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The 'Big Think Strategy' for Creativity and Innovation: Bernd Schmitt's New Book

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Bernd Schmitt, professor of international business at Columbia Business School in New York, is a driving force behind the concept of customer experiential marketing. Schmitt, who also directs Columbia's Center on Global Brand Leadership, has published six books on the subject, three of them co-authored, with translations in 16 languages. Schmitt counts among his clients Sony, IBM and Cathay Pacific, and is regularly interviewed on international television networks including the BBC, CNN and CNBC. While on a visit to Singapore in June, Schmitt provided Knowledge@SMU with a sneak preview of his new book, Big Think Strategy: How to Leverage Bold Ideas and Leave Small Thinking Behind, to be published in December. In this book, Schmitt takes a broader view of creativity, leadership, and strategy development and implementation, providing an eclectic selection of examples from business and the arts.

Knowledge@SMU: In what way is your new book, *Big Think Strategy*, an extension of your previous books?

Schmitt: It's not. This new book is about creativity and thinking out of the box so that it changes markets. The iPod is an example. Apple really thought out of the box with its user-friendly interface and iTunes. Apple continues to innovate; look at the iPhone which it recently launched. In Asia, Samsung is probably the brand that comes to mind in terms of product innovations. The opposite of what I call big thinking is small thinking. It has to do with bureaucratic processes, following rules, checking and double-checking things all the time, not challenging assumptions. As long as you have a fairly hierarchical structure in an organisation, with silo departments that don't interact, it's difficult to encourage out-of-the-box thinking.

Knowledge@SMU: But aren't rules and processes necessary, given the Enron scandal and so on?

Schmitt: I'm not talking about thinking out of the box when it comes to accounting. Rules have their place when they have a clearly-defined objective. For business as usual, you certainly need the small details. However, every organisation also needs to be innovative to create new products, services and business models. The trick is to have a successful trade-off between the two. Most management books only deal with the detailed, analytical, step-by-step processes. That's why I felt there's a need for my book. There are books on creativity, of course, but they're more about how to be creative from a psychological perspective, like Edward de Bono's books. But that's not what this book is about. It's about creativity in business.

Knowledge@SMU: In some sense, does it overlap with entrepreneurship?

Schmitt: In fact, entrepreneurial spirit is one of the key things. You need people whom I call big-thinking heads, people who are excited by new ideas, almost in a child-like way. When you have such people, you need to provide them with some sort of organisational stimulation. Take Samsung, for example. When they embarked on a lifestyle-oriented approach to consumer goods, they took their designers and managers around the world to look at how consumers use electronic goods. They went to art museums. That's what I mean: Get out of the office, look at what people are really doing, read widely, mingle with different circles of people.

Knowledge@SMU: But for this to happen, CEOs must be prepared to give employees the room to make mistakes.

Schmitt: Correct. In fact, making mistakes is important because big thinking, by its very nature, is risky. But you have to analyse the failure: Was the idea wrong in the first place? Or was it implemented wrongly? This is why a big-think leader needs guts, passion and perseverance. First, you need guts to undertake it. Then you need passion to convey it to others. And you need perseverance to see it through.

I've featured lots of individuals with such qualities. For example, the global chief marketing officer [and executive vice president] of SAP, Marty Homlish. He came to SAP when it was an engineering-driven company. He stuck his neck out for a market orientation. I also feature some academics, like Nicholas Negroponte [professor of Media Arts and Sciences, chairman emeritus] of MIT Media Lab. I think he's doing a great project with his \$100-computer that he wants to have around the world. The boss of SoftBank in Japan, Masayoshi Son, he is good, too. So is the founder of modern Singapore, Lee Kuan Yew.

Knowledge@SMU: But how do companies leverage big ideas when they have to report to shareholders every three months?

Schmitt: That's one of the problems. In fact, a company like Porsche has asked to be de-listed from the German

Stock Exchange. They said, 'We're fed up with this. We want to have a long-term orientation and think ahead.' On the other hand, there are situations when investors reward broader, big-thinking strategies. You can see it when the prices of pharmaceutical stocks are determined by new drugs which the companies introduce to the market. Investors are increasingly looking for big ideas....

Knowledge@SMU: At the height of the dotcom boom, there were many big ideas floating around with investors behind them. Why did they fail?


Schmitt: Customer understanding is critical. Big ideas have to create value. They can't be blue-sky, cool ideas. You have to have business systems to implement them. And, more and more with new media and consumers talking to each other, you need to create a marketing ecosystem. During the dotcom era, they had some silly ideas. They didn't know whether they could create customer value. In terms of working with others, they didn't set up any infrastructure. You look at survivors from that time -- Amazon, Yahoo! and eBay. They do all of that.


Knowledge@SMU: You've featured both Asian and American big thinkers. How are they different?

Schmitt: There are common characteristics but in American culture, out-of-the-box thinking is more encouraged at all levels. It's not just about the CEO. Let me give you an example. In my book, I feature the Dove "Real Beauty" campaign. Women from around the world can relate to it. The woman who pulled it off is a Brazilian, [global brand director of Dove] Silvia Lagnado. Now, Dove has always been a stable consumer brand but not particularly innovative. Silvia challenged some key assumptions. She said, 'Well, the way you do your advertisements is by appealing to the aspirations of women about beauty.' She commissioned some research and found that, in many countries, few women find themselves beautiful. So she said, you could go for aspiration but, maybe, you could also go for more realism. So, inspirational rather than aspirational. That's big thinking.

This sort of attitude is more encouraged in the educational system in the U.S., compared to Asian countries. People are more willing to stick their necks out, and they move between jobs more often which I consider to be critical. One of the tools I've offered in the book is outside-industry benchmarking. You have to look outside your own industry for new ideas. By only looking at the best in your own industry, you're missing out on opportunities to learn.

On the other hand, I'm impressed -- and I've done projects in Japan, South Korea and China -- by how Asian managers are good at implementing things. In the sourcing of ideas -- the first step of big thinking -- Americans and westerners in general have the superiority. But when it comes to implementing strategy, Asians are better. They're good 'doers'.

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