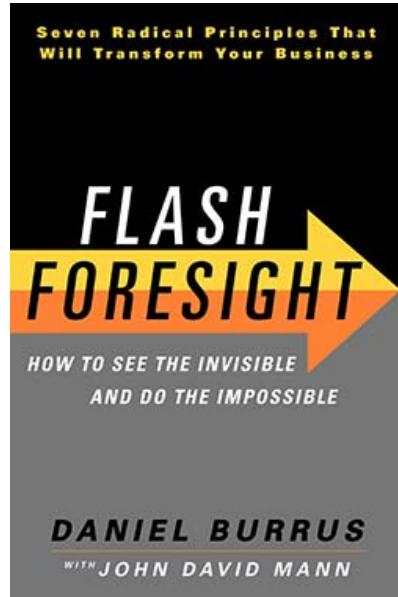


FAST COMPANY

Have a Business Problem? Just Skip It

BY DANIEL BURRUS Thu Jan 20, 2011

In this excerpt from his new book *Flash Foresight*, author Daniel Burrus examines how the best business strategy to deal with a huge problem may be just to skip it altogether.



Here is an exercise I often do with my clients.

"Close your eyes for a moment and ask yourself: *In my work, what is the biggest problem I'm facing right now?* Keep your eyes closed until you've come up with an answer."

Their eyes invariably pop open again in just seconds; our biggest problems have a way of sitting right on our shoulders, ready to jump in and make their presence known at a moment's notice. Try this yourself; to get maximum benefit from the exercise, you may want to jot down your answer. Now, with that biggest problem firmly in mind, here's what we're going to do: we're going to take that problem . . . and skip it.

The typical approach is to grab that problem and attempt to solve it. The problem with trying to

solve your problem is that in order to solve it, you engage it, and by engaging it you embrace it-- which often leads to getting your wheels mired in the mud of the problem, stuck in crisis mode and unable to move forward.

Flash foresight takes a different path. Rather than engaging with your biggest roadblocks by confronting them, often you'll find you can simply leap over them. This is not a philosophy of denial, avoidance, or procrastination. It is a powerful kind of conceptual jujitsu that teases previously invisible crises out into the open, where we can take decisive action to address them.

The key to unraveling our most intractable problems often lies in recognizing that the problem confronting us is not our real problem; the real problem lies hidden behind the distraction of what we think our problem is. *Skipping your biggest problem* means stepping outside the flat plane of the existing situation and gaining a clearer perspective, and this often triggers flash foresights that lead to new opportunities far bigger and more productive than you could have imagined based on the original (incorrect) problem you were trying to solve.

Take Eli Lilly, for example. A Fortune 500 company and member of the S&P 500 index, Lilly was one of the largest pharmaceutical companies in the world, yet they knew they were not invulnerable. In 1992, more than a hundred years after its founding by Civil War veteran Eli Lilly, the company that brought us insulin, penicillin, and erythromycin, had suffered the first quarterly loss in its history. By 2001 Lilly faced a ticking clock. That August a key patent would expire, ending the company's exclusive on Prozac, the drug that had been responsible for a third of its annual sales of \$3 billion just the year before.

Lilly was in a panic. In 1999, knowing that the Prozac patent deadline was approaching,

the company had ramped up its R&D budget by 30 percent in a quest to find the next pharmaceutical blockbuster. But its profits were tumbling anyway, and so was its stock value. A pharmaceutical company's stock price is tied to whatever exciting new drugs it has in its pipeline, and not simply to how well its existing flagship products are selling. To get new drugs into the pipeline, you've got to solve molecular problems, which is why Lilly had nearly 7,000 researchers on its payroll. As large a staff as that sounds, it wasn't enough. In August 2000, when news of the patent's impending expiration hit, Lilly's stock dropped nearly one-third in value in a single day, deleting more than \$36 billion in equity. Now the August 2001 deadline loomed. They had some big molecular puzzles to solve, and solving them would mean hiring at least another one thousand PhD employees--a thousand new employees they frankly did not have the money to hire.

Lilly's problem was, to put it bluntly, *no money*. Or was it? Actually, the key to solving Lilly's problem was to skip it-- because that wasn't its real problem. The real issue was not *hiring more PhDs*, it was *solving molecular problems*.

So what did they do? They created an online scientific forum called InnoCentive, Inc., where they posted difficult chemical and molecular problems and offered to pay anyone who could solve them. By making the site open to any scientist with an Internet connection and posting the problems in over a dozen languages, the company created a global, virtual R&D talent pool that soon found solutions to problems that had stumped its own researchers.

One of the beauties of this strategy is that the company paid only for those solutions that worked. The amount paid depended on the difficulty of the problem. Some of the awards have been as high as \$100,000, although most are in the \$2,000 to \$3,000 bracket. To date, engineers and scientists from Beijing to Moscow have worked at solving the company's molecular problems--without being on the company's payroll. In the following years, other companies followed Eli Lilly's lead, including Procter & Gamble, Dow Chemical, and others.

They created new drugs, and their stock rebounded. Lilly survived--and thrived. (In 2006, *Fortune* magazine named Lilly to its list of top 100 companies to work for, and *Barron's* included it in its top 500 best-managed U.S. companies.)

How did Eli Lilly solve its money problem? They didn't: instead, they skipped it. In fact, their money problem was not the problem, it was only what they *thought* the problem was.

So, what about that biggest problem of yours? Like Eli Lilly, if you hold the problem up and look at it from different angles, you may well find that it is not your true problem--and that rather than trying to solve it, you may fare far better by skipping it entirely.

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