

THINKING OUT OF THE BOX

THE INNOVATOR'S MIND



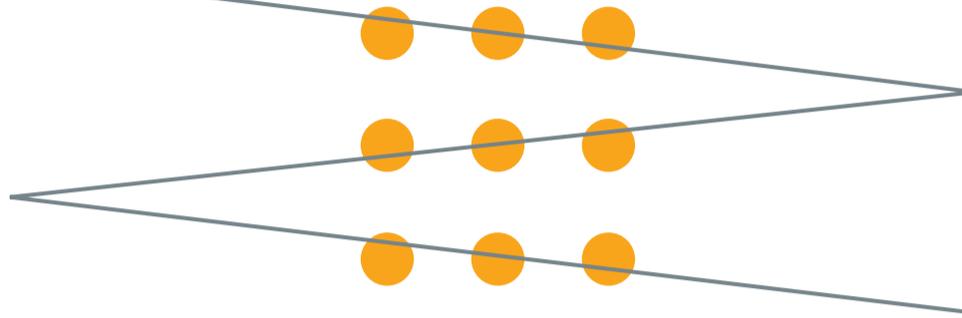
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THINKING out of the box seems to be a favourite but overused phrase by bosses today. But who and what is the “box”? How does one “think out of the box”?

Well, the term is reportedly to originate from the famous “nine dots puzzle”.

The instructions that come with the puzzle are to link a square of nine dots using four straight lines or fewer without lifting the pen or pencil and without tracing the same line more than once. (See **Figure 1**)

Figure 1: Nine dots puzzle



In solving this puzzle, most people will confine themselves within the imaginary box made by the dots. But the answer to solving this puzzle is to think out of the imaginary box.

Later, the term “think out of the box” became equivalent to looking for solutions from outside the usual thinking patterns.

Innovators who disrupted different industries used these types of solutions to start their business.

Dave Gilboa, an MBA student of Wharton Business School, is an innovator who disrupted the eyewear industry by thinking out of the box.

During a trip to Chiang Mai, he left his glasses in the airplane and realising the high price of the glasses he started wondering why this technology should cost as much as an iPhone.

He started to study the eyewear industry with three of his classmates and found that the industry was monopolised by an Italian company called Luxottica.

Gilboa and his friends decided to be different with the goal of bringing stylish, affordable glasses to the masses and doing it with a conscience.

They started a company called Warby Parker that manufactures and sells simple and stylish frames with high-end lenses through the web for only US\$95.

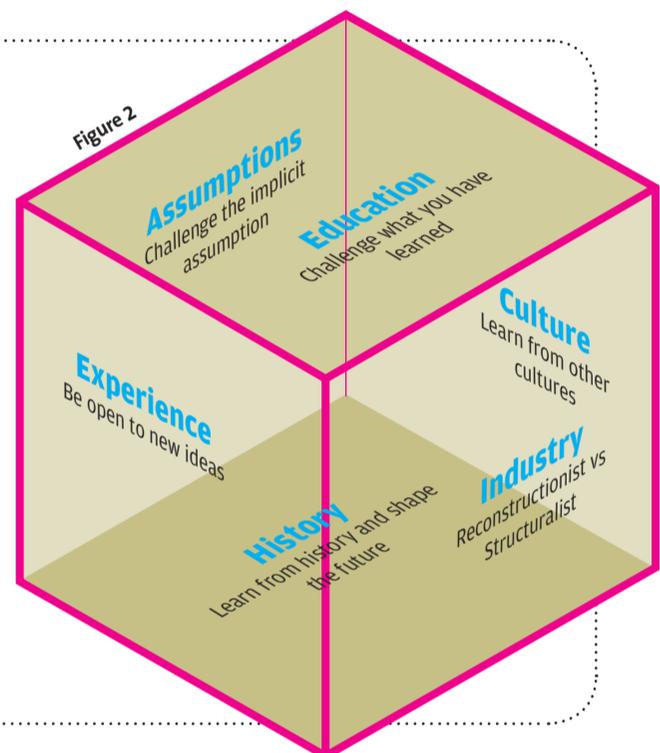
The company experienced incredible success with US\$10mil sales in the first year, a net promoter score of 88% (higher than Zappos and Apple), at a receiving rate of 10 orders every five minutes.

The story is an incredible story but how does one systematically think out of the box?

To begin with, we need to understand that the “box” is more complex than just being dots on a piece of paper.

From my experience, a typical box in today's competitive environment has six sides that create mental barriers or what I call thinking traps.

As seen in **Figure 2**, I realised these sides are defined as education, industry, experience, assumptions, culture, and history.



THE BOX REDEFINED

LET'S analyse how Gilboa broke out of the thinking trap, and how we can learn to think out of the box and be innovative.

Education

People are trained to think in a certain way by the education system. Some of the concepts explained in most MBA modules were developed a long time ago and has never been challenged.

For example, the MBA curriculum discourages students from entering monopoly industries but Gilboa challenged this point and entered an industry monopolised by Luxottica.

He studied the needs of both customers and non-customers, and innovated a brilliant way to challenge Luxottica's business model by creating value for consumers by simplifying the entire purchasing process.

Industry

In many industries, the boundaries are set and structured by big players while all the other companies have to play by the “rules” (structuralism).

This limits the thinking of leaders and makes it difficult to think of new ways of doing business to reconstruct the market boundaries.

This is when innovators like Gilboa can take advantage of the situation and disrupt the industry.

In the eyewear industry, the bound-

aries were set by Luxottica. All the manufacturers could do were to follow these “rules”.

But Gilboa eliminated partnerships with brands, reduced the number of different designs, started to sell the products through e-commerce, and created a virtual try-on programme, a free home try-on programme and a mobile store which resulted in the delivery of high quality eyewear at a low price.

Experience

People in senior positions tend to use the phrase “based on my experience”. It is a dangerous phrase because the context of their experiences might not be applicable in today's situation.

Relying extensively on those experiences will limit their focus and prevent them from accepting new ideas.

Having no experience in the eyewear industry helped Gilboa to have an open mindset and look at the business model from a different angle.

He started selling glasses online at a time when only 1% of glasses were sold online.

Gilboa also overcame the challenge of the need to try on glasses before purchasing by introducing the “virtual try-on programme”, which allows customers to upload their facial photo on the website and see how the different glasses fit.

He added a free “home try-on programme”, through which customers can select five pairs of glasses which Warby Parker would then send them for a five-day free trial period.

Assumptions

In solving problems, we often rely on perceptions, which can be useful in some situations, but we should be careful not to be too dependent on them.

Assumptions shape our world and how we see it, and sometimes they should be challenged, as the assumptions could be incorrect.

Simply ask “why”, and “why not”, and challenge these implicit assumptions.

In the eyewear industry, the assumption was that there was no way to compete with Luxottica due to their strong monopoly.

Many newcomers had tried and failed.

But by challenging this assumption, Gilboa created a very successful business. He asked the right questions.

Culture

Culture can often be a thinking barrier. Some companies have created or inherited a rigid culture that doesn't easily embrace change.

This prevents the business from growing and adapting to different situations.

Learning from other cultures can help a company to grow and find new ways of success.

Gilboa found that more than one billion people don't have access to eyeglasses and started the culture of giving back to society through the “Buy a Pair, Give a Pair” initiative.

Warby Parker donates funds from the sale of these glasses to nonprofit partners that provide training to low-income entrepreneurs in developing countries in order to sell eyeglasses at an affordable price.

This has created a fan following for the brand due to its social responsibility.

History

Innovators don't need historical reference. They look at patterns in history and discover new ways of solving problems that had existed for a long time.

Other players in the eyewear industry tried to challenge Luxottica but failed. Gilboa studied the patterns, learnt from the mistakes of others, and created a successful business.

In conclusion, we now have an idea of what the box represents and being aware of it is a great start to thinking out of the box.

Don't let your education, industry situation, experience, assumptions, culture, and history stop you from creating and implementing a great innovative idea.

■ *Raj Kumar is vice-president of Global Consulting for UCSI Consulting Group and is a Blue Ocean Strategy Expert and helps companies around the world to reconstruct market boundaries. Follow him on Twitter @rajkuma77 or visit www.ucsibleoceanstrategy.com. For more Consulting Corner articles, visit www.leaderonomics.com*