



Little Bets

How Breakthrough Ideas Emerge from Small Discoveries

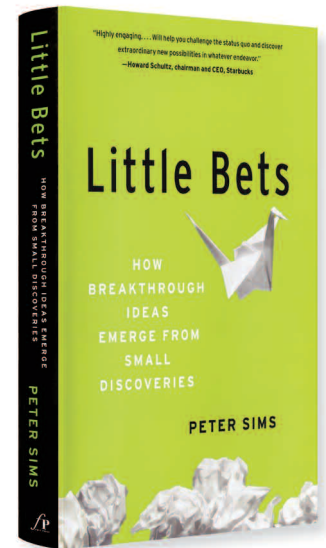
THE SUMMARY IN BRIEF

What do Apple CEO Steve Jobs, comedian Chris Rock, prize-winning architect Frank Gehry and the story developers at Pixar films all have in common? Best-selling author Peter Sims found that all of them have achieved remarkable results using a surprisingly similar approach: methodically taking small, experimental steps. Rather than believing they have to start with a big idea or plan a whole project out in advance, trying to foresee the final outcome, they make a methodical series of little bets about what might be a good direction, learning critical information from lots of little failures and from small but significant wins that allow them to find unexpected avenues and arrive at extraordinary outcomes.

Based on deep and extensive research, Sims discovered that productive, creative thinkers and doers, from Ludwig van Beethoven to Thomas Edison and Amazon's Jeff Bezos, practice a set of simple but often counterintuitive experimental methods — such as failing quickly to learn fast, trying imperfect ideas and engaging in highly immersed observation — that free their minds, opening them up to making unexpected connections and perceiving invaluable insights. These methods also unshackle them from the constraints of conventional planning, analytical thinking and linear problem-solving that our educational system overemphasizes at the expense of creativity.

IN THIS SUMMARY, YOU WILL LEARN:

- The method to embrace failure as a critical step toward success.
- A way to harness your curiosity using methods from Apple, Pixar and Hewlett-Packard.
- The steps to use little bets to identify possibilities and build up to better long-term outcomes.
- How to leverage small wins to power your bigger performance goals.



by Peter Sims

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THE COMPLETE SUMMARY: LITTLE BETS

by Peter Sims

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Introduction

Chris Rock has become one of the most popular comedians in the world, and while there is no doubt he has great talent, his brilliance also comes from his approach to developing his ideas. The routines he rolls out on his global tours are the output of what he has learned from thousands of *little bets*, nearly all of which fail.

When beginning to work on a new show, Rock picks venues where he can experiment with new material in very rough fashion. In gearing up for his latest global tour, he made between 40 and 50 appearances at a small comedy club. In front of, say, 50 people, he will show up unannounced, carrying a yellow legal notepad with ideas scribbled on it. For a full routine, Rock tries hundreds (if not thousands) of preliminary ideas, out of which only a handful will make the final cut.

Most successful entrepreneurs don't begin with brilliant ideas; they discover them. Google founders Larry Page and Sergey Brin didn't set out to create one of the fastest-growing startup companies in history; they didn't even start out seeking to revolutionize the way we search for information on the web. Their first goal, as collaborators on the Stanford Digital Library Project, was to solve a much smaller problem: how to prioritize library searches online.

The pioneering bookseller Amazon.com also embraces an experimental discovery mentality. Led by founder and CEO Jeff Bezos, Amazon's culture breathes experimentation. Employees there are encouraged to constantly try things and develop new ideas. It's such an important goal of the company to provoke this that whether or not employees are doing so is a part of their performance reviews. Bezos often compares Amazon's strategy

of developing ideas in new markets to "planting seeds" or "going down blind alleys." They learn and uncover opportunities as they go. Many efforts turn out to be dead ends, Bezos has said, "But every once in a while, you go down an alley and it opens up into this huge broad avenue."

Chris Rock, the Google founders, and Jeff Bezos and his team are examples of people who approach problems in a nonlinear manner using little bets, what University of Chicago economist David Galenson has dubbed "experimental innovators." Conceptual innovators, such as Mozart, tend to pursue bold new ideas and often achieve their greatest breakthroughs early in life. To be sure, there is an important place for such creative geniuses. Yet, as we all know, prodigies are exceptionally rare.

Experimental Innovation

The type of creativity that is more interesting to Galenson, and that is far more common, is experimental innovation. These creators use experimental, iterative, trial-and-error approaches to gradually build up to breakthroughs. Experimental innovators must be persistent and willing to accept failure and setbacks as they work toward their goals.

Little Bets is based on the proposition that we can use a lot of little bets and certain creative methods to identify possibilities and build up to great outcomes. At the core of this experimental approach, little bets are concrete actions taken to discover, test and develop ideas that are achievable and affordable. They begin as creative possibilities that get iterated and refined over time, and they are particularly valuable when trying to navigate amid uncertainty, create something new or attend to open-ended problems. When we can't know



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what's going to happen, little bets help us learn about factors that can't be understood beforehand. The important thing to remember is that while prodigies are exceptionally rare, anyone can use little bets to unlock creative ideas.

Fundamental to the little bets approach is that we:

- **Experiment:** Learn by doing. Fail quickly to learn fast.
- **Play:** A playful, improvisational and humorous atmosphere quiets our inhibitions when ideas are incubating or newly hatched.
- **Immerse:** Take time to get out into the world to gather fresh ideas and insights, to understand deeper human motivations and desires.
- **Define:** Use insights gathered throughout the process to define specific problems and needs before solving them.
- **Reorient:** Be flexible in pursuit of larger goals and aspirations, making good use of small wins to make necessary pivots and chart the course to completion.
- **Iterate:** Repeat, refine and test frequently armed with better insights, information and assumptions.

In this era of ever-accelerating change, being able to create, navigate amid uncertainty and adapt using an experimental approach will increasingly be a vital advantage. The way to begin is with little bets. ●

Big Bets Versus Little Bets

Perhaps no story I was told while researching this book illustrates the limitations of the conventional, top-down procedural planning approach more vividly than that of Hewlett-Packard.

A creative discovery and experimental approach to innovation had been central to making Hewlett-Packard into a market-leading behemoth. According to HP veterans, co-founder Bill Hewlett loved to make what he called *small bets* to uncover unpredictable opportunities. That approach helped HP pioneer hand-held calculators. In 1972, HP's first calculator, the HP-35, would retail at \$400 at a time when the market for scientific calculators did not yet exist. They hired SRI International to do some market research. SRI was then considered the premier computing research group. "They knew more about computing than anyone," recalled HP's Chuck House, "and they said, 'This thing can't sell.'" Bill Hewlett wasn't so sure. Hewlett suggested, "Why don't we build a thousand and see what happens?" It was an affordable bet. Within five months, HP was selling a thousand calculators a day and could barely keep up with demand.

Design Thinking in the Army

During the Cold War era, the Army focused so much on training highly specific, repeatable tasks and eliminating potential errors that when it faced a new style of insurgent warfare in the Middle East, many soldiers were utterly unprepared. To effectively confront the insurgent enemies of today and the future, soldiers must be able to identify and solve unfamiliar problems, rapidly adapting to the circumstances unfolding on the ground.

The counterinsurgency approach is one of discovery and experimentation, the creative approach to warfare. The cornerstone of counterinsurgency operations is what Army strategists call developing the situation through action. Central to the process is acknowledging that mistakes will be made, like violating cultural norms or initially picking the wrong partners, because soldiers are operating in an arena of uncertainty. To help facilitate this change in thinking, the Army has turned to design thinking. The revised U.S. Army's field manual reads: "Design is a methodology for applying critical and creative thinking to understand, visualize and describe complex, ill-structured problems and develop solutions to solve them."

Two fundamental advantages of the little bets approach are highlighted in the research of professor Saras Sarasvathy: that it enables us to focus on what we can afford to lose rather than make assumptions about how much we can expect to gain, and that it facilitates the development of means as we progress with an idea. Sarasvathy points to the value of what she calls the affordable loss principle. Seasoned entrepreneurs, she emphasizes, will tend to determine in advance what they're willing to lose, rather than calculating expected gains. Her work also shows that entrepreneurs tend to be highly aware of the importance of their means, which she defines as: who they are, what they know and whom they know.

Betting on Pixar

By the mid-1980s, Pixar's lead technologist and president, Ed Catmull, had long been determined to make a feature-length, computer-animated film. Catmull's bold vision helped him recruit an ever-growing cast of collaborators with complementary means, including John Lasseter, a traditional animator from Disney. Although the digital imaging technology captivated Steve Jobs, he did not anticipate that the company would produce revenues from animation when he invested. But Jobs decided to allow Catmull to develop his team's ability to

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make films by green lighting a series of short films, even though Pixar could expect little or no value from them. Thinking in terms of affordable losses, Jobs' decisions made sense. Had Jobs instead based his decisions on what he could expect to gain from digital animation, he might well have shut the group down early on.

Determining what he can afford to lose is also what Chris Rock does when going before audiences with rough material. One might think that Rock would worry about letting himself bomb in front of people, lest it damage his reputation. He figures that even if some people do leave his experimental appearances disillusioned, and audience members fold their arms in disappointment or jeer, it's an affordable loss. Not only will most of the people appreciate the chance to see his creative process in action, he also knows that those "losses" are contributing to the larger payoff of a highly successful show that will be seen by millions.

In investigating what facilitates the successful practice of little bets, a certain way of thinking about failure plays an important role. Successful experimental innovators tend to view failure as both inevitable and instrumental in pursuing their goals. ●

The Growth Mindset

One of the striking characteristics of those who have learned to practice experimental innovation is that they understand (and come to accept) that failure, in the form of making mistakes or errors, and being imperfect is essential to their success. It's not that they intentionally try to fail, but rather that they know that they will make important discoveries by being willing to be imperfect, especially at the initial stages of developing their ideas.

By expecting to get things right at the start, we block ourselves psychologically and choke off a host of opportunities to learn. Some fascinating research illuminates why some people have a more resilient approach to failure than others.

Dr. Carol Dweck, a professor of social psychology at Stanford University, is one of the leading experts on why some people are more willing (and able) to learn from setbacks. Her research has demonstrated that people tend to lean toward one of two general ways of thinking about learning and failure. Those favoring a fixed mindset believe that abilities and intelligence are set in stone, that we have an innate set of talents, which creates an urgency to repeatedly prove those abilities. They perceive failures or setbacks as threatening their sense of worth or their identity. Conversely, those

favoring a growth mindset believe that intelligence and abilities can be grown through effort, and tend to view failures or setbacks as opportunities for growth.

The Growth Mindset at Work

Michael Jordan is one of Dweck's oft-used examples of someone with a growth mindset. He did not start out as a player who would obviously become one of the greatest ever in his game. Rather, he exerted enormous effort to reach that level, and even after having attained it, he continued to work extremely hard. Dweck's findings suggest that people exhibiting fixed mindsets tend to gravitate to activities that confirm their abilities, whereas those with growth mindsets tend to seek activities that expand their abilities.

Pixar's top managers demonstrate a relentless desire to challenge and learn, and they ensure that this trickles throughout the rest of the company. Ed Catmull, who people describe as Pixar's spiritual leader, is even known to ask the company's janitors what they think of Pixar's work and why. Central to Pixar's success in fostering this growth mindset through the ranks is the company's attitude about failure. When Catmull sums up Pixar's creative process, he describes it as going from "suck to nonsuck." Pixar's film ideas begin on rough storyboards that suck until they work through thousands of problems throughout the process in order to take films from suck to nonsuck.

One of those I interviewed who impressed me most in exhibiting a growth mindset was the architect Frank Gehry. Gehry is best-known for the Guggenheim Museum in Bilbao, Spain, and Disney Concert Hall in Los Angeles. In 1989, he won the Pritzker Prize, considered the Nobel Prize for architecture. He said, "I don't feel like I'm at the mountaintop. That's the thing that's really interesting. I don't believe in it. I don't believe I'm there. I call it a 'healthy insecurity.' I'm still searching for something."

The growth mindset is not about not caring about failure. Not even Gehry can inoculate himself from fears of failure. The key is that we can teach ourselves to think differently about failures and mistakes, seeing them as opportunities for learning and growth.

Practicing little bets frees us from the expectation that we should know everything we need to know before we begin. By focusing on doing rather than planning, learning about the risks and pitfalls of ideas rather than trying to predict them with precision upfront, an experimental approach develops growth mindset muscles. ●

Failing Quickly to Learn Fast

Pixar director Andrew Stanton, director of *Finding Nemo* and *WALL-E*, says, “My strategy has always been: Be wrong as fast as we can. Which basically means, we’re gonna screw up, let’s just admit that. Let’s not be afraid of that. But let’s do it as fast as we can so we can get to the answer. You can’t get to adulthood before you go through puberty. I won’t get it right the first time, but I will get it wrong really soon, really quickly.”

Howard Schultz’s experience building Starbucks illustrates the point. He and his colleagues had to try hundreds of ideas, on everything from nonstop opera music to baristas wearing bow ties, to hundreds of different types of beverages, before being able to define the Starbucks experience.

Novelist Anne Lamott believes that every good writer writes what she calls “shitty first drafts.” “The only way I can get anything written at all is to write really, really shitty first drafts.” Just get it down on paper, she recommends. Write like a child, whatever comes to your mind. “All good writers write them. This is how they end up with good second drafts and terrific third drafts.”

Frank Gehry will begin a new building design by literally cutting up, crumpling and folding pieces of paper or corrugated cardboard with colleagues. Soon a rudimentary building comes into view, perhaps standing several feet tall and wide. The initial prototype that emerges over an hour or so barely looks like a building, but it’s merely a starting point. They have begun and can work quickly and inexpensively to explore dozens of initial possibilities.

In developing a film, the team at Pixar creates thousands of storyboards, a huge number of which include ideas that will not be used for the final product. Modeled after Disney’s old animation techniques, storyboards are 3-by-8 inch sheets of white paper upon which Pixar’s story artists sketch ideas. With each success they’ve had, they have challenged themselves even more, and in keeping with that, they have used more storyboards.

In a world that prizes answers and solutions, prototyping can be somewhat counterintuitive, placing the emphasis on doing it to be able to think rather than thinking in order to do. Discovery doesn’t happen in a vacuum, which is why doing things, however imperfectly at first, opens us up creatively. ●

The Genius of Play

When Frank Gehry describes his process for designing and building, he emphasizes how much he values being

able to play with his colleagues. “I don’t think I would do buildings alone anymore,” Gehry says, “I’ve gotten so used to the team to play with.”

Dr. Charles Limb, a medical doctor and associate professor of head and neck surgery at the Johns Hopkins University, placed musicians in an MRI machine with a small piano keyboard. When the performers switched from structured music to improvised jazz, the part of their brain responsible for evaluating and censoring their behavior effectively switched off.

Improvising unlocks a far more creative state of mind. Kids don’t have the self-censoring capacity of their brain well developed, which helps explain why they will say outlandish things and also why kids are often extremely creative. Scientists compare the state of mind while improvising to meditation or even to REM sleep cycles, when the mind more readily makes creative associations seemingly because it is less burdened by its evaluative side.

Throughout the Pixar creative process, they rely heavily on what they call plussing; it is likely the most-used concept around the company. The point of plussing is to build upon and improve ideas without using judgmental language. Creating an atmosphere where ideas are constantly being plussed, while maintaining a sense of humor and playfulness, is a central element of Pixar’s magic. The practice of plussing draws upon those core principles from improvisation: accepting every offer and making your partner look good. Rather than criticize an idea in its entirety (even if they don’t think it’s good), people accept the starting point before suggesting improvements.

Finding Success in Humor

Group leaders set the tone. Successful humor breaks down power structures that tend to inhibit tighter social bonds and interactions. This is precisely the type of environment that Pixar seeks to create. They have established that, at Pixar, hierarchy and positional status are of less relevance than at most companies. The dominant hierarchical work environment supports the fallacy that the most experienced or senior person in the group will have the answers. People around Google and other corners of Silicon Valley often refer to this as the HiPPO phenomenon. That is, the highest paid person’s opinion (HiPPO) usually dominates how people make decisions inside most organizations.

A playful, lighthearted and humorous environment is especially helpful when ideas are incubating and newly hatched, the phase when they are most vulnerable to being snuffed out or even suppressed because of being judged or self-censored. The possibilities become the

basis for little bets, just as comedians improvise to develop new material. Plussing then forms the basis by which to build ideas toward perfection. ●

Problems are the New Solutions

An outsider might assume that Disney Concert Hall's parabolic metallic structure grew out of a chaotic creative process. But no. Frank Gehry and his team make use of the constraints imposed upon them. On a typical project, the constraints, what Gehry also calls "guardrails," that define the scope of Gehry's figurative box will include a budget, time frame, materials, political or regulatory rules, and the nature of the building site itself. Those constraints not only help Gehry Partners to bound, focus, and measure their progress, they help begin and evolve the design. As Google's Marissa Mayer has put it, "Constraints shape and focus problems and provide clear challenges to overcome."

The strategy of breaking a project down into discrete, relatively small problems to be resolved is what Bing Gordon, a co-founder and the former chief creative officer of the video game company Electronic Arts, calls "smallifying." Gordon found that when software teams worked on longer-term projects, they were inefficient and took unnecessary paths. However, when job tasks were broken down into particular problems to be solved, which were manageable and could be tackled within one or two weeks, developers were more creative and effective.

This practice of smallifying problems is a common one in Silicon Valley these days, related to what executives call one of the most important recent ideas in the software industry: agile software development. Unveiled in 2001, the founders of agile development believed that software development projects should be broken into small pieces, prioritized, completed and released based on user needs. By contrast, software traditionally is developed in a way in which the solution is planned, designed and detailed before the project begins, known as the "waterfall method." Although the waterfall method has its virtues, there are several major flaws. One is that managers try to anticipate every conceivable software feature users might need at the outset. As Steve Jobs was known to say, "People don't know what they want if they haven't seen it." Many features created through waterfall methods are never used.

Given the fear or indecision we often confront when attempting to unleash our creativity, the practice of rigorously smallifying problems is liberating. ●

Questions are the New Answers

In 1974, Muhammad Yunus was an economics professor at Chittagong University in Bangladesh. It was in the village of Jobra where Yunus absorbed himself in the lives of some of Bangladesh's poorest people, seeking to understand poverty from what he called the worm's-eye view.

Sufiya could not afford to buy raw materials for the bamboo stools, and she could not get a conventional loan since she did not have collateral. The middlemen allowed her just enough profit to survive from day to day. Sufiya lived as a bonded laborer, essentially enslaved. Yunus asked one of the students to compile a list of people in Jobra who, like Sufiya, were dependent upon middlemen. The list came to 42 people. They needed a combined total of less than \$27 to finance their work. "My god, my god. All this misery in all these families and all for the lack of \$27!" Yunus exclaimed.

By immersing himself in Sufiya's life, Yunus had discovered a core problem that economists had overlooked. After making the first \$27 loan personally, he secured the capital necessary to start the Grameen Bank in 1977. Grameen would provide very poor, self-employed people with tiny loans. The practice became known as "microlending" or "microfinance" and would become a global phenomenon.

Corporate Anthropology

The observational methods of anthropology are infiltrating the corporate world. Take an experience of Procter & Gamble (P&G) in Latin America. A large part of P&G's audience in Mexico are low-income people, a different demographic from its core market in the United States. There was a disconnect. Not surprisingly, the company experienced a number of failures there throughout the 1980s.

P&G responded brilliantly. Under CEO A.G. Lafley, the company launched a program to have its employees actually live with representative users, called "Living It." P&G ethnographers, and also senior managers, spend time in low-income homes around the world to better understand what matters in their lives.

Why are some people voracious questioners and others are not? Professors Hal Gregersen and Jeff Dyer gathered interesting insights about our approach to education. "If you look at 4-year-olds, they are constantly asking questions and wondering how things work. But by the time they are 6-and-a-half years old they stop asking questions because they quickly learned that teachers value the right answers more than provocative questions."

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What is the purpose of education? Is it to convey knowledge, as the current system is weighted, or is it to inspire and nurture an ability to constantly learn?

For those of us who are already grown-up, acting like anthropologists is one of the most powerful ways to help us formulate the questions that will uncover invaluable insights and answers. And in so doing, it's important not only to dive deep into particular, selected environments, as Muhammad Yunus did, but also to go wide. ●

Learning a Little from a Lot

Diversity, be it of perspectives, experiences or background, fuels creativity. We see this pattern at the individual, organizational and societal levels. Dr. Richard Wiseman spent 10 years studying why some people seem to be lucky while others seem to be unlucky. Wiseman performed a series of experiments on 400 people and summarized his findings in his book *The Luck Factor*.

Wiseman and company began by surveying people about whether they perceive themselves to be lucky or unlucky. They found that 50 percent of the respondents considered themselves to be lucky and 36 percent felt they were neither lucky nor unlucky, while 14 percent said they were consistently unlucky. Over the next several years, Wiseman sought out differences between these self-described “lucky” and “unlucky” people.

The Root of Luck

In one experiment, Wiseman gave both lucky and unlucky people a newspaper and asked them to count the number of photographs it contained. He found that it took people in the unlucky group roughly two minutes to complete the task, whereas it took people in the lucky group just seconds. “Why?” Wiseman recounts, “Because the second page of the newspaper contained a message: Stop counting. There are 43 photographs in this newspaper. It was staring everyone straight in the face, but the unlucky people tended to miss it and the lucky people tended to spot it.”

At social parties, unlucky people tended to talk with the same types of people, people who were like themselves. Lucky people tended to be curious and open to what can come along from chance interactions. Chance opportunities favored people who were open to them. Wiseman wrote: “Lucky people are effective at building secure, and long-lasting, attachments with the people they meet And time and again, this network of friends helps promote opportunity in their lives.”

This was Wiseman's core finding: You can create your

own luck. Lucky people increase their odds of chance encounters or experiences by interacting with a large number of people. The more people and perspectives in your sphere of reference, the more likely good insights and opportunities will combine. ●

Learning a Lot from a Little

There's an important reason that standup comedians target small comedy club audiences with their little bets, and it's backed up by decades of empirical research, including that of MIT professor Eric von Hippel. Chris Rock watches the audience body language closely, especially the diehard regulars who typically sit in the center of the room, and frequently makes notes about their reactions. Von Hippel showed how these types of cutting-edge users of ideas provide unique insight about what ideas will be valuable to a broader audience. Seeking out a small group of these active users with little bets is an astute way to tap into unique insights and desires.

In an extensive study of the sources of innovation for major scientific instruments, for instance, von Hippel found that one group, which he called active users or lead users, were responsible for developing over 75 percent of the innovations. A similar pattern ran across an array of other industries. These people not only serve as cutting-edge taste-makers, they actively tinker to push and create new ideas on their own.

Designers call these people extreme users, whose unique needs can foreshadow the needs of other people. Many creative thinkers and doers use the von Hippel strategy already, without knowing anything about von Hippel's findings. For example, singer and songwriter John Legend does so as he develops a new song. Kanye West, in particular, is a classic innovator and active user, constantly consuming and tinkering with music. Legend will bounce ideas around with West at all stages of the process, especially at the beginning.

Active users are all around us. We can all seek out the active users in our work and social sphere, and even use methods to reach out wider to find them, and begin regularly tapping into their highly valuable insights, desires and opinions. ●

Small Wins

As we begin to make use of these methods to develop new ideas, strategies and projects, they combine to facilitate what organizational psychologist Karl Weick refers to as small wins. Weick defines a small win as “a concrete, complete, implemented outcome of moderate

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importance.” Sometimes a Chris Rock joke will provoke a torrent of laughter, but more often, a positive reaction will come in the form of a muted chorus of chuckles. That’s a small win because Rock knows that he’s found a theme that has the makings of a good joke, which he can then build upon.

At Pixar, what Ed Catmull and John Lasseter did, which enabled them to impress Steve Jobs enough to continue to support their efforts, was to demonstrate the value of computer-generated animation films in a series of small wins. They proposed a series of short films and justified making them by arguing that they would help to sell Pixar’s other products. Running just over a minute and a half, *Luxo Jr.* was considered a real breakthrough, especially for its emotional realism. Lasseter used the Luxo lamp sitting on his desk as inspiration for the story involving a large lamp (adult) and a small lamp (child) interacting as the small lamp plays with a ball. When the lights went up, Luxo Jr. received a standing ovation from an audience of roughly six thousand people at SIGGRAPH (a large annual computer graphics conference), an important boost for Pixar’s reputation and brand.

Starbucks evolved in a similar manner. The Starbucks we know emerged by carefully adapting to customer feedback through a series of small wins. So, for example, Schultz was initially determined to avoid using nonfat milk since he didn’t think it tasted as good as regular milk and because it was at odds with the Italian coffee experience. When customers kept requesting nonfat drinks, Schultz relented. The success of those drinks became an important small win: Nonfat milk would grow to account for almost half of Starbucks’ lattes and cappuccinos.

Some of the benefits of small wins are easy to appreciate. They help to build momentum and can be the crucial boost to beat back the inevitable frustration of any creative endeavor. They enable the development of the means to attain goals. One element of small wins that is particularly tricky to absorb is that very often they will not emerge in a linear fashion, so they cannot reliably be predicted or planned for and may not build on one another, one step after another. Often, rather than validating a direction we’ve been pursuing, they will provide a signal to proceed in a different way. In this way, small wins enable a flexibility about how to attain ultimate goals. The key is to appreciate that we can’t plot a series of small wins in advance; we must use experiments in order for them to emerge. ●

Conclusion

As we have seen, Chris Rock, Frank Gehry, agile software developers, Pixar animators and seasoned entrepreneurs all do things to discover what they do. At the core of this experimental approach, they use little bets to discover, test and develop ideas that are achievable and affordable. Little bets are their vehicle for discovery, whereby action produces insights that can be analyzed, as Gehry might when he builds a new prototype model, in order to identify, frame and reframe problems and ideas, so he can adapt and act using little bets again.

Experimental innovators use strikingly similar methods inside their work processes. So, for example, they use lots of experiments and inexpensive prototypes to develop their ideas. Just as Gehry uses crumpled sheets of paper to prototype rough building designs, Chris Rock scribbles joke ideas on a notepad, then reels off ideas in small clubs, not afraid to bomb with regularity. That’s how he learns. Inside Pixar, the story is the same: They must use thousands of storyboards in order to develop a new film storyline of script. It’s how they go from suck to nonsuck. Pixar directors understand what seasoned entrepreneurs like Jeff Bezos and agile software developers do: The faster they fail, the faster they will discover promising opportunities.

Invention and discovery emanate from being able to try seemingly wild possibilities and work in the unknown; to be comfortable being wrong before being right; to live in the world as a keen observer, with an openness to experiences and ideas; to play with ideas without censoring oneself or others; to persist through dark valleys with a growth mindset; to improvise ideas in collaboration and conversation with others; and to have a willingness to be misunderstood, sometimes for long periods of time, despite conventional wisdom.

As the noted technologist and inventor Alan Kay once said, “The best way to predict the future is to invent it.” After all, life is a creative process. It all begins with one little bet. What will yours be? ●

RECOMMENDED READING LIST

If you liked *Little Bets*, you’ll also like:

1. ***The 4 Disciplines of Execution* by Sean Covey, Chris McChesney and Jim Huling.** The 4 Disciplines of Execution (4DX) is a simple, repeatable formula for executing on your most important strategic priorities.
2. ***Disciplined Dreaming* by Josh Linkner.** Learn how to create profitable new ideas, empower all your employees to be creative and sustain your competitive advantage over the long term.
3. ***Adaptability* by Max McKeown.** McKeown draws on millions of years of evolution to create a practical and strategic set of rules that take adaption from an involuntary coping strategy to a deliberate winning strategy.