



## DEFINE WHAT TO LEARN

Learning is a demanding pursuit. To be strategic, organisational leaders must direct intellectual resources toward the right goals through a process of guided learning.

By far the most advantageous learning is outside-in. This means honing practices to achieve a superior understanding of the external environment before looking inward. Research by the consumer products giant Unilever confirms the **primacy of understanding customers**. Their investigation concluded that customer centricity, not operational efficiency, is a firm's main source of competitive advantage. The winning way is to turn learning about customer needs into a collective obsession.



## LEARNING IS A JOURNEY, NOT AN EVENT

In too many companies, learning is treated as a seasonal occupation, given its due at strategy time, then brushed aside as they turn their attention back to operational matters. But change doesn't stop on the outside, so no company can afford to stop learning on the inside.

Instilling learning as a habit starts with the individual. We learn continuously from diverse sources such as newspapers, books, conversations, and experiences, but these insights are soon lost. Research by the nineteenth-century psychologist Hermann Ebbinghaus shows that in the absence of counter-measures, **the average person loses up to 90 percent of new information after 30 days**. He recommends these antidotes: promptly record new learning; review these insights regularly; and apply them in practice as soon as you can.

## QUESTIONS ARE MORE IMPORTANT THAN ANSWERS

Learning is engendered by asking the right questions. In fact, producing answers without the right questions can be downright dangerous.

What often brings organisations down are the questions they failed to ask. Just look at the tragic collapse of General Motors before it was rescued by the government. As their market share and profitability declined, they obsessed over their cost disadvantages versus Toyota, and, in the process, lost touch with their customers. Questions exploring a decline in their customer satisfaction—the root cause of their market share collapse—were simply not pursued.

A key part of a leader's mission is to promote the habit of asking questions that invite exploration and dialogue, and that demonstrate an honest interest in the answers. But there is an important caveat. Questions can also be used as weapons. These are the intimidating "gotcha" kind, designed to expose ignorance or incompetence, shut down discussion, and produce fear and evasiveness, not learning.

## LEARNING FROM MISTAKES

In today's turbulent environment, outcomes are harder to predict than ever, and the chances of being wrong are rising. Nevertheless, unless organisations are prepared to take risks, they cannot expect to reap rewards.

Faced with this challenge, many CEOs urge employees to take 'prudent risks', but the inevitable failures are often punished, creating a culture of risk aversion. Although seemingly counter-intuitive, encouraging sensible risk taking is all about how an organisation deals with the reverse side of the coin—mistake making.

There are dumb mistakes and smart mistakes. Dumb mistakes are repeating previous mistakes, betting more than the organisation can afford to lose, and acting without a strong-enough case. But left over are smart mistakes, under one crucial condition: that the value of the learning is greater than the cost of the mistake. This approach shifts the culture from blaming to learning, and forces the organisation to define, measure, and act on what has been learned.

## **GETTING AWAY FROM THE URGENT TO THINK ABOUT THE IMPORTANT**

In the words of futurist Paul Saffo, "Our dilemma is the growing gap between the volume of information and our ability to make sense of it". Our problems accumulate at a rapid pace. How can we make creative decisions in such an intense environment?

The remedy lies in understanding how our brain works. When we have been hammering away at a problem, the secret is to not go on hammering; it is to withdraw and change our mental state.

Nikola Tesla is famous for inventing the induction motor, but it wasn't easy getting there. Tesla slaved obsessively for years with countless designs but was stymied and gave up in despair. Months later, while walking in a Budapest park, the answer flew into his head unbidden. In that unexpected instant, the tremendous industrial value of alternating current was unlocked.

This could never have happened without his prior mental engagement—there is no substitute for hard work—but the breakthrough came when a different set of stimuli opened his mind.

### **Willie Pietersen**

Willie Pietersen is currently a professor of the practice of management at Columbia Business School.

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