

Innovation

Blowing Up Best Practices

By Bob Lamm and Geoff Tuff

Can companies be innovative if they are relying on the business practices that work for other companies? That's the question posed in *Detonate: Why—and How—Corporations Must Blow Up Best Practices* by Geoff Tuff and Steven Goldbach (Wiley, 2018). Bob Lamm, independent senior advisor to Deloitte's Center for Board Effectiveness, recently sat down with Tuff to address key concepts and practical approaches outlined in the book.

Why should best practices be blown up?

There's a tendency to assume that when something works once, it will keep working indefinitely. However, that assumption is often not borne out. And increasingly, in a world that is exponentially changing, doing the things that were successful in times of linear change can create significant exposure to risk and disruption. The same applies to so-called best practices. Some companies assume that when something works for one company, it will work for all companies. Again, not so much. In fact, if everyone follows a best practice, the practice is by no means "best." It is, by definition, average.

Blowing up best practices really means challenging convention and doing things differently—differently from the things that have made you successful in the past, and different from what others all around you are doing.

Your book notes that we may have the fear of doing things differently programmed into us. We may believe that the one who strays from the pack is the likeliest to be caught and eaten. So even those who agree that best practices need to be blown up may find it difficult to go

rogue. How can this fear be overcome?

Going rogue doesn't have to be a radical departure from what you've done in the past. To put it in the genetic context you've mentioned, you don't need to break from the pack and make a beeline for the lion's mouth. Rather, you can make what the book calls "minimally viable moves." Wander a few steps from the pack and then assess the situation. If it looks like a better route, wander a few steps more. But if it doesn't, correct your course and try a different route. The key is to move as quickly as possible to take a small step, assess, and then take another step, never exposing yourself to undue risk.

You target the strategic planning process as ripe for detonation. But this is an area where board oversight is widely viewed as most important. Why blow it up?

By "detonation" we don't mean blowing everything up all at once. We chose the word to connote controlled demolition. We believe it's critical to make minimally viable moves in some parts of the business while keeping aspects of the old system intact in others—especially in the core areas. Once those moves have been optimized to be successful, then they can be expanded more aggressively.

The thing we are most concerned with is the emergent "best practice" of stapling the strategy development process to the annual budgeting process. No market operates according to a calendar. In a world of exponential change, a three- to five-year plan may be unhelpful or worse. Instead, base it on the real world. For most industries, a long-term (i.e., 20 years) scenario plan with a six- to twelve-month immediate action

plan will likely be more appropriate.

What about the role of the board in blowing up best practices?

The board's most basic function is to challenge assumptions and push management to create and consider all options for success. As applied to blowing up best practices, this means that the board can:

- overcome its reluctance to stray from the pack by making minimally viable moves;
- challenge management to be bold and take appropriate risks; and
- exercise its oversight of strategy by basing it on the real world, not the calendar.

Of course, it's more complicated than that, but these three steps may go a long way to achieving the goals in the book.

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