action. It will bring in the bones of learning into the business and help the team develop a clearer understanding of how their actions impact the actions of others.

LEADERSHIP THAT WALKS THE TALK

Leaders set the tone of organisational behaviours by their actions. By establishing a culture of listening, not talking over people to block out ideas but allowing space in the room to let ideas in, you will empower people to contribute. From this, new approaches will emerge, and the organisation will appreciate a newfound enthusiasm and the means to

implement change that sticks. Your role as a leader is to define the actions that pave the way to improvement.

What is the secret of a long and happy marriage? I believe it can be found in the word 'accommodation' and not compromise. When we accommodate, we make room for others. The analogy of three people sitting on a park bench and someone else rocks up to eat their lettuce and Marmite sandwich (I know, it's a childhood thing). Compromise is someone sliding off the bench whilst accommodation is everyone giving an inch or two to allow for a closer lunch date than planned.

To accommodate or compromise?



It is not always the most comfortable place; it can be an emotional squeeze, a negotiation by which partial sacrifices are rewarded with a consensus. In business, as in life, we do not have a monopoly of being right. Dogma kills creativity and murders opportunities, whilst compromise always leads to sacrifice and someone missing out. Be the appreciative leader aware of context, adaptive to situations and constantly on the lookout for opportunity. The VUCA environment, that is **Volatile, Uncertain, Complex and Ambiguous** (5), of the day requires this from us all. Building a learning system into our businesses is not a luxury, it is an essential aspect of survival

1. Is the business learning effectively?
2. In what ways can we capture more insights to learn more?

These challenges and the responses we give will lead us forward, so embed these questions into any strategy meeting as a prompt to building a learning business.

LEADERSHIP ALONE IS NOT ENOUGH.

Without the processes to create and capture learning or the culture that flows through the business that sees mistakes as opportunities, any aspiration to create a learning organisation will flounder.

In one bank that I worked for, the staff were regularly sent on training courses, drip-fed the latest Harvard based insights on leadership and strategy, then sent back to their desks to carry on. Presumably, the bank hoped that the personal learning would spark a newfound passion in someone, but inevitably it felt like a box-ticking exercise because it was not authentic and felt out of place. The importance of creating a culture of learning from the onset is that it feels like the right thing to do and it's valued.

Do not underestimate the energy that a learning business can bring to deliver a competitive advantage to you. Learning empowers people, increases their effectiveness to benefit the firm. Invested people provide exceptional customer experiences, bring in new ideas and see the bigger picture—no boxes to tick, just a desire to succeed.

PEOPLE LEARN DIFFERENTLY.

Building a learning business requires that we recognise that not everyone learns at the same pace, in the same way, or needs to understand the same things. Variety in delivery and approaches is crucial. The mechanisms for learning must

include visual stimuli. Placing posters on a wall with solid images and quotes reminds people of what is essential to the business and the firm's values. Instead of a sizeable organisational directory, synthesise the material into a PowerPoint of images that help people understand the culture and processes.

Creating meeting points for impromptu discussions encourages the sharing of ideas. People who learn through verbal cues are found at the water fountain, chatting over refreshments. Placing a message board next to it could encourage people to leave behind what was discussed and suggested actions to follow. Making sure we create breakout rooms encourages people to go deeper into issues and share ideas in the digital world.

Entrepreneurs often say they learn by doing. Bring in new ideas and changes based on past failures but reacting is one thing; learning is another. The concept of practice is novel for many entrepreneurs. It is usual for them to practise on live customers, change delivery just to see what happens and call it learning when the customer does not like what they have done. Given how hard they have worked to gain that customer, why risk losing them with an untested change or novel idea?

Visiting a practice ground is second nature to a professional sportsperson or a surgeon. The sportsperson or team do not bring their A-Game to the match or event without first honing their skills, testing new ideas and generally growing their competencies on the practice ground. Surgeons practise their craft by spending their formative years holding and using the tools of their trade on

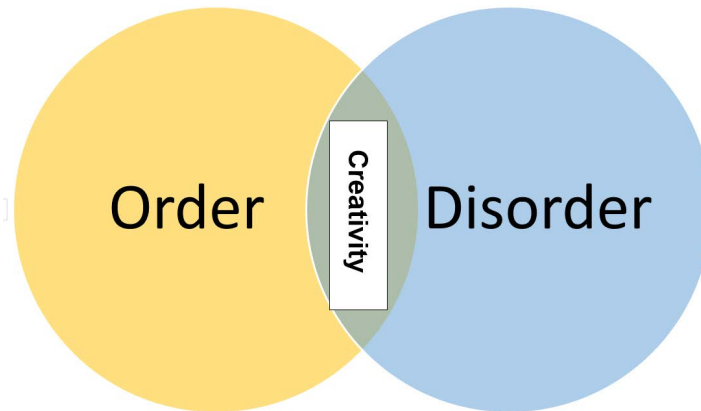
a human cadaver, not on a living person. All those fantastic people who donate their bodies to science help surgeons develop their skills and save lives.

That is why practice grounds are vital for entrepreneurs. They may not have the nation's eyes upon them or have in the hand's life or death decisions; they have their livelihoods and those who work with them in every decision they make. Practice grounds are not just for the kinaesthetic learner, the person who learns by doing. They are for all entrepreneurs. Attending entrepreneurial learning events, complemented with visual and audible learning cues, is how we instil learning into our organisations.

So many businesses fail to enliven the contribution of their employees through training in the right skills, not just hard skills but softer, more emergent skills such as entrepreneurship. If they do, then it is through a programme of lectures or facilitated workshops. Yet entrepreneurial skills are gained on the go in situations with heightened tension and a sense of reality. People want meaningful education that stems from real-life situations, not textbooks or case studies.

As you build your business, define the strategy of learning for yourself and those you bring in. Enhance efficiencies and grow effectiveness through the power of learning. Fire up the primary engine of growth and create a culture of bravery, openness and passion for what you do.

THE INNOVATION PROCESS



DRIVERS OF INNOVATION

What is the goal of innovation? The word is banded around in business as a mechanism to instil wonder or imply some radical change. Often considered the domain of the clever, associated with newness and, therefore, difference. To be innovative as a business, we must understand why, for what purpose do we want to engage with change, newness and novelty? To be innovative, we do not have to be clever; we have to be in touch and look for drivers of innovation.

Let us take a closer look at an example from history. I lived through this time, though back then I knew little about conducting an environmental scan, I knew the world was tumultuous in regard to what was happening economically, politically and socially. Reflecting on that time, like this, I reconnect with some of those decisions within the travel industry that were made, some of the drivers of change. It is a case study, not a replete diagnostic of the era, but it will alert us to how we view today's context. These are the winds

of change that the explorer can fight or use; set the sail fare and you can catch the next big wave and make an even bigger impact.

EXTERNAL FORCES – SOCIAL, ECONOMIC, TECHNOLOGICAL AND POLITICAL CHANGE

In travel, the 1970s saw the boom of the package holiday industry. Economically the UK and the world were suffering. The oil crisis had crushed those economies dependent upon liquid gold. The IMF had just bailed us out in the UK; we had the three-day week, the imposition of exchange controls that limited how much cash we could leave the country with (£50-00 in cheques plus £15-00 in cash) and strikes that saw rubbish pile up on the streets. There was a collective sense of a lost opportunity as the UK drifted ever lower in the economic league tables. Demographically the 'Baby Boomer' generation, those born post-1946 and who had benefited from the end of austerity, were coming of age. People were getting more prosperous, and the cult of individualism replaced the sixties' community culture. People wanted glamour, a lifestyle reflective of optimism and in part stimulated by one upmanship. In this context, travel and a tan were the new marks of individualism and a sign of attaining true middle class status. Despite the increasing numbers of travellers, it was not until 1979 and the ending of exchange controls, that foreign travel was reclassified as an essential item instead of a luxury one.

The industry response to this was a significant change in business models: call centres designed to handle mass

bookings created process innovation. Foreign currency was now common currency with dollars, pesetas, and drachma traded more freely, prompting financial innovations to find their way into the industry. Airlines became no-frills airlines, and the precursor to Virgin and EasyJet was Laker and Dan-Air. Technology innovations included new aircraft, the growth of tourist destinations and the high rise hotel itself were innovations in their own right. These were changes driven by social, regulatory and economic winds, powerful forces that encouraged the creation and adoption of new technologies. People became habitual travellers, Southern Europe opened up its coastlines, and visitors poured in.

Since then, the way we consume travel has constantly adapted to the technological and social pressures of the day. Websites and platforms, like AirBnB have opened up new mechanisms for consuming new experiences. Travel is an essential aspect of everyone's lives.

INTERNAL FORCES – CUSTOMER-LED INNOVATION

Today's innovation comes from a more comprehensive set of forces prevalent before the pandemic but accentuated by it. VUCA environments are forcing dynamic shifts in industries, and business models are rapidly changing to respond more effectively to the customer's needs. That is why the explorer's mindset is essential, and for those businesses that encourage it, domination awaits.

Customers are constantly telling us things, maybe not always directly, though surveys and seeking feedback should

figure in our approach, but sometimes indirectly through behaviours and body language. To be the explorer, we need to be better readers of people, understand what they want and figure out if we have given it to them. Customers are a fantastic source of innovation if we open our eyes and ears. Here are six ways we can extend the value and increase ways to innovate through them.

1. How can we address more of what they want?
Increasing the number of jobs we do for our clients can determine which jobs address the greatest need and provide the most benefit.
2. Focus on what is important to them. Getting great at solving the most significant challenges makes us even more relevant.
3. Find a common cause and make it central to why the business exists. Innovation through social change, which our customers share, brings energy to the firm and a sense of positive achievement to the results.
4. What job are we doing for our customers, and can we do this at a scale where we are growing customers at speed while our margins are growing? Scaling is considered the holy grail of business and involves replicating outcomes without high incremental costs. Business models that can scale will ordinarily have high fixed costs in the form of a platform investment representing significant capital sunk into an engine of growth but low

variable costs. That means the addition of new customers hardly changes the costs of delivering to them, so serving a thousand customers is only marginally more expensive than serving one.

5. Gamification is incentivising customer experience, rewarding them constantly and, in doing so, bringing them closer to you. The benefits are clear; gamifying an experience extends the customer journey and makes it hard to leave. Can you reward them with points (loyalty rewards), bring an element of competition to the fore (league tables), bring elements of fun to them (entertain)?
6. Technologies are making it easier for us to enhance what we do and, by doing that, create radical improvement for the customer. When we effectively address customers' needs, provide something they desire by sating a want, and do so in an unexpected way, we create moments.

To echo the Maya Angelou quote,
"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

Customers rarely remember what we say or do.
They remember the experiences we create.

NOW WE HAVE SET the stage for why some change happens. We must consider what practices and processes are required to make the most of it.

SIX STAGES TO CREATE AN INNOVATION SYSTEM: HOW TO BECOME A BETTER PRACTITIONER

We understand that time is of the essence. It can be a daunting challenge to engage or implement anything new. Changing a routine or habit takes time and effort, but it needs to be innate, an ingrained way of thinking and doing to become intuitive. The mental models we adopt help shape the posture and positioning we take on. The culture we build enforces the practices that create, develop and exploit opportunities. The processes we bring in develop the ability to operate a system of innovation.

So, how do you develop as a practitioner? How do we create a new set of mental models, change a culture and build an innovation engine? The first thing is to change the stimuli we expose ourselves to and experience life from different perspectives. Only then can we find situations that need improving.

STAGE 1 – DO MORE GOOD

Innovation that responds to the planet's needs is not a nice to have or a luxury. It is a necessity. Now more than ever, growth is never at the expense of sustainability. You may believe that this is the domain of big business or does not impact what you do or the design of your business model. It is not, and it does.

The entrepreneurial explorer must consider the changing dynamics of demand and respond to it. A [BGC survey in 2020](#) entitled *The Pandemic Is Heightening Environmental*

Awareness suggests that concern globally for the sustainability agenda is increasing, with 70% of respondents calling for an aggressive solution. Nike, that bastion of cheap labour, the excessive user of virgin materials and throwaway products, have signed up to a sustainability agenda along with many other businesses that only a few years ago would not have seen this as part of their mission. Is this a cynical ploy to greenwash their products or a serious recognition that the next generation will ask some awkward questions? We believe it is the latter.

What can we do as owner-managed businesses, and what impact can we make?

It is about forward-looking action and activity – we may not have a significant footprint, but we can have a considerable impact. Collaboration, working with others to utilise resources more efficiently and increase the value provided. By aligning ourselves to the ecological manifesto, putting a social purpose at the core of what we do gives the business a new meaning.

The next generation of business models will engage with circularity, the concept of extended life and the reuse of waste. The linear process of create-use-throwaway is being replaced by one that finds, repurposes and reuses once more. It is an inevitable shift towards waste removal and resource efficiencies that appeal to some. For others, it is a desire to shrink their environmental footprint.

There is a more significant shift towards organisations retaining their assets rather than selling them in the product space. Opportunities for renting or leasing over ownership means replacement is less frequent. [Rent the Runway](#) in the

US is evidence of this. Generating revenues above \$100 million and employing more than 1,800 people, this high-end fashion business changes how the future wardrobe looks. None of this is new. There was a culture of renting white goods in the latter part of the 20th Century; it was replaced by the ownership model when production and shipping costs fell. Now we need to reframe non-ownership from access and price to a desire for a better world. Reframing the motivation away from ownership extends the thinking beyond the consumer's motivations, right back through the entire value chain.

Service businesses must also engage with ecological impact beyond their footprint. Many small companies choose to raise their visibility by promoting tree planting or neutralising their carbon impact through donations and activities. Others have joined the Buyone-Giveone model, where sales prompt some social action. Social and ecological impacts are part of the bottom line of all our businesses, so we need to question every decision we make regarding our footprint. If we think it does not matter now, it will likely matter to your customers in the future.

Circularity is also a human issue. People's skills and experiences often denigrated through redundancy and job loss are vital for education and support. Becoming a life-long learner may extend people's value to society and the economy, but more importantly, the real value is to themselves. A culture of investment and appreciation can counter the human cost of undervaluing our lives. A learning society is not just about having access to education beyond the traditional school years; it is about being proud to be

seen as a learner to advocate for the enrichment of our lives, to extend their value and impact. We establish a healthy mindset and counter mental health issues that stem from self-doubt and a lack of worth by constantly filling and refilling the cup.

Place purpose at the forefront of business design, and innovation becomes a natural bedfellow as the catalyst to create a growing impact.

STAGE 2 – LISTEN TO MORE

We are but a chrysalis locked in a dark space, anticipating stepping into the light when the time is right. That time is now. The innovation practitioner forces themselves to emerge into areas where things look different. They seek stimulus using all their senses to engage with the world.

It has never been easier to absorb knowledge at opportune times. **Listen to podcasts** when driving or stuck in traffic, when taking a shower, cooking the evening meal or sitting in the garden. Taking in the ideas of others can help challenge you to do things differently.

Here is a suggested list of the [ten best podcasts for innovators](#) as supplied by the Board of Innovation.

Listening is also a state of mind, a purposeful activity that is challenging in a noisy world. A significant challenge since not being able to hear, listen for variances in life, absorb what the world is telling us, and not responding to shifting patterns inhibits questioning. Those physically deaf use their other senses to act as their ears, but for the rest of us, we tune out and do not listen. Innovation requires that we first

tune in – that involves the creation of a listening strategy. By discovering where people talk and positioning ourselves to hear those conversations, we engage with new insights. On and offline, public forums, social media, and articles inform us about issues and concerns sometimes not voiced in other ways. Customers often tell us when it is fantastic or terrible, rarely do they tell us when it is OK. Underlying behaviours can do that. Be tuned in to the unexpected – when we expect people to use our service or product for one thing but instead use it for another, we may be witnessing the creation of a new marketplace. All these sources require a listening strategy – embed them into the innovation strategy to drive novelty and change into the business.

STAGE 3 – READ MORE

“It is books that are the key to the wide world; if you can’t do anything else, read all that you can.” –Jane Hamilton

Leaders are readers – someone said it, but I don't know who. It is true, though, reading is a different stimulus to listening. The world is an open book, yet we spend so little time reading it. I love [Audible](#), but I still get so much more from turning the page, but Audible works for me at certain times. Carving out time every day to read is an essential discipline for the innovator. Every page is a different perspective, a new angle from which to see things. Don't forget to hold a highlighter in one hand and a pencil in the other. Elevate points of interest and comment in the margin to capture those moments of realisation and insight.

Here are five books to get you started on your explorations and innovation journey. They opened up a whole new world of exploration and discovery around innovation and business practice for me.

- THE INNOVATOR'S DILEMMA - CLAYTON M. CHRISTENSEN (2003)

By shining a light on why innovation fails, we can engage with the notion of how disrupters can prevail. A book that started me thinking more deeply about the subject, every read reveals a new insight.

- JUGAAD INNOVATION – NAVI RADJOU, JAIDEEP PRABHU & SIMONE AHUJA (2012)

The pandemic has left the world in need of bottom-up solutions, not top-down strategies. This book relates the world of India, China and Asia to a frugal innovation approach where resources reused, repurposed and reimagined drive novelty.

- THE TIPPING POINT – MALCOLM GLADWELL (2006)

Diffusion – how the new finds its way into the mainstream. In his book Diffusion of Innovations, Everett Rogers developed the idea whilst Gladwell popularised the theory. Accessible, sharp and full of insightful observations that explain how the unusual or out of fashion can become viral and desired by many.

- THE LEAN STARTUP – ERIC REIS (2011)

The product development cycle of the traditional corporations, based on deep analysis, large budgets, secrecy and rollout, is an extended and lengthy process. Eric Reis changed that thinking by creating a set of principles to act early, learn and adapt. A groundbreaking book not just for software or products, but for services and experiences as well.

- THE BUSINESS MODEL GENERATION – ALEX OSTERWALDER & YVES PIGNEUR (2010)

A book to present a new tool and a new way of thinking. An introduction to the Business Model Canvas, more than a tool and more of a methodology that helps explain how a business generates and disperses value. An essential read for anyone who is seeking to be a practitioner in this field.

There are many other books I could have suggested, but these five, upon reflection, were books I continue to engage with and impact my thinking.

STAGE 4 - OBSERVE MORE

The most significant source of innovation is watching how our competitors are doing things and how our customers are getting the job done. We find gaps by engaging with our favourite brands as customers and users, and reflecting on what they get right and wrong. How have they managed their experiences? Could you implement changes that deliver a

better experience than them? Even if it is just one aspect of that experience, the most important aspect, Notice the unexpected; failure of processes that should have worked or the link in the chain that should have held. These incongruences can signal that attention is needed, presenting the opportunity to create something new. Ask questions. 'What if' remains the most powerful question of all.

Observation is about pattern recognition – and identifying when the pattern has changed or needs changing. Many businesses develop a proposition that solves a problem, only to realise that the problem they are solving is not the right one. How might we recognise this is the situation – through dissatisfaction and people providing ad-hoc solutions to a problem that they genuinely want solving.

Observation is not a passive pastime; it is an active strategy involving us taking on an ethnographer's mind. The explorer may seek out new pathways, new lands and people. Not recording these encounters or asking the right question about situations is failing as an explorer. The fieldnotes we gather become the organisational narrative, the history of thinking that informs the culture, procedures, and practices we want to preserve and enhance.

Writing and journaling are essential skills to develop since they force us to reflect upon events. Setting aside time to do this can further your thinking, capture areas to consider more, improve your language, and grow the vocabulary of your venture. As we write freely, reflect more, we hack away at the vegetation that obfuscates the pathway,

we clear our minds, prune the debris and set ourselves up for growth.

STAGE 5 – APPLY NEW METHODS TO EXPLORE INNOVATION

One of the most potent ways of engaging with change is by using the Business Model Canvas (BMC). Designed by Alex Osterwalder and Yves Pigneur, (www.strategyzer.com) it is a tool to help visualise the workings of a business on the canvas. Doing this creates a mechanism to understand and talk about the business as a system and use a common language.

Here are three approaches and resources to help you create canvases – there is never a right or wrong way – just a methodology to learn and grow confidence in using.

You can create a canvas using the following resource <https://www.business-model-canvas.app/>

The app is easy to access but limited to words, whereas I prefer images to enhance understanding and further thinking.

You can use a paper resource purchasable from Amazon – it includes 50 of the Business Model Canvas and 50 of the Value Proposition Canvas (VPC). The VPC goes deeper into addressing the needs of your customers.

The BMC is used by millions of entrepreneurs and innovators, those seeking to create value and find unique, effective ways to deliver this. The canvas is an aid to

mapping our journey quickly, and is essentially a dynamic tool—the proverbial treasure map of the 21st Century.

The third way of engaging is also physical and uses stickies that can be lifted and shifted. You can buy many of these styles of physical canvases at www.Stattys.com, along with a whole host of innovation resources.

The true power of the canvas comes when you change the framing from 'what is' to 'what if'. It is a magic moment. A visualisation of what if a partner is your customer, or a customer could be a partner? An ample supply of resources lay dormant for more than 50% of the year, so why not use them to create new value? Lifting one note from one area, drawing a line from one element to the next, opens up the pathways to creating new value.

The methodology behind the BMC embraces the belief that businesses are systems; they have interconnecting parts that, when working effectively, make the entity's purpose come alive. These nine building blocks represent a subsystem that only has meaning when seen as part of the whole. A bit like the human body operating without a heart or liver, or a car without wheels, it just won't work. Accepting this concept, we recognise that dealing with complexity is just one more challenge for the owner-managed business. Having tools in the shed helps but a dull,

blunt instrument can do more damage than good. We, therefore, have to hone and sharpen the devices regularly. We do that through practice and capturing the results of that activity in any format that works for us.

STAGE 6 – EVALUATE MORE

Evaluation is a mix of data and intuition. Data evaluation is less meaningful for many small businesses, especially startups since comparisons are far less likely to be available. When we ask, "how are we doing?" we measure progress against a plan based on supposition and assumptions. It is, therefore, essential to have a framework on which to hang an evaluation. IDEO is a world leader in design thinking, an approach to business development that is creative, challenging, and customer-centred.

When we approach the business model in a design mode, IDEO suggests we address three questions,

1. Is the solution we seek to deliver 'desirable' to a specific and large enough segment?
2. Can the business serve this segment – is it possible to do this based on current resourcing?
3. Do revenues exceed costs? Is the value created worth the price paid – is it 'viable'? If not, how can we make it so?

Tendayi Viki, in his book *Pirates in the Navy*(11), adds a fourth critical assessment that is to do with whether it is 'timely'?

That is market timing, as well as the timing of whether the change fits the business strategy.

This framework requires that we measure outcomes – if something is desirable, the feedback we receive must evidence this. Asking direct or specific questions can yield valuable insights; it can also lead us to misinterpret the results because it depends on the framing of the question and timing in the customer journey. Verbal or written responses may belie behaviours, equally behaviours can be a function of necessity and not of choice. An example of this could be your local GP practice asking if you would recommend their service having just received an unpleasant diagnosis or painful procedure. What value is your response? Indeed it all depends on context.

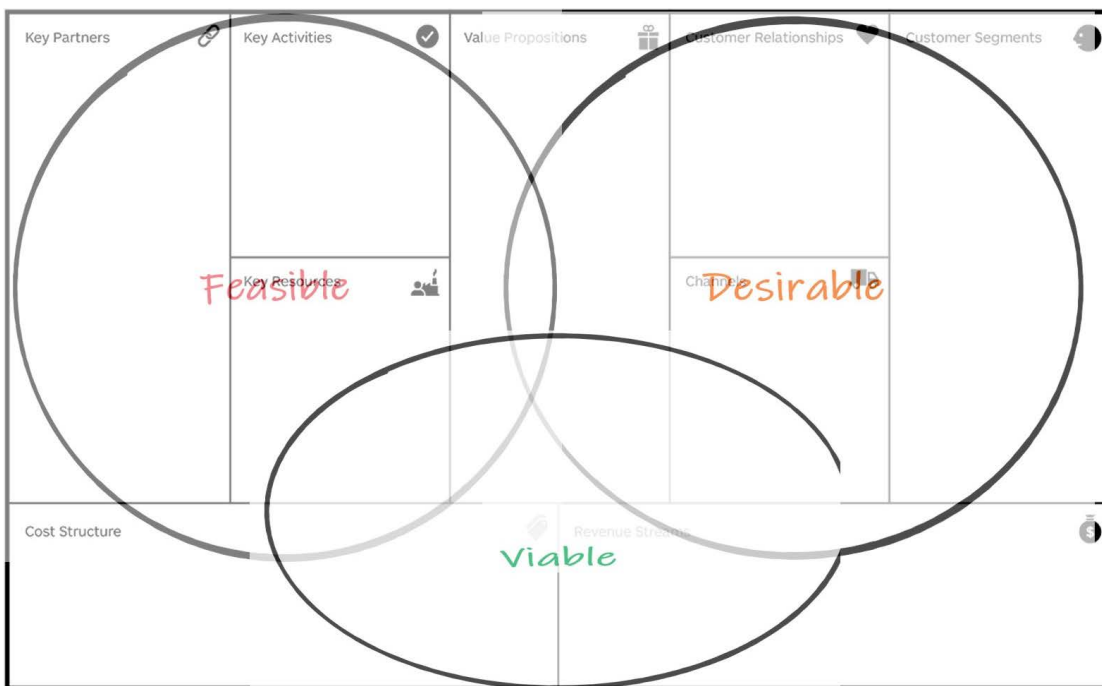
The challenge of evaluating feasibility is a constant process that measures the internal resources, the available capital (human, technological, social, ecological and financial) against what is needed to get the job done. See how everything starts to connect and why. Sometimes, simply driving sales through incentives can be the wrong thing to do. Business is complex and a growing business more so.

The measures of whether something is viable must include a strategy for survival. An understanding of the growth trajectory and the speed at which the organisation can grow. Pricing models that build a financial runway whilst accommodating investments and the inevitable costs of innovation are essential. It is not about maximising profits but about managing money effectively.

Eric Reis of Lean Startup(9) talks about *validated learning*, which comes from talking directly with customers to understand how the assumptions are performing. He warns against using personas and enforced empathy, and encourages direct communication by delivering something that may not work fully but delivers the core of a proposition. He calls this the Minimum Viable Product (MPV), and it is how we test the leap of faith assumptions, and cross the gap between an idea and a customer.

Evaluation is a constant source of debate and challenge. Use the framework to drive creativity to develop questions and explore opportunities.

Placing the three outcomes onto the canvas helps us explore our business model within a framework that encourages us to question and quiz underlying assumptions.



Where all three modes of evaluation intersect is the area of leverage. Get the value proposition right and the business will sing, create something off-kilter and the business will struggle. This is a dynamic, and as an explorer we must keep shifting directions because the context we operate in changes constantly. Whether the model is desirable infers a solution that meets the wants and needs of a specific customer segment. Whether that market is of appropriate size will dictate if a solution will fail to be viable.

Equally, we may create a viable technology but if it is out of our reach or has not yet been made, the feasibility to deliver any project will be questionable. The BMC is a paper tool used to deliberate with others; it captures a moment in time and must not be confused with a plan, the business strategy.

The market determines the opportunities, and these three perspectives are fundamental to assess your chances of success. They create a series of questions to address and challenge any explorer to find novel ways to answer them.

FINDING THE CORRECT ALTITUDE FOR BASECAMP

At what height does one experience altitude sickness? On those ascending the Himalayan peaks such as Everest, trial and error have led to various basecamps being established at the most reasonable altitudes to allow for acclimatisation. Startups rarely consider the issue and probably do not even notice the side effects. "We are a startup travelling ever higher, unbounded and limitless", the founders cry in some heroic mythological way. However, the danger is not recognising the symptoms and not establishing basecamps leading to burnout. We often associate measuring with large corporations, a box-ticking exercise related to project plans where laudable goals attract key performance indicators (KPI). It is not only in the domain of the corporate world where measuring is deemed essential to management; startups also require clear metrics to avoid chewing up valuable oxygen too quickly as they ascend the mountain.

What we measure, we can manage, and what we see, we can communicate. That is why KPIs are as essential for starting up businesses as they are for larger organisations.

In some ways, they are more critical as the ready-made feedback mechanisms of large businesses do not exist. The solo entrepreneur or owner-manager will spend many hours doing; that is the nature of the beast. Failing to build a system, to understand and know how the business is genuinely functioning is a pathway to destruction.

Here are eight KPIs that need to be captured, measured, and observed.

CUSTOMER ACQUISITION COST (CAC):

Defined as the marketing and advertising spend divided by the number of customers. We need to forecast this and capture the results for every campaign instigated and the entire business. The good news is that the longer the company operates and satisfies customers, the acquisition costs will fall – but that is not to say we stop marketing once we gain recognition, far from it. Coca-Cola, John Lewis and BP spend a fortune each year on marketing. They do this for a reason, to manage the spend in the most impactful way as measured by how many customers they get. By encouraging referrals, building a sticky business model keeps customers attracted to the business, and makes it hard for them to leave so that the CAC will decline.

CUSTOMER RETENTION RATE (CRR):

Defined as the length of time, on average, each customer stays connected and active with the business. To calculate this:

- take a snapshot of the number of active customers you have at the end of a set period
- deduct the number of new customers acquired over that period
- divide this by the actual number of customers you had at the beginning
- multiply by 100 to convert it to a %.

An example:

We had 1300 customers at the end of Q1, we started with 900, and over the three months, we acquired 500; therefore, our CRR is $((1300-500) / 900) \times 100 = 89\%$, telling us that we manage to retain 89% of all customers over three months. The lower this number, the more capital we must burn to grow, the less likely we will survive.

LIFETIME VALUE (LV):

As with CRR, the longer they stay connected is positively correlated with the value they consume. Knowing an estimated lifetime value and comparing this to the actual value helps to understand where the expectation is meeting, exceeding, or underperforming reality. It is also a clear indicator as to whether CAC is showing a return on the investment. This ratio LV/CAC is one of the measures investors love to think about – clearly, the greater the number, the more sustainable the business.

MONTHLY BURN:

This is the speed at which cash leaves the business. If we have £20,000 at the start of the month and after any sales, less expenses and fixed costs, the amount falls to £18,000, then we have a cash burn of £2,000.

RUNWAY:

This is the working capital (assets that are easily accessed and turned into cash) divided by the monthly cash burn rate from which we calculate how long we can survive. Runways pre-covid19 were tragically short for many businesses. The realisation is that we need a new pricing model that builds in a substantial runway since volatility in the environment is a new norm.

MONTHLY ACTIVE USERS:

A measure of unique customer visits to apps and web pages; downloads and engagement levels. These are telling KPIs because they indicate value as it is but also as it could be. So, a business with a million visits but no revenue has the challenge of monetising the audience.

STOCK TURNOVER RATIO:

If you have a business with a heavy stock element, this is a vital ratio because it tells you how much inventory runs through the company over a year. If you use an accounting system, then extracting all the required numbers is relatively easy. The general rule of thumb is that low margin businesses need high inventory turnover, and high margin businesses can survive with low inventory turnover. The

ratio is also a good indicator of how pressurised cash flow is. A constant need to replenish stock with a high level of credit sales implies cash pressures exist.

CASH CONVERSION CYCLE (CCC):

The speed at which cash leaves and comes back into the business. It demonstrates the flow of money through the organisation and how quickly the cash can be generated (or not) from daily activities. It is a metric that commands a lot of attention from investors and also from entrepreneurs. I see it as the effectiveness measure for the business model.

The diagram lays out the operating cycle of the business and overlays the flow of money. An intuitive understanding for a product-based business is that procurement, storage, processing, stock, and sales exist with perceived linearity. But with services, procurement is lead generation, which is ongoing, so what we are measuring is the time it takes for that customer to be an active customer buying the service, and ultimately when they pay for it.

CUSTOMER SATISFACTION:

Find a measure that suits you. The traditional standard is Net Promoter Score (NPS), a single measure of likelihood to recommend. It is a popular measure, one which you may have answered yourself – How likely are you to recommend our service/product to a friend? You answer by selecting a number between one and ten, with ten implying definitely and one meaning never. The methodology is that anything

nine and above is a positive, seven to eight are neutral, and anything below seven is a 'detractor'. The aggregated number calculated is expressed as a percentage between 1 and 100. To calculate this, the formula is:

$$\frac{(\text{Number of promoters} - \text{Number of detractors})}{\text{Number of responses}} \times 100 =$$

ONLY 10% of brands in the UK excel – that is, have a higher score than 40%, with NFU occupying the most elevated spot at 70%.

TO CONCLUDE

How do we measure success as an entrepreneur? Is money, the acquisition and retaining of it, all that defines success or failure? Or is there something more profound and different? There is much evidence suggesting that success, in the eyes of an entrepreneur, is measured in many ways, not least in the firm's performance relative to its peers, how workplace relationships evolve, personal fulfilment through a job of work and the impact on the community. All, along with personal financial success, play a significant part in an entrepreneur's assessment. As success criteria are so broad, it must also be evident that entrepreneurs' are also wildly different. Individuals' traits or characteristics are often compared to a template version of what a successful entrepreneur is. This comparison forces us to dismiss some and laud others, with the inevitable consequence that many do not start or, if they do, start from a position of self-doubt. Templates have value, but they also diminish diversity and impede those who do not comply with feeling inadequate in some way.

The intention of focusing on 'the explorer' was not to imply some characteristic or trait that you must have to be successful. Instead, it was to share a mindset that benefits an individual when beginning an entrepreneurial career regardless of personal character.

The book seeks to encourage a desire to see things differently.

The compass is your mindset, embrace the openness of the explorer, and build your reserves to engage with courage, the pursuit of your dreams to create an impact for yourself and society. Develop the capacity to do more by designing a business that learns by tolerating failure, develops learning processes and leads by example. Engage with novelty and pursue value by creating an innovative approach that does not rely on the lightbulb being switched on inadvertently, but instead, has a readily available switch in your control. Finally, capture more data. Invest in your customer's experience and seek measures that help you spend what you have in the most productive ways.

The 21st Century requires that we do not forget the past lessons, those missions in which the brave set out to discover something or somewhere new. Now more than ever, we can choose to engage with purposeful leadership and use the technology to reach a wider audience than ever before. We can set out to discover and shape a whole new world.

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