

# *Business901*

*Podcast Transcription*

*Implementing Lean Marketing Systems*

## Using Little Ideas to achieve Big Things

Guest was author, Peter Sims

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## Implementing Lean Marketing Systems

Peter Sims is an author, speaker, and entrepreneur. He was the coauthor with Bill George of the Wall Street Journal and BusinessWeek bestselling book True North. His articles have appeared in Harvard Business Review, Tech Crunch, The Financial Times, and as an expert blogger for Fast Company.



Sims explains; his book's proposition is based on an experimental approach that involves a lot of little bets and certain creative methods to identify possibilities and build up to great outcomes eventually, after frequent failures. (Actually, experimental innovation has no failures; rather, there are initiatives that have not as yet succeeded, each of which is a precious learning opportunity.) "At the

core of this experimental approach, little bets are concrete actions taken to discover, test, and develop ideas that are achievable and affordable. They begin as creative possibilities that get iterated and refined over time, and they are particularly valuable when trying to navigate amid uncertainty, create something new, or attend to open-ended problems."

It is important to understand that, as Sims explains, "we can't plot a series of small wins in advance, we must use experiments in order for them to emerge." That is, conduct lots (I mean LOTS) of small experiments (betting small amounts of hours and dollars) and then, as small (modest) "wins" occur, increase the "bet" and see what happens...or doesn't. This process is iterative and never ends. The fundamental advantages are obvious. It allows people to discover new whatevers through an emergent, organic process of frugal but sufficient investments, and it allows for all manner of adjustments (course corrections, additions/deletions, increases/reductions, etc.) at any point throughout the process.

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**Joe Dager:** Welcome, everyone. This is Joe Dager, the host of the Business 901 podcast. With me today is Peter Sims. Peter is the author of the new book, "[Little Bets](#)." And a great book for my audience, because I felt like it really talked about the iterative cycles, but in a much different manner than what we normally talk about them. Peter, if you could just give me a bit about your background and introduce yourself for me, I would appreciate it.

**Peter Sims:** Sure, Joe, thank you for having me. You know; I am an accidental author. I co-authored the book, "[True North, Discover Your Authentic Leadership](#)" with Bill George, the former CO of Medtronic, after business school. It's all about how to, basically, be an authentic leader. We interviewed people ranging from Howard Schultz, founder of Starbuck's to Chuck Schwab to all kinds of COs about how they learn from their key experiences, in their careers and their life. Before that, I was in venture capital, where I worked with summit partners, like Growth Equity Investment Firm, meaning, we invested in companies that were growing, profitable companies, companies that oftentimes been bootstrap, self-funded by the founders, to the point where they had, say, 10 million in revenue or more. They were going places, but they needed a boost to get to the next level.

So, I had the opportunity, through that experience, to work in the U.S. and Europe with founders who literally started their businesses with a credit card, and were able to identify and develop opportunities and ideas, in, oftentimes, extremely impressive ways, companies who would go on to be worth a billion dollars or more. Also got to see hundreds and hundreds of examples of companies that just did very mediocre, didn't do well at all.

I'd always been inspired and interested in the way entrepreneurs think, and ended up deciding to write this book after "True North," because I felt like there were a number of movements starting around how to think in this iterative way, this

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experimental, iterative way, including Lean and the customer development model, and agile. Then also, the field of design thinking, which has sort of blossomed starting with Apple, the way Apple develops its ideas through an iterative process, and then has expanded outwards from there.

I became immersed in these different ways of thinking, whether it was design, Lean, or also, just looking at how -- we interviewed over 200 innovators and creators for the book -- how people, ranging from military counterinsurgency strategists to people who are standup comedians like Chris Rock to folks like Jeff Bezos at Amazon, or Pixar film makers work.

What we've found is that they work in extremely similar ways, surprisingly similar way, actually, at the end of the day. It starts with this idea of using little bets, these small, achievable steps to try to discover and develop out new opportunities and ideas.

**Joe:** I have to compliment you on the book, because what I took from it is, I see what I would call, and I think you referred to it earlier as the "tactical side" of PDCA and of iterations with Scrum. But you told stories about people, and people that were iterative people, just about, or organizations were. It was just a great read, and it's hard for everything to be tactical all the time.

**Peter:** Oh, right, no, thank you so much, Joe. Yes, there is a method to the madness, but it's more than just a set of tactics. It's a mindset, in addition to that. So there are a lot of examples in the book. For example, if Chris Rock is developing a new routine, he has to put himself out there night after night in small clubs. He has to fail, most of the time, until he's able to hit on those jokes that are, like, the lightning bolts that he built his act around. That requires him to have a mindset that says, "OK, I'm willing to put myself out there and to fail." Well, then, we look at in the book, research to show how do you become more comfortable with failure? How do you become more comfortable

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with setback? There is a lot of good psychology and neuroscience research to support that approach to doing whatever you're doing, whether it's agile, or any form of agile, or any type of creation that you're doing, like Chris Rock does.

**Joe:** I can understand a person being able to do that, but that's really got to be tough for an organization to sit there and say, "I'm going to go out fail and learn from it," that's got to be tough, and I think you name some in there, but what did you find out about organizations? Was it just all leadership driven that caused that?

**Peter:** Well, I think the most important factor is to have the culture of the organization open to discovery when they're doing something new. Amazon is a great example of it, where Jeff Bezos's philosophy is that you can't put into a spreadsheet how people are going to behave around a new idea. He has to go out and make small bets, to figure out what's going to work and what's not. The whole culture at Amazon is oriented around that belief. I mean; they have, on their reviews, people are encouraged to experiment. It's a value for the culture it's something they talk about in all their meetings: "Have we experimented? Have we gotten out, tried this and get some more information, get some more data? How are we going to create the knowledge we don't have?"

So it's a value there, and I think, in the organizations that are more risk averse, it takes enlightened leadership at the top to make any type of change. But my hope is that anyone can make a little bet. Any organization can make more little bets, and so I read about Procter & Gamble shifting more to that type of culture, state department, I met and talked with a lot of people there. General Motors, same thing. I mean, they all are gravitating towards this type of approach, because it's achievable and less risky.

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But it's hard, it's extremely hard.

**Joe:** What comes out at me is, in this world of technology, this world of data, this, all this information we have now, it seems like we're all going back to hypothesis and experimentation. What's wrong with all the stuff we've been learning for these last years?

**Peter:** Oh, that's interesting. I mean, yeah, I mean, we have in our, kind of, management training, MBA training, we've become very focused on having predictable answers before we do anything new. So anytime you put together a plan; it has to be planned out, it has to be, you have to be able to analyze what the opportunities are, what the risks are. You have to be able to look out five years and say, "OK, this is what our expected value's going to be if we do this step," or if we take if we do this initiative. That is extremely limiting, because most of the time, we just don't know what we don't know. I call it the illusion of rationality; we've got these skills and this mindset that's very linear, right? You sort of pick an end point and then work your way backwards to the beginning, and you really can't predict what lies in between point A and point B most of the time, especially when you're on an uncertainty, or doing something new.

My hope is that we can start thinking more along the lines of little bets and discovery, because that's really the only way that I've been able to find people to be able to navigate when they're doing something completely new or uncertain.

Yet we never learn how to think like that. It's just never emerged, in my education right through business flow into Stanford business school, never got taught to go out in the world and prototype ideas and immerse to try to find where the opportunities are going to be in, you know, whether it's a customer or just out in the world looking for possibilities. Yet this is how innovators and creators actually work.

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**Joe:** How do customers react to these little bets? I mean; they are the ones that are at the brunt of some of these failures, aren't they?

**Peter:** Well, that's right. I mean, when Procter & Gamble goes out to show a new idea, in the past, they had to have everything perfect. What executives there told me, including Chris Thoen who runs the innovation; open innovation for P&G is that, in the past, when they did that, nobody really gave them much feedback. Nobody gave them much insight, because the idea already looked pretty perfect. Well, now when they go out, and the idea is more of a rough prototype, a cardboard, you know, duct tape. It's so crude; it's so basic, it's so flawed that the customer says, "Well, I understand that this is not finished. I understand that I'm being shown this to get my reactions." They feel like they're a part of the process, and they feel much more engaged and likely to provide their actual thought, their opinion, like, "This is how I actually think about this idea."

So, as Thoen puts it, the barriers to receiving feedback are just much lower, just as the barriers to giving feedback are much lower on the customer end. So, a person putting together the idea is no longer completely attached to that idea, because they know it's just a rough prototype. So they're not fighting to get that to the finish line, necessarily, they're trying to learn as they go, and then the customers feel like they're empowered to be a part of the process, part of the co-creation process.

I guess you could say the same thing would apply to Chris Rock. I mean; the audience members recognize that, especially the die-hard comedy audiences in small clubs, they recognize that this is how all standup comedians have to develop their ideas. So there's a permission to provide that type of feedback.

**Joe:** Well, you talk about some real heavyweights in the books. I mean, when you're sitting here talking about Pixar, and you're

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talking about HP, and you're talking about the Obama campaign and things like that, that really, this is at a pretty high level. This isn't just the basic entrepreneur doing these things.

**Peter:** It's an approach that can be used by anyone, as I've said. In the case of HP, I mean, HP had, for many years, they had mentality of making small bets when they were trying to discover new opportunities. A lot of that came from co-founder Bill Hewitt's belief that they had to make roughly 100 small bets to get to roughly six breakthrough ideas. So he understood that it was a process. He understood; he actually had to take action because you couldn't predict, a lot of times, whether some idea was going to work or not. So the first HP calculator, the HP-35, came out in 1972, it was priced at \$400, which at the time, was roughly \$2,000 in today's terms. Nobody thought it was going to sell. They did market research; they contracted out to the leading market research firm at the time. They said; this thing can't sell, because they were competing with very inexpensive slide rules.

Bill Hewitt, on the other hand, had spent the day with somebody on an airplane where the guy said to him, you know, after seeing the calculator, "I really like this. This is an amazing idea. You know; I would buy one."

So Hewitt just used that kernel of an insight and said, "Why don't we just try a thousand?" So they build a thousand of these calculators and within five months they were selling a thousand a day. I mean; it was the fastest growing product in HP's history. You know that was the mentality. That was the way they thought a lot about innovation, kind of bottom up innovation. Company grew for something like 18 percent a year for 60 years. You just can't argue with that.

**Joe:** Did you just make little stories, little chapters out of all this when you made the book? Did you make your own little bets



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book up and then collected them all? What was the thinking process in the book?

**Peter:** Well, I wanted it to be a great book. I wanted it to be a book that was extremely well researched. So what you see is at the top of an iceberg. The starting point is... I think of it as an iceberg because the story that I share, or the story you read in the book is just at the top of a lot of research. Basically, both primary research in these 200 interviews where we're looking for very -- I worked with a research team at Stanford -- we're looking for patterns across how all these people work and think, so that we can boil that down into key insights and methods that each chapter is built around.

But then it's also on top of all the innovation and creativity and psychology, neuroscience research that we could find that was relevant to this topic, as well. For example, there's this belief that you can be more able to go through setbacks and failures if you change your mindset.

Well, we scoured the psychology research to understand, "Well, what does that mean exactly? How does somebody become more comfortable putting themselves out there night after night like Chris Rock does?" It turns out there's this cutting edge research that has been developed by Dr. Carol Dweck who is a professor at Stanford. She talks about how people can develop what she calls a "growth mindset." That is the sense that intelligence or ability can be grown through effort over time.

We found that to be a pattern that we saw in the innovators whether it was Frank Gehry or Chris Rock or Jeff Bezos; they all had a growth mindset. Then when we looked at Dweck's research and all the research she was building on, the consensus was that this is extremely tight research.

Therefore, we said, "OK. Let's put a chapter in the book on this idea of how one can develop a growth mindset." So it applies to

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anyone. You just need to, as Dweck says, you need to be able to put yourself out there, though, in order to become more comfortable with setbacks and failure and basically it just gets easier and easier over time, as you see from your experience, as you're able to grow through putting more effort into whatever you're doing.

Whether it's Lean or just developing ideas with rough prototypes, it's just over time the research shows that you can develop a much stronger growth mindset. So that becomes a chapter in the book. That's just one example.

**Joe:** Is the growth mindset something you can learn or is that just something that you're born with?

**Peter:** Absolutely can be learned and that's one of the main takeaways from Dweck's research is that when we're young... Our mindset, we all fall on a spectrum between what Dweck calls a fixed mindset, which is the belief that our intelligence and our abilities are fixed and the growth mindset which is that our abilities can be grown, our talents can be grown through effort. A lot of where we fall in that spectrum is influenced by how we're praised when we're children. So if our parents praise us for the achievements that we have when we're young then we're much more likely to have a fixed mindset. That is to say that we believe that our abilities or our talents are relatively fixed. As opposed to if parents praise effort and say, "Well, you'll just get better through experience and effort. If you just put more effort into taking that test or you put more effort into that athletic contest, you're going to get better over time."

It's just depending on where the praise is emphasized when we're young. We gravitate towards one end of the spectrum or the other. But the really encouraging news is that even if we have a fixed mindset -- a lot of us do have fixed mindsets because that's how we were raised -- the way to break out of that is, as I said

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before, to through experiences see how you can develop your talents, your abilities, your intelligence through effort, such as making little bets.

So that's how the concepts kind of tie together as Dweck would say, "Yeah, just get out there. Make some little bets. See how you grow through time and then keep building on that over and over again. Eventually, your mindset will become much more of a growth mindset." So that's what her research is about.

**Joe:** Each of these chapters... You have some great chapters in there. The Genius at Play. The Problems are the New Solutions. Questions are the New Answers. They're all real grounded in a lot of research.

**Peter:** Yeah, an enormous amount of research, maybe too much research. It took a year and a half to do this. It was just an enormous undertaking. The point is you want it to be tight. You want it to be the truth. You want it to be really accurate. So it is. I'm very proud of the fact that people who read this book, whether they're entrepreneurs or researchers, say, "This makes sense. This coincides with my other experience or with my research." So that was the goal going out was just to produce a great book like that.

**Joe:** I actually think you did, Peter. As I related to you before the podcast, being a Lean person, Ohno always said what they do is we find problems, we fix problems; we get better. Such a basic thing that he used to become the largest automaker in the world. Using those three simple sentences, and that's also what I took from your book.

**Peter:** Through our research we came across the examples like Toyota and some of the Japanese manufacturers. Of course, Jeff Bezos and Ed Catmull, the co-founder of Pixar, talk a lot about how Toyota and the Kaizen methods and principles have influenced their thinking and their approach to building their

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organizations. You see the same, obviously, with the agile/Lean movement. It's all built from these pillars that have been around for a long time, and it just so happens that whether you're doing PDCA or bootstrapping a business there's a lot of parallels. There's a ton of parallels.

The differences set in, I guess, for this book I hope to add more, is just, "OK. We get that this is the basic approach. How do you do it well?" What do you need? For example, growth mindset, how can you develop a growth mindset? Draw upon psychology and neuroscience to show how we can be more likely to succeed through these other related pieces of research that can help us.

**Joe:** I think specifically with the Chris Rock example, what I found so interesting was the emphasis throughout these organizations on pilot programs. Did you find that all the way through?

**Peter:** Yes. I think pilot programs; they're almost a no-brainer. I'm almost surprised that people would even see a pilot program idea as something that's novel. I was at an advertising firm the other day, and they were talking about how they could more effectively use pilots to discover what ideas we're going to work and which weren't early in their processes as opposed to needing to have the big, big idea. This is almost like a novel thing even for advertising firms, which you'd think would intuitively just try lots of pilots. So yeah, if people take nothing else than "pilots are valuable" that's great. But it's a no-brainer; we should pilot everything we do. I think the Lean movement understands that. That's sort of part and parcel of the Lean movement.

**Joe:** Yeah. I think that with the Lean startup and with the agile guys where they look at a minimal viable product.

**Peter:** Right.

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**Joe:** Get out there and getting it in front of a customer and getting it in front of a live body. I think the best thing that Eric Ries has come out with the Lean startup is that he talks about, "No, the founder needs to go out and get in front of a live body and get that feedback."

**Peter:** Yes, that's right. Just the importance of getting out into the world and out of the office and really, from the very, very front line. That's where value is actually created. That's where intrinsic value is actually created is when somebody makes a decision to pay for something. Bootstrapped entrepreneurs have to be out there talking with these customers or potential customers because that's how they eat their next meal. That's how they pay down their credit card debt. Yet in the Silicon Valley model of getting businesses funded by venture capital firms, you can spend a lot of time in your ivory tower developing an idea that you think is fantastic without actually testing that assumption with actual people, actual users in the world.

Yes, get out of the office. Get out into the world. It's a common sense way of making sure that you're solving the right problems and getting the right insights. Then there's a whole chapter that I write about, how do you get the right insights? This is where you can learn a lot from the world of design thinking or people who act like anthropologists out in the world to use certain approaches to observation and noticing where the disconnects are between what people say they want and what they actually need.

You can learn how to develop that skill, as well. That's not something that's as prominent in the Lean circles yet. But I think over time that they will gravitate towards using these more anthropological, ethnographic techniques to make sure that they're solving, finding the right needs and problems as they go.

**Joe:** How do you think someone could get there? How would you lead someone down that path?

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**Peter:** This chapter that I wrote about in "Little Bets" is, I think, just the natural starting point I would put in front of anyone, which is that title Questions are the New Answers. It talks about how different people in organizations actually go about this process. In the case of the military, they go out, and when they go into a new town in the Middle East, they will spend time with tribal leaders actually having tea or having long discussion with people who are in the town, developing relationships, really trying to understand what the local power structure is like, asking a lot of questions.

There's certain questions that are really good types of questions to answer like very open-ended questions, for example, where it gives people the opportunity to share a lot without targeting them too much towards a specific answer.

So there are a number of examples like that in this chapter that's a starting point. From there it's a skill that can be developed just through careful observation, genuinely acting like an anthropologist and there's another example I write about Muhammad Yunus who's the founder of the Grameen Bank. He's a former economist who became one of the leading social entrepreneurs in the world by actually getting out of his ivory tower office and out into a small town nearby to really understand what the problems were in this small town.

He was trying to understand how to alleviate poverty. He got into what he calls "the worm's eye view" and you just follow him as he goes house by house asking people what their lives are like. He's trying to understand, by peeling back this onion, what are the root causes of poverty?

You in your field would ask similar questions, why, why, why, why, why, just constantly probing to get deeper. I think with some of those operating principles that will get you at least an extra 80-90 percent of the way there. To become even deeper in

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that field, I would recommend studying some of the methods from design thinking.

**Joe:** You talk about design thinking several times here. Can you give an introduction to that a little bit?

**Peter:** Design thinking is a methodology, an approach to building up ideas from scratch rather than starting with the answer. This is the way that Apple develops its new product ideas. They do a tremendous amount of prototyping. They use methods around... Steve Jobs is a constant anthropologist in his own right. They do constant framing and reframing of problems. It's really just a set of methods and a process for trying to solve for needs or problems that may not be known previously. I guess the way I would describe it is that business school teaches us how to solve known problems. Design school or design thinking helps us to identify what the right problems are through a process and then allows us, through lots of testing and iterations, build that into a solution. It's just a basic creative process. There's a lot of history to design. It was influenced by many, many other fields like advertising and other fields where they have creative processes.

**Joe:** I think a lot of the recent books; recent things we're seeing are talking about iterations, it's talking about the pilots and the different ways of doing it. We're kind of moving away from some of our technical roots, aren't we? We need to involve the people again. We need to become a people society. We've all went and started, had all our own home offices and we're all sitting here behind our computers is our office and these one-person bands out there. Now everybody's talking about, "Gee, you've got to go out and see this person. You've got to go out, and you've got to see this person face to face." It's kind of a reversal of where we just came from.

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**Peter:** That's interesting. The problems and the insights for the new business ideas are out in the world. They're not going to appear instantaneously to you while you're sitting at your desk unless you're solving a problem for yourself that solves a need for lots of other people. Yes, the design thinking, I guess, going back to design thinking, it is more of a customer-centric approach to developing ideas. It's a human-centered approach. It's saying, "If you're not really aware of people, you'd be much more likely to be building things and creating things that are, maybe, interesting from a technology standpoint, but that aren't really going to go anywhere because they're not actually solving the right need or problem."

You can think of that and a lot of other trends, I guess, we're seeing as putting more of an emphasis on people rather than just purely technology. You need both. You really need to make sure that you don't forget about people. This is something I talk with people at Google about. Google comes up with technologies all the time that they think are really cool that the rest of the world doesn't care about.

It can be a huge problem if an organization becomes too focused on technology or engineering at the expense of people because that's how the world goes around.

**Joe:** Can you tell me something that you took from the book that you learned from the book that you didn't expect, something that you really took away from it as a learning experience?

**Peter:** The reason I decided to write this book is because as I got exposed to these ideas for how to think in an iterative way and design thinking and saw that these other people were using the same methods and approach, it changed the way I think. I never thought of myself as creative. I wrote the entire book using the principles that I write about. So I started... At the very early stages I hadn't decided, "Well, should I spend time working on



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this project. Is it worth the time?" What I did is I literally just scribbled ideas down on sheets of paper that I put in front of my family and my friends.

One of the people I put it in front of was Ned Barnholt, the former Hewlett-Packard executive who said, "This is great, really interesting important stuff you're onto. It reminds of how my career, I needed to make a lot more little bets rather than just big bets because we ended up making a lot of big bets at HP that cost lots and lots of money, but that weren't actually solving the right problems."

So this experience showed me how to go out and start anything from scratch. I can do anything from scratch now given these skills and these methods that I write about in the book. The end result, in this case, is a book that people say, "Oh, this is a very creative book." No, the process is what's brilliant; the approach is what's brilliant. I'm just driving the train. The process is brilliant.

Yet, we never learn this in school, Joe. I never got close to learning about this all through business school. You have to learn through your experiences, if you're Chris Rock or Frank Gehry or the Pixar filmmakers. I'm hoping, my great hope is that people will walk away from reading this book, have it be thought provoking and say, "Wow. That causes me to think differently." To me, that was... couldn't have a bigger takeaway than that.

**Joe:** There's something about teaching on the Amazon page, isn't there that you looked at this as something that schools should take a look at?

**Peter:** Absolutely. Really, the core of this book is about how do we discover? How do you discover? What do you do to discover? Whether it's making little bets through experimentation or being able to ask the right questions or prototyping or using constraints. All these principles are fairly unanimous ways to be able to create something, whether it's a new business or a new

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piece of software. We never learn that. It's just a crisis. It prevents us from being able to think in a very creative way when we're trying to do something new. So we fall back on these analytical skills that we have, which are great, they're critical for solving known problems. Many, many situations are well-suited for the skill sets that we have.

But when you're doing something new, when you're in uncertainty, when you're out there on the frontier, you need to be able to think differently. When we're kids, we're taught, "You can't make mistakes." Well, actually, when you're doing something new you should make mistakes because that's how you learn what to do.

So I'm hoping that the educational community will read this and be influenced by it and parents will read this and be influenced by it. You need both. You need to be able to discover when you're doing something new using one way of thinking. And you need to be able to, when you've figured out what you're doing, you've got to be able to do it really well, really optimize it.

That's what big businesses do well already though. What they're terrible at, I think, is discovering constantly. This is the flip side of that coin.

**Joe:** I guess when you look at a large company, isn't it pretty difficult to sit there and make little bets? Maybe not on a grander picture, I'm not going after that. But within in a company, within a department, or is it the way we should just learn and the way we should experience life?

**Peter:** Yes, I think it is the way we need to learn. It's the way we need to experience life. That's exactly it, Joe. That's why it was a little bet. That's why the idea is start with a little bet because it's achievable and affordable in whatever situation you're in. For example, people who are working at General Motors, executives at General Motors say to me, "Yeah, this is

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actually something we can do. We can make little bets. We have a very hard time making medium-sized bets because we're so risk-averse. But we can make little bets. We need to make more little bets. It's actually an antidote to risk aversion." Just as Chris Thoen at P&G said to me that the little bet is the way to create a constant learning organization, to be able to make little bets, way to create a constant learning organization.

That's my hope, but I'm also very aware that everybody has an enormous number of constraints on them, and we have a very rigid way of thinking about experimentation in most organizations.

My hope is that people, if they want to innovate within their organization, even if it's just reinventing a meeting that they can make a little bet to see how to do it better. And that once they've made little bets that have succeeded, they've built them on small wins, as I write about, they can do that repeatedly over time so that they gain more allies and more support and more power to be able to influence the culture, even at a large risk-averse organization. So I don't see why there's any reason why anybody couldn't do that.

**Joe:** I think one of the things about Little Bets that strikes me is that it's just like creating knowledge it can't be done in a vacuum. You need to go out there. It's that people thing again that you have to go experience it. You have to go. You learn by doing.

**Peter:** Yeah, that's right. So the more you do, the more you're going to learn and, the more you're going to be able to piece different possibilities together that you can, then, test. There're ways to come up with possibilities again at that early stage of developing ideas. There're ways to come up with possibilities using improvisational techniques and humor that are extremely effective that, again, we never get taught. But that are extremely effective ways to come up with numerous possibilities that, again,

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you cycle back through this process of testing. Your general questions are really highlighting a major part of this book, and that is that when you're at that early stage of developing ideas, there's all these human factors that anyone can do well. Whether it's improvising or immersing into the world and really understanding what human needs are, or what have you that can complement more of a standardized plan, do, check, act process.

**Joe:** In that PDCA cycle. In that Little Bets cycle, in the Agile cycle, the one thing that I question a little bit, though, is it's also that check cycle when you get feedback. You've got to be pretty open to feedback to improve then, right?

**Peter:** You do. And you have to decide what feedback to take and what not to take. I think the key there is that... Chris Rock is not going to develop all of his ideas based on what members in the audience tell him he should do. He's looking in the audience to see where the opportunities are. He's looking to see if somebody's shrugging or smirking or smiling. He's just trying to find insights that he uses to say, "OK. I'm going to try this idea then and let's see if this works." So I think most important part of the feedback is just gathering insights, gathering data. Then you have to decide where do you want to go with that? What's your next idea going to be? You can't let the world tell you what that idea should be. It's very different from just feedback for the sake of having other people create the answer for you.

**Joe:** So Henry Ford's story, if I would have went and asked the customer I would have just gotten a faster horse.

**Peter:** That's exactly it. But he understood that what people really needed, the insight was that people really needed to be able to get around more quickly and more easily.

**Joe:** Where can someone find more information about little bets besides just buying, which they probably should? Do you have a Facebook page?

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## *Implementing Lean Marketing Systems*

**Peter:** My website is probably the best place. It's [www.PeterSims.com](http://www.PeterSims.com). It has all kinds of articles. It has a free chapter of the book. It has a number of resources to help provide some more context and insight for people on this research that we did.

**Joe:** You can just tell by reading it was very well researched. But it's a story, and it's a very entertaining book that you just don't see in this field that often.

**Peter:** Thank you, Joe. Thank you very much. It was fun to write.

**Joe:** I want to thank you, Peter, and this podcast will be available on the Business901 iTunes store and also the [business901.com](http://business901.com) website. Thanks again, Peter.

**Peter:** Thank you. I already appreciate it, Joe.

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## Implementing Lean Marketing Systems



Joseph T. Dager

**Lean Six Sigma Black Belt**

Ph: 260-438-0411 Fax: 260-818-2022

Email: [jtdager@business901.com](mailto:jtdager@business901.com)

Web/Blog: <http://www.business901.com>

Twitter: [@business901](https://twitter.com/business901)

**What others say:** *In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches and Re-Launches. As a Lean Six Sigma Black Belt**, Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and as a result better execution. My goal is to allow you spend your time on the **need versus the plan.**

**An example of how we may work:** Business901 could start with a consulting style utilizing an individual from your organization or a virtual assistance that is well versed in our principles. We have **capabilities to plug virtually any marketing function** into your process immediately. As proficiencies develop, Business901 moves into a coach's role supporting the process as needed. The goal of implementing a system is that the processes will become a habit and not an event.

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