Deloitte.
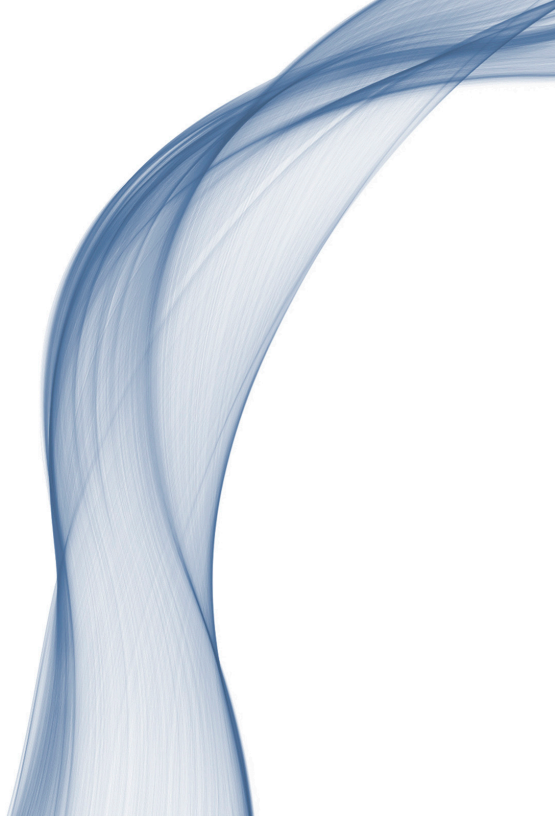
Shaping Serendipity
Volume Two

"*The Power of Pull* examines the 'how question'—how can we effectively address our most pressing challenges in a rapidly changing and increasingly interdependent world? In *The Power of Pull*, John Hagel, John Seely Brown, and Lang Davison highlight fascinating new ways in which passionate thinking, creative solutions, and committed action can—and will—make it possible for us to seize opportunities and remain in step with change." - Bill Clinton

"*The Power of Pull* will do for our 21st-century information-age institutional leadership what Peter Drucker's *The Concept of the Corporation* did for industrial-era management. This book begins to create a body of learnable principles that will revolutionize our ability to access and work with knowledge flows." - Newt Gingrich

Table of contents

Shaping Serendipity

Only when the apple fell from the tree did Sir Isaac Newton begin pondering the nature of gravity. Only by setting sail for India did Christopher Columbus find America. Only by going to a conference to hear presentations on the future of the Internet did Google founders Sergey Brin and Larry Page meet Israeli entrepreneur Yossi Vardi, who later gave them an important key for monetizing search results. The innovation Yossi suggested was deceptively simple: Divide paid search results on the right-hand third of the page from free search results on the left-hand two-thirds of the page. This small alteration instantly made the integrity of Google's search results visible and apparent by making it clear which results advertisers had paid to display and which results were free. The change instantly set Google apart from its primary com-

petitors at the time, which did not distinguish between paid and free search results. "Yossi invented for us the magic formula," Sergey Brin later told a conference audience. "He told us to devote two-thirds of the [Internet] page to original results, and a third to advertisements, and that is what we did."

The uses of serendipitous encounters and discoveries could fill a whole book. In fact, it already has—Robert K. Merton and Elinor Barber's wonderful *The Travels and Adventures of Serendipity*. Yet most of us, despite the role serendipity has played in our own lives—introducing us to our future spouse, perhaps, or informing us of a job opportunity—tend to think serendipity occurs on its own, a function of fate or maybe blind luck.

"But serendipity doesn't just happen in a serendipitous way," says Yossi Vardi. "You have to work for it." Serendipity can be methodically, systematically shaped by our choices, behaviors, and disposi-

> "…Serendipity doesn't just happen in a serendipitous way," says Yossi Vardi. "You have to work for it."

tions. In this chapter on the second level of pull—attract—we'll show you how.

The Super-Node

Yossi Vardi founded his first company in 1969 when he was twenty seven years old. Since then he's been an investor in, or godfather to, more than seventy Israeli tech companies. Perhaps his biggest success was as founding investor of Mirabilis, the company behind the first instant-messaging technology, ICQ ("I seek you"), which AOL bought for $400 million in 1998. Yossi is also one of the best-connected people in technology. "Yossi is a super-node," British Technology executive Gary Shainberg told Business Week in 2008. "He connects people and companies from around the world to leverage the world-beating technology innovation in Israel." Like other people we discuss in this book—Joichi Ito, Ellen Levy, Jack Hidary, and Tara Lemmey—Yossi is thoughtful about how and where he meets people and personal and warm-hearted about how he cultivates and maintains his relationships with them thereafter. You might think of him as a "connector," but he's much more than that. He's not just a point in a network graph that connects other points, but someone striving to amplify and expand the passionate efforts of many other people. In fact, people often become connectors precisely because, as they pursue their passions (in Yossi's case for technology-driven innovation), they find themselves reaching out to anyone and everyone who might share this passion. In the process, while pursuing specific initiatives or projects, they end up connecting people in new and unexpected ways. Passion leads to pursuit, which creates connections.

Though his approach may be at least partially systematic, it is far from cold or calculated: Yossi is famously a good-humored and openhearted man—a "soft touch," according to *Business-Week*—who avoids business plans and instead

invests by instinct and according to how much he likes the entrepreneur. "My wife, Talma, who keeps me connected to the ground, tells me it doesn't make sense that every kid with shining eyes walks away from a meeting with me with a check," he says. "But I tell her if I lose the money at least it goes to nice people and allows them to follow their dreams. Who wants to give money to jerks?" Because he's pursuing his passion for technology-driven innovation, because of his successful track record, because of his approachability, affability, and intelligence—and because of his willingness to invest in young people and their entrepreneurial ideas—Yossi Vardi has the ability to attract people and resources to him that he was not even aware existed. As people seek Yossi out, Yossi himself becomes aware of people he hadn't met before who prove to be relevant and valuable to him.

Yossi exemplifies a second level of pull—attract— that is playing a critical role in the Big Shift.

Although the word "attract" has many broader meanings, we are particularly focused on techniques for drawing people or resources to us that we were not even aware existed but that prove to be relevant and valuable. Though we were not looking for them, once we encounter them we recognize this value and marvel at our good fortune. But was it really a matter of luck? We think not, and research supports this skepticism. Instead, attraction is often the result of something we did, whether consciously or unconsciously. Serendipity can be shaped: We can make choices that will increase our ability to attract people and resources to us that we never knew existed, leading to serendipitous encounters that prove enormously valuable to us. This chapter explores serendipity and its growing importance in our personal and professional lives. It makes the case that one particular form of serendipity—unexpected encounters with people— is ultimately far more valuable in the era of the Big Shift than other forms

"The authors have given us a provocative and insightful look at the power of today's knowledge flow. If you want to meet the challenges of working and living in the 21st century, this book should be your guide."
- Eric Schmidt, Board Chairman and CEO of Google

of serendipity—for example, an unexpected result in an experiment, or the unexpected discovery of some information that proves helpful in a project.

We will look at the specific environments, practices, and preparedness that can help us to increase both the number and quality of unexpected encounters with people. Our particular focus is on managing the "funnel" of serendipity—on the one hand, increasing the scope of relevant serendipitous encounters; on the other, ensuring that each serendipitous encounter is as productive as possible. Serendipity has always been an important

We need to find ways to attract relevant innovators and edge participants so that we can discover early windows into the developments that will end up transforming how we live and work. Sure, serendipity has always been important, but in a world of near-constant disruption, it becomes essential to survival.

part of our lives. Why is it becoming even more critical to our success now? To answer that, we need to return to the second wave of the Big Shift described in Chapter 1. As you will recall, we discussed a first wave of the Big Shift, focusing on the convergence of two key catalysts of the changes we see going on around us—the proliferation of an ever more powerful digital infrastructure combined with the growing adoption of public policies favoring economic liberalization. These events in turn are leading to a second wave of the Big Shift, which is generating a growing diversity of rich knowledge flows on a global scale. Many of the most valuable knowledge flows are concentrated on relevant edges that become the seedbeds for the next set of innovations that will disrupt our social and business landscape. These innovations percolate on the edge, unseen by most of us, until they erupt suddenly and quickly transform the cores where most of us live. We need to find ways to attract relevant innovators and edge participants

so that we can discover early windows into the developments that will end up transforming how we live and work. Sure, serendipity has always been important, but in a world of near-constant disruption, it becomes essential to survival. Without the pleasant surprises of serendipity, we will instead have to cope with the unpleasant shock of unanticipated disruptions that undermine all that we have worked to achieve. The first level of pull—access—is very powerful. But in a world of near-constant disruption, its value is limited. We increasingly find that we no longer even know what to seek, even with the growing power of search. While it's great that all sorts of information is indexed and sorted on the web, even a daily tour through one's Facebook newsfeed reveals many new people and resources that could be relevant. How do we find out which ones? How do we specify, when we go to Ask.com, Bing, or Google, the areas of knowledge and expertise that would be most valuable? "Show me the stuff that I really need that I don't even know exists," isn't much of a search string. Nor can you type in, "Take me to the edge!" Access only truly works when we know what we're looking for. At times like these, the cursor blinks in the search engine's textbox, mocking us, asking the existential question: Do you even know what you are looking for? And even if we think we do, it's guaranteed that "unknown unknowns," as Donald Rumsfeld memorably called them, are waiting for us, both as opportunities and as barriers.

We must supplement search engines and their equivalents by exploring additional ways of pulling people and their knowledge to us, particularly people on the edge. To address this challenge, we will need to master the techniques of attraction in both our personal and professional lives— and learn to harness the power of serendipity. While most all of us already know how to attract something toward ourselves when it's something

or someone we've already encountered, few of us seem to realize that we can shape serendipity to attract the people and things we need but didn't realize we were searching for. As we begin to engage with this level of pull, we'll foster encounters with people who can be helpful in expanding our horizons and creating the new knowledge that enables us to achieve new levels of performance. Yet brief encounters are typically of little value. You have to do more than have a brief conversation or e-mail exchange: You have to invest time and effort and build trust-based relationships if you are to access the knowledge that is most valuable. Building these relationships requires reciprocity: We must be willing to give if we are to receive.

The nature and importance of serendipity

"Serendipity," according to the Brazilian writer Glauco Ortolano, "is the faculty of finding things we did not know we were looking for." This means finding more than things—it also means finding people, and the knowledge they carry with them. "Serendipity" is actually a relatively new word. It was coined in the mid-eighteenth century by Horace Walpole, a British literary figure. Walpole was inspired by an old Persian fable, "The Travels and Adventures of Three Princes of Sarendip," in which the princes of the title set out on a journey and along the way discover a whole series of clues that they had not been looking for. "Serendipity" remained a relatively obscure term, largely restricted to literary circles, until the 1930s when Walter Cannon, a professor of physiology at Harvard Medical School, latched onto the term as a way to highlight the role of accidental discovery in science. The term rapidly caught on in scientific circles, and over the next few decades it passed into general usage. Although many meanings were attached to the term, early uses of "serendipity" focused on the unexpected discovery of items such as obscure books in antiquarian bookstores. Cannon expanded the usage to the discovery of

new insights or data that were the unintended consequences of scientific experiments focusing on something entirely different. Early use of "serendipity" treated the discovery as an end in itself. But Cannon focused on serendipitous encounters that catalyzed whole new avenues of inquiry and thus were just the beginning of, rather than an end to, a discovery process. More recently, the term has been used for unexpected encounters with people. For us, it is this expanded usage of serendipity that is the most relevant to our exploration of attraction.

We need serendipitous encounters with people because of the importance of the ideas that these people carry with them and the connections they have. People carry tacit knowledge. You can't learn brain surgery just from a text. Nor can you learn how to make tasty home brew without watching someone else carry out the process. In both cases, you've got to stand next to someone who already knows and learn by doing. Tacit knowledge exists only in people's heads. As edges arise ever more quickly, all of us must not only find the people who carry this new knowledge but get to know them well enough (and provide them with sufficient reciprocal value) that they're comfortable trying to share it with us. This helps to explain a contemporary pattern taking place in new areas of human endeavor: Conferences spring up to accommodate the desire of participants to share stories about their experiences with like-minded people. Whether it is the Internet, biotechnology, or alternative technology, just to name a few current examples, conferences abound. As of this writing, there are eight conferences alone scheduled during the next twelve months specifically on the use of Twitter as a social-networking platform. It is no accident that our friend Yossi Vardi participates in or organizes thirty to forty conferences per year in areas relevant to his interests.

Conferences in emerging arenas are a great example of how serendipitous encounters can work—and of how we can shape them. There, we interact with people we never knew before who were drawn to the same venue because of similar interests and experiences. Conversations that begin in the hallways and dining rooms of these conferences often are the starting point for relationships that, as they build, help us to access the tacit knowledge of people who are exploring similarly uncharted territory. This process can unfold entirely unexpectedly. "It was a casual meeting at a conference," Yossi recalls about how he later came to invest in a company called FoxyTunes. "And the whole relationship started from there." In this context, serendipitous encounters with people prove to be far more fruitful than an isolated encounter with new objects or data.

We not only have the opportunity to access the tacit knowledge other people have gained from their experiences—and to share our own— but can begin to create relationships that may themselves spawn new tacit knowledge as we begin to collaborate on areas of shared interest. Serendipity becomes much more than a one-time encounter or an end in itself: It becomes the crucial means of access to rich flows of tacit knowledge both now and in the future.

From our perspective, attraction is particularly powerful when it leads to serendipitous encounters with people on the edge—and then to long-term relationships with them. This form of attraction offers privileged access to tacit knowledge and rare insight into new opportunities. It also lowers our risk. Think about it: If you're exploring a new territory—an edge—it's very helpful to learn from the experience of others in similar contexts. Serendipitous encounters thus help amplify our efforts by connecting us with our fellow explorers— exactly the people who can help us in our

own explorations. Maybe you've been hired as the "change agent" at a traditional corporation, with your role to help the company expand its understanding—and use—of social media. You're bringing the edge to the core. But to you, at least, the core in this case will, paradoxically, have "edgy" characteristics that will be new to you. How do they do things around here?

How do decisions get made? How can you best build momentum toward the new? One way would be to look for external conferences attended by people who are exactly in your situation: the "Change Agent Conference." That could help with the more generalized versions of your questions. Another way would be to draw toward you the "renegades" within the corporation who have, in their own roles, been trying to steer the corporation toward the new. It is likely they will have valuable tacit knowledge for you to learn from and

questing dispositions that may help you on your own quest.

Simply by registering for a conference in a given area of interest, we are increasing the probability of a serendipitous encounter that will prove both relevant and valuable to us. We still cannot anticipate whom we will meet or what they will know, except in the broadest possible terms, but we have increased the probability of serendipity. We have filtered the population at large down to those most likely to share our interests and passions—and those most likely to carry the tacit knowledge we need and to need the tacit knowledge we carry.

Think about it: If you're exploring a new territory—an edge— it's very helpful to learn from the experience of others in similar contexts. Serendipitous encounters thus help amplify our efforts by connecting us with our fellow explorers— exactly the people who can help us in our own explorations.

"*The Power of Pull* is a roadmap of how to get from where you are now to where you really want to be. Read it and be inspired. (You'll probably want to surf too.)" - Marc Benioff, *CEO of Salesforce.com*

Even in the earliest examples of serendipity—the bibliophile entering an antiquarian bookshop—the beneficiary of a serendipitous encounter was shaping the probability of such an encounter by entering the bookshop in the first place. The likelihood of a serendipitous discovery of an unknown book would be materially lower if the bibliophile were in a butcher shop. This observation may seem self-evident, but there are lots of people who, despite having dropped their car keys in the dark parking lot, are still looking for them under the lamp.

All of which raises a primary point: Serendipity can be shaped, at least within limits. There will always be an element of luck and the unexpected, but our actions can materially alter the probabilities of valuable encounters. Given these requirements for making attraction an effective form of discovering the things we didn't know we didn't know, a problem arises: How can we possibly have enough time to put this into practice? There are only twenty-four hours in the day. Worse yet, the more effective we are in attracting the attention of large groups of people, the more challenging it becomes as these people seek us out and want to interact with us. We can easily become overwhelmed with the throngs lined up at our door. We will be consumed in meetings and communication and never find the time to build on the new insights and knowledge we are encountering. How do we avoid getting so overwhelmed by what we've set in motion that, like Garbo, we only want to be left alone?

To master attraction, we need two elements to come together in a powerful and reinforcing way. First, we need amplifiers that can help us reach and connect to large groups of people around the globe that we do not yet know (and may not even be aware exist). These amplifiers relate to our choice of where to live, what gatherings we attend, how we conduct ourselves online, and what

we do to draw the attention of others. Second, we need filters that can help us to increase the quality as well as the number of unexpected encounters and ensuing relationships that are truly the most relevant and valuable. These filtering techniques help separate the wheat from the chaff in our interactions with others and become ever more crucial as we begin serendipitously drawing more people toward us. By simultaneously amplifying (to increase the sheer number of unexpected encounters) while filtering (to spend time only on those interactions that yield value to us and to others), we can shape serendipity in order to attract from the edges of our fast-moving world the people and knowledge we need in order to thrive.

Shaping serendipity: Enhancing the productivity of attention

Mirabilis, the company in which Yossi Vardi was a founding investor, invented ICQ, the first global instant-messaging application. Ironically enough,

however, you won't find Yossi actually using ICQ—because of what happens when he becomes visible there. Yossi is so well known that as soon as he sticks his head up on ICQ he can do nothing else but reply to the many messages he receives. "When I open ICQ I get so many messages that I have to hide," says Yossi, who does respond to all his phone and e-mail messages. "I am known by too many people and I simply cannot manage it. It's invasive."

Few of us are as well known as Yossi Vardi. But it's not hard to imagine any of us, as we seek out multiple relevant edges and try to build relationships there, becoming consumed with random encounters that yield only limited value and, at the extreme, becoming so distracted that these encounters become scourges rather than boons. We need to find ways to enhance the productivity of attention, increasing not just the number but the relevance of our serendipitous encounters.

Earlier in this chapter, we suggested that we can shape serendipity rather than treating it as a matter of pure chance. Of course, there will still be the completely unexpected encounters that we did nothing to promote, but there is much that we can do to increase the probability and quality of these encounters. In a world where attraction and return on attention—defined as the value gained relative to the time and attention invested—are becoming increasingly important, those who master the techniques required to shape serendipity will likely profit far more than those who simply wait for it to surface.

Pull is not a spectator sport. The choices each of us makes about the environments we participate in and the practices and behaviors we choose to pursue once we're there will make a crucial difference in what we'll experience and the extent to which we can shape these experiences or simply let random experiences shape us.

Shaping serendipity requires bringing together three elements: environments, practices, and preparedness. Appropriately orchestrated to control the interactions between them, these elements can yield a much higher productivity of attention than we can achieve without them, especially as we focus on the following goals:

• Choosing environments that increase our likelihood of encountering people who share our passions
• Becoming and staying visible to the people who matter most
• Influencing their endeavors so they amplify our own

Pull is not a spectator sport... Shaping serendipity requires bringing together three elements: environments, practices, and preparedness.

- Discovering and interacting with the right people at the right times (timeliness)
- Making the most of every serendipitous encounter (relevance).

These goals suggest a serendipity funnel that can be managed to make a diverse group of potentially relevant parties aware of one's efforts while simultaneously filtering the actual encounters, so that the probability of a high-quality serendipitous encounter goes way up. If the funnel is not wide enough at the start, we risk failing to become aware of potential encounters that could be extremely high in value. If the funnel remains too wide at the other end, we run the risk of becoming inundated with encounters that have only marginal value. In either case, our productivity of attention suffers. Managing the balance across the funnel is key to shaping serendipity so that productivity of attention rises. Greater productivity then enables us to scale serendipity by increasing our availability

for a larger number of the serendipitous encounters that deliver the most value.

You can't just attend a conference and expect pull to occur. You'll likely have to change your approaches and practices, not to mention your mindset (or what Lucy Kellaway creation Martin Lukes calls your "headset"). Yossi doesn't just engage in idle chat about the weather or the football league tables or politics. He uses "deep listening" to draw out and uncover the big issues and difficulties the other person is wrestling with, then he shares his own. If there's a fit between them, Yossi and his discussion partner quickly get into mutual problem solving, into a knowledge-creating mode, just as if they were two home brewers discussing how long to roast the hops. The subject of the discussion might be anything. How best to interest a group of relevant investors in a browser extension that just might make everybody millions of dollars. How to create a heavy tremolo effect in a

music remix with just the right amount but not too much reverb. How to best wean the world from hydrocarbons. In each case, if the right combination of pull approaches is practiced, a kind of scaffolding emerges between the participants in which everybody learns faster and the performance of everybody involved goes up at a more rapid rate that it would have for any of them alone.

Endorsements for *The Power of Pull*

"*The Power of Pull* is a powerful new meme for navigating and networking in the 21st century. Any one of its 36 key questions (in the 'Bring It Home' sections) could change your life and the world." - John Doerr, *Kleiner Perkins*

"In times of unprecedented change, we as individuals and institutions can have extraordinary leverage and influence if we marshal the passion, knowledge and resources necessary to achieve great things. *The Power of Pull* empowers and guides us to make the most of today's enormous possibilities." - John Naisbitt, *author of* Megatrends

"Stop whatever you are doing and read this amazing book. The authors totally nail it. Digging beneath the surface of stuff that distracts us on a daily basis, they unpack the deep forces that really truly matter and provide a guidebook each of us can use to unleash passion, transform how and why we work, and restore destiny and dignity to our lives." - Richard Florida, *author of* The Rise of the Creative Class *and* The Great Reset

"This brilliant and exciting book shows how to pursue your passions by harnessing the power of networks. Success no longer comes from possessing knowledge; instead, you have to participate with others in creating a flow of knowledge. The power of 'pull'—the ability to draw out people and resources for each endeavor—can transform both individuals and institutions." - Walter Isaacson, *President and CEO, the Aspen Institute, and author of* Einstein: His Life and Universe

"Connecting many important threads through beautiful metaphors and wonderful narratives, the authors provide both a mind expanding view of

how the world is changing and a solid framework and context to approach the future for anyone interested in surviving and enjoying it." - *Joichi Ito, CEO of Creative Commons and Internet venture investor*

"We live in a global village, where borders are blurred, where all humanity could and should be responsible for the well-being of others. The Power of Pull proposes fresh insights that coalesce into a powerful way forward in this new world. This erudite manual for change is a testament to the creativity and insight of its authors." - *Mark E. Tucker, Former Group Chief Executive of Prudential plc, Member of the Court of the Bank of England*

"This is a seminal work that explores the personal and professional implications of a powerful convergence of technologies, ranging from in memory databases for speed, massive parallel processing in the cloud, access via telephone for anything, anytime, everywhere. We are just beginning to understand what this means for us. The authors help us to understand where and how pull will change our lives and our work given the new digital infrastructures re-shaping our landscape. It offers us a roadmap that we neglect at our peril." - *Hasso Plattner, Founder and Chairman of SAP Supervisory Board*

About the authors

John Hagel III is the co-chairman of the Deloitte Center for the Edge. He is the author of a series of best-selling business books, including *Net Worth*, *Out of the Box* and *The Only Sustainable Edge.*

John Seely Brown is the independent co-chairman of the Deloitte Center for the Edge. He is co-author of the best-selling book *The Social Life of Information*.

Lang Davison is executive director of the Deloitte Center for the Edge. He was also the collaborating writer for the best-selling and critically acclaimed books *Net Gain* and *Net Worth*, both authored by John Hagel.
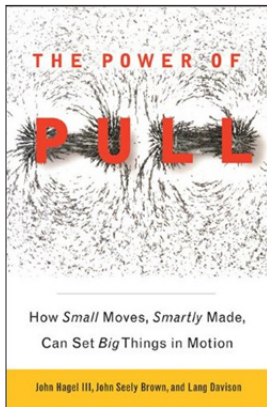
Volume Two: Shaping Serendipity

This volume is an excerpt from the book, *The Power of Pull*. Other topics and essays in this series include:
- Pursuing Passion
- Talent: The Dilbert Paradox
- Passion versus Obsession
- The Three Levels of Pull
- From Passion to Potential

For more information and to read about these other topics, please visit:
www.deloitte.com/powerofpull

How *Small* Moves, *Smartly* Made, Can Set *Big* Things in Motion

John Hagel III, John Seely Brown, and Lang Davison