WHY NOT?
How to Use Everyday Ingenuity to Solve Problems Big and Small
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The Web site for this book is at www.whynot.net.

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"The whole of science is nothing more than a refinement of everyday thinking." – Albert Einstein

Innovation doesn’t have to as high-tech and complicated as you might suspect. Loads of very good commercial ideas can be developed and implemented which are actually simple refinements of everyday thinking. In other words, the old-fashioned style of American ingenuity centered around finding practical solutions to common problems just may not be as out of date as you think. There are loads of great solutions which are right in front of us every day, if we can just take the time and effort to notice them.

The process of generating real-world innovations can be visualized in this way:

1. **The two basic methods for generating new ideas**

   There is a simple and recurrent structure to being able to “think outside the box”. Most new ideas aren’t completely original in and of themselves. Instead, most new commercial innovations are a hybrid mix of problems in search of solutions or solutions in search of problems to solve. The trick lies in knowing when and how to use these two basic methodologies of innovative thinking.

2. **The four problem-solving tools**

   Tool #1 – Unconstrained – What is the ultimate solution?
   This tool visualizes how an exceptionally rich consumer would go about solving a problem. It says that if money is no object, what would be the ultimate solution? The challenge is then to think of ways to make this solution more affordable for the masses.

   Tool #2 – Internalization – Where’s the pain?
   This tool suggests that original ideas can come from watching what people do wrong. More often than not, this situation arises because people are given the wrong incentives. They then pursue one objective at the expense of all other equally important objectives. Find the misguided incentives and you have a chance to come up with something better.

   Tool #3 – Arbitrage – Where else would this work?
   Sometimes, it isn’t helpful to start with a problem first. There are times when you come up with a solution first, and then think about what additional preexisting problems this solution will also fix. In these cases, discovering a better way to do something provides a solution to a problem that nobody has really taken much notice of before. By searching for new applications for these solutions, you can develop some very innovative ideas.

   Tool #4 – Symmetry – Would flipping this idea work?
   For every good idea, going in the opposite direction may generate an even better idea. The commercial world is full of symmetries nobody has ever thought to try. Always be on the lookout for new markets that can be harnessed by doing something that is the complete antithesis of popular thinking. With a bit of luck, your new way of doing things may actually turn out to be much better.

3. **Ideas on implementation**

   Coming up with an innovative new idea is great, but it’s only half the battle. The real value of any idea won’t really come into focus unless and until it is implemented successfully. To really change anything, you’ll need to sell your idea to others and get them to buy in.
1. The Two Basic Methods For Generating New Ideas

There is a simple and recurrent structure to being able to “think outside the box”. Most new ideas aren’t completely original in and of themselves. Instead, most new commercial innovations are a hybrid mix of problems in search of solutions or solutions in search of problems to solve. The trick lies in knowing when and how to use these two basic methodologies of innovative thinking.

Innovators typically are good at identifying the problems other people are having and relating to them personally. They take note of the inconveniences and problems others are happy to sweep under the mat or ignore. Rather than accepting the status quo as the only possible option, they decide to do something about the problem, which sets off a cycle that is repeated again and again:

- Note a common problem people are experiencing
- Develop a workable solution which addresses that problem
- Look for other places where that solution can be used

Once a problem has been identified, usually the first place to start looking for a solution is to observe how people are already starting to solve that problem for themselves. Often, these solutions will be awkward and less than perfect, but they can serve as a good place to start developing something workable and practical. Improving on what people are already doing for themselves has been the mainstay method used to develop numerous successful products and services.

This approach to generating new ideas does have some limits, however. For one thing, most consumers will have extremely limited resources, and therefore they will be prepared to put up with minor irritations that detract from the optimal solution. In addition, consumers really don’t know what’s available. If you enhance what they’re doing, it may lead you away or divert attention from even better solutions that are not as widely known.

To overcome these limitations, however, you can use the first two problem solving tools:

1. You can look at what a customer with unlimited resources – to whom price is no object – would do if they were faced with this problem. This optimum solution probably won’t be practical because in the real world the price is an important consideration, but this tool will encourage bold thinking. It might also be feasible to come up with a cheaper solution which still delivers the bulk of the benefits. For example, Howard Hughes bought a local television station in Los Angeles so he could watch whatever movies he wanted whenever he felt like it. Today, consumers achieve the same effect much more cost effectively by purchasing and using VCRs and DVD players.

2. You can take note of the mistakes customers commonly make, and develop ways to internalize any external benefits. In other words, you can identify inefficiencies in the system and find ways to share the benefits more equitably. For example, Blockbuster used to run out of new release videos because everyone wanted them at the same time. To solve this problem, the company entered into a revenue sharing arrangement with the film production companies. Instead of buying new release videos, Blockbuster gets provided with a large supply of new releases in exchange for 40-percent of the rental revenue generated by Blockbuster. This is a win-win situation for consumers, the film companies and for Blockbuster as well.

Both of these problem solving tools are focused on developing workable solutions as a way to innovate. At times, however, problems are much more subtle. There are circumstances where you can reverse that traditional direction, and try a solutions-in-search-of-a-problem approach. This involves starting with a known quantity (your solution) and searching for problems you weren’t even aware you’ve already solved.

The third and fourth problem solving tools are applications of the solution-looking-for-a-problem approach to innovation:

3. You can take a solution which works well in one situation, and see if it can also be applied to solving another existing problem which has never really got much attention. For example, a grocery store might take note of expedited check-in lines for frequent air travelers and introduce a dedicated check-out lane for its most frequent shoppers rather than those who purchase ten items or less. Or Hollywood might take note of the fact airline versions of movies (which are edited to be less explicit than the theater releases) are very popular with parents and make it possible for DVDs to contain two different versions of their films – one for adults and one for children.

4. You can deliberately flip a product or service and see whether there isn’t a serviceable niche going opposite the mainstream market. Even if doing a 180-degree flip doesn’t produce a better solution to the problem, it may suggest another problem which you already have a ready-made solution. For example, Priceline.com reversed the normal commercial practice of the seller specifying a price. Priceline made it possible for consumers to nominate a price they are willing to pay, and the seller then decides whether or not to sell it at that price. This is a great example of the power of asymmetrical thinking.

When it comes to innovation, most people naturally assume it involves finding a great new idea to use. That’s a worthwhile objective, but many of the innovations of commerce have been centered around commercially exploiting the solutions which already exist and which nobody has really noticed.

“Now, you might be asking, are these the only tools out there for generating ideas? The answer is clearly no. There are rich theories of how scientific discoveries play out over time – incrementally adding to our knowledge through systematic and painstaking experimentation. But our why-not tools are geared towards discovering solutions that in a sense already exist but have just not been put into effect. We do not claim that this is an exclusive set of techniques for routinizing ingenuity, and we are not trying to solve all problems. Edison famously said that genius is 99-percent perspiration and 1-percent inspiration. For a certain type of discovery, he is clearly right. But there is another type of discovery in which inspiration and attitude are a much
more dominant force. We’re focused on finding the great ideas that are just waiting to happen. We do not claim that this is the exclusive set of techniques for routinizing ingenuity, and we’re not trying to solve all problems. Some solutions may require painstaking experimentation, while others may require a eureka! inspiration. Our central claim is merely that mastering these four techniques by themselves will help you develop a mind-set that can generate new ideas to solve real-world problems.”

— Barry Nalebuff and Ian Ayres

“Discovery consists of seeing what everyone else has seen and thinking what nobody has thought.”

— Albert von Szent-Györgyi

“Innovation is not something that needs to be left to the experts or rocket scientists. Innovations are not just top-down, but bottom-up and sideways. In fact, non-experts sometimes have the advantage of not being constrained by the accepted wisdom. It’s easier to think outside the box when you don’t even know where or what the box is. Not knowing ‘that’s just the way it is’ or ‘that was tried once but failed’ may help the non-expert conjure new ideas that the expert would not have discovered.”

— Barry Nalebuff and Ian Ayres

“Some men see things as they are and say, ‘Why?’ I dream of things that never were and say, ‘Why Not?”

— Robert F. Kennedy quoting George Bernard Shaw

“Let us make a preemptive strike against what the nattering nabobs of negativism say: If that’s such a good idea, why hasn’t someone already done it? This is a fair question. It is a test used by all venture capitalists. The mistake is to jump to the conclusion that if it hasn’t been done already, there must be something wrong with the idea. It is absurd to suggest that all the good ideas have already been thought of, and yet, this refrain keeps reemerging. Many great ideas do not make great new businesses. They’re often better realized by existing firms. The technology for writing novels and composing music and painting watercolors has been with us for a long time. But we don’t reject new art out of hand because if it were any good it would already have been created long ago. The possibilities for creation have not been exhausted. Good ideas are not a thing of the past. Why not dream of things that never were?”

— Barry Nalebuff and Ian Ayres

“The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man.”

— George Bernard Shaw

“Judge a man by his questions rather than his answers.”

— Voltaire

“Knowledge management is a process of codifying what an organization knows. If people have a problem, they can look at the firm’s database to see what solutions others have employed. In this way, knowledge management is a tool to help people find solutions to their problems. Try turning this around. You’ve come up with a great new solution. What other problems does it solve? Shouldn’t there also be a database of questions that people want to have solved? Then if you have an answer to one problem, you can look through this database to see what other problems it might solve. Let’s call this reverse exploration ignorance management.”

— Barry Nalebuff and Ian Ayres

“Until recently, the economy looked to technology as the engine for innovation. Many great ideas have been born there. But the emphasis on high-tech, biotech, and the Internet has meant that ideas hatched from everyday ingenuity have often been overlooked. History is littered with great inventions that are simple refinements of everyday thinking. Why Not? is a sustained argument against complacency. We aim to make it socially acceptable for people to speak up and add their two cents about how things should work. The world should be one big suggestion box.”

— Barry Nalebuff and Ian Ayres

“People usually think of problem solving as a search for solutions. But in everything we do, we look for symmetries. Thus, we also see that problem solving can be a search for problems once you’ve found a good solution. Both approaches have their advantages. If this seems odd, think of television game shows. Who Wants to Be a Millionaire? looks for the right answer, while Jeopardy! starts with the answer and looks for the right question. Some problems are pretty obvious. But others are more subtle. Others are so large but so familiar that nobody notices. Part of the Jeopardy! or solutions-in-search-of-problems approach is that it allows you to start with a known quantity and search for problems you didn’t even know you had.”

— Barry Nalebuff and Ian Ayres

“Finding and identifying the problem is often the crucial step. One of the best ways to identify problems is to pay attention to what bugs you and other people. Instead of becoming inured to the annoyance and accepting the status quo, innovators need to cultivate their sensitivity to displeasure and even empathize with the displeasure that other people might have long ago suppressed. We are on the lookout for situations where satisfactory could become optimal. Conceding ‘that’s just the way it is’ is the death knell of progress.”

— Barry Nalebuff and Ian Ayres

“The opposite of a correct statement is a false statement. The opposite of a profound truth may well be another profound truth.”

— Neils Bohr

“Optimism can make you look stupid, but pessimism always make you look cynical.”

— Calum Fisher

“A common approach to developing problem-solving and lateral thinking skills is to work on made-up problems and brainteasers. We enjoy solving brainteasers as much as the next person (okay, possibly more). But it is even more gratifying to come up with a solution to a problem in which something of real consequence turns on the answer. Simply put, we think it is more fun, more challenging, and more rewarding (including financially rewarding) to solve practical problems than made-up ones. Why not imagine what you would do differently if given the power to change things at GM, the IRS, a health plan, or the phone company? Of course, you don’t have to start a new business to profit from knowing how to innovate. Constantly looking for new and better ways of doing things is both a skill to develop and a way of life. When you start thinking this way, it soon becomes second nature. Indeed, it pays to be known as the ideas person in your organization.”

— Barry Nalebuff and Ian Ayres

“There is great satisfaction in coming up with an idea that really works.”

— Barry Nalebuff and Ian Ayres
2. The Four Problem-Solving Tools

1. Unconstrained

What is the ultimate solution?

This tool visualizes how an exceptionally rich consumer would go about solving a problem. It says that if money is no object, what would be the ultimate solution? The challenge is then to think of ways to make this solution more affordable for the masses.

Many companies watch how their customers use or more frequently misuse their products to see whether those actions suggest a new potential application for those products. Those ad-hoc solutions can then be polished and standardized to become products in their own right. In a similar fashion, the whole thrust of this tool is to visualize how an ultra-rich person would tackle the problem at hand. The challenge then becomes automating, standardizing or simplifying that solution into something which is more affordable and realistic.

Example #1 – Unwanted calls in the middle of the night

The problem: At one time or another, everyone has been woken in the middle of the night by a fax machine trying to send a fax to the wrong number. If you just hang up, the fax machine will redial again and again until it has sent the fax.

The ultimate solution: A rich individual – say Bill Gates or Donald Trump, for example – would hire a personal assistant to answer their phone twenty-four hours a day. The assistant would deal with the problem leaving the individual undisturbed unless there was a genuine emergency.

A more practical solution: Not everyone can afford to hire a personal secretary, so a more practical idea would be to have a telephone screening system in place, which answers calls between set hours with a message along the lines of: “You’ve reached the Trumps. We’re home but would rather not be disturbed at the moment. Please leave a voice-mail message. If this is an emergency, hit the ‘0’ key and our phone will ring, but it had better be for a good reason.” In this way, fax machine calls would get filtered out or redirected to a voice-mail system for later retrieval and yet urgent calls could still get through.

Example #2 – Mortgage refinancing

The problem: When interest rates fall, it makes sense to refinance fixed-rate mortgages. The trick is to time this right, and to do something to avoid all the costs like legal fees, title insurance, appraisals, etc.

The ultimate solution: Hire a property manager to take care of all the details for you, to track interest rates and handle all the implementation details.

A more practical solution: Lenders could develop a fixed-rate mortgage which automatically refinances itself whenever interest rates drop enough to make the exercise worthwhile. The lender already has all the information that would be required to make the right decision as to whether or not you should refinance. By automatically handling this, the customer relationship will be strengthened and enhanced. The lender can also charge a small service fee, creating an additional revenue stream. Plus, the bank will be ensuring its customers will never have any incentives to go anywhere else with their future banking business.

Example #3 – Appointment reminder calls

The problem: Many people forget appointments they have made.

The ultimate solution: Hire a personal assistant who will maintain your appointment schedule, remind you of upcoming commitments and ensure you’re in the right place at the right time.

A more practical solution: A telephone based voice-mail system which allows you to send personalized reminder messages to yourself. These messages will be delivered at the time you have specified to remind you where you need to be. Not only can this be set up for appointments but you can also remind yourself of anniversaries, birthdays and such. You can also use phone-call reminders as an alarm system in the mornings or to remind you to take your medications at the right time. Or, at the end of the work week, you can leave a voice-mail message to yourself detailing what you have to do when you get back to work again. (This idea has been picked up and is now available through a Web site at www.iping.com).

“Watching how consumers with limited resources come up with low-tech solutions and innovative applications is a valuable tool for routinizing ingenuity. But this tool allows us to imagine how consumers with few limits behave. And imagining can lead us toward solutions that we never would have thought of when focusing on the limits rather than on the possibilities.”

– Barry Nalebuff and Ian Ayres

“An easy way to solve a problem is to have someone else solve it first. You just have to find that person. Why try to come up with an original idea when someone else has already done the hard work for you?”

– Barry Nalebuff and Ian Ayres

“Although watching customers offers valuable, even invaluable, insights, it isn't the whole game. There are many solutions you'd miss if that's all you did. You might have watched the wrong customer. Or the typical customer might not find it worthwhile or even possible to solve the problem on his or her own. Thus, we want to suggest an approach to watching customers that is less expensive and more expansive: Watch what a hypothetical customer would do. Since the customer is imaginary, this approach brings the costs way down.”

– Barry Nalebuff and Ian Ayres

“Customers are a regular source of solutions. Businesses watch their customers to see how they use or misuse products. For example, spray-on cooking oils, such as PAM, were designed to prevent food from sticking to a pan. Apparently some customers were also using the spray on the bottom of lawn mowers – to prevent the cut grass from sticking to the blades and bottom of the mower. Thus we have a new problem (sticky lawn mower blades) along with a solution (spray-on oil). Improving the improvised solution is easy: the spray doesn’t need to be virgin olive oil or even oil fit for human consumption. The point of this approach is to have the customer provide you with both an unrecognized problem and an accompanying solution.”

– Barry Nalebuff and Ian Ayres

“Simply knowing that a solution exists is helpful in giving you the confidence to explore alternatives. Adapting, modifying, standardizing and automating a high-end answer is often easier than coming up with the solution from scratch.”

– Barry Nalebuff and Ian Ayres
When the wrong incentives are in place, people act inefficiently. They might, for example, ignore the costs and benefits their decisions have on other people, and make decisions that seem to be good for them personally but which cause problems for society as a whole. Due to the fact there is no incentive to feel the pain or gain generated elsewhere, people who ignore these externalities can consistently make bad decisions.

Once a problem area has been identified, however, developing a solution is usually simple — realign the incentives so as to better reflect internally those external effects.

**Example #1 — Auto insurance**

**The problem:** The more miles you drive in a year, the greater the chances are you’ll be in a car crash. And yet the price of auto insurance does not vary at all with mileage — you’ll pay the same rate if you drive very low miles as someone pays who is on the road all day every day.

**The solution:** Sell car insurance on a per-mile basis rather than per-use. There are several ways this per-mile insurance does not vary at all with mileage — you’ll pay the same rate if you drive very low miles as someone pays who is on the road all day every day.

This tool suggests that original ideas can come from watching what people do wrong. More often than not, this situation arises because people are given the wrong incentives. They then pursue one objective at the expense of all other equally important objectives. Find the misguided incentives and you have a chance to come up with something better.

When the wrong incentives are in place, people act inefficiently. They might, for example, ignore the costs and benefits their decisions have on other people, and make decisions that seem to be good for them personally but which cause problems for society as a whole. Due to the fact there is no incentive to feel the pain or gain generated elsewhere, people who ignore these externalities can consistently make bad decisions.

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**Example #2 — Car alarms and burglar alarms**

**The problem:** When motor vehicle owners buy a steering wheel locking device called “The Club” and use it on their vehicles, all that ends up happening is a thief will go down the street and rob another car instead. By contrast, a silent undetectable system like “Lojack” when installed in a car makes it possible for the police to track a stolen vehicle and arrest the thief before they can go on to steal or vandalize another vehicle. Simply put, buying The Club helps the purchaser but hurts other people whereas buying Lojack helps other people but individual car owners have no economic incentives to buy a Lojack.

**The solution:** Obviously, the key is to realign the incentives so The Club purchasers feel the pain of deflected crime while Lojack purchasers share the benefits others derive. This can be done by:

- Imposing a tax on both devices and subsidizing Lojack purchases.
- Mandating that insurance companies give a sizeable discount on theft insurance for cars that have a Lojack system installed.

**Example #3 — Television advertisers**

**The problem:** Advertisers are concerned only with selling their product. They have no incentive to make their ads entertaining. That means 15- to 20-minutes of every hour of network television broadcasting has no incentive to be good.

**The solution:** When a commercial is bad, viewers switch channels during the ad to something better. If this channel surfing is monitored, advertisers could be charged based on how many people switch channels during their ad. If the ad is entertaining and not many viewers switch, then a reduced advertising rate can be charged. Conversely, if a large proportion of the viewers switch channels during the ad, a much higher price could be charged for the time used.

**Example #4 — On-time airline performance**

**The problem:** In 1987, the Department of Transportation started publishing the on-time arrival performance of major U.S. airlines. Some airlines made operational changes to improve their rankings, but others moved up the ranking simply by adding an extra 20 minutes to their scheduled arrival time for each flight. That way, they provided themselves a statistical buffer without any change to their actual performance.

**The solution:** Standardize the flight time for each journey rather than letting each airline define what counts as being on time. Or even better, measure performance on the time when the luggage hits the customer carousel rather than when the plane arrives at the airport.

"Looking for inefficient behavior by buyers or sellers is a systematic way both to identify problems and to solve them. We can identify problems by looking for behaviors that create an external harm that is greater than the internal benefit. The general problem is one of misguided or missing incentives – the buyer or seller does not take into account the external costs of his or her decision making. So the solution is to internalize those external effects."

— Barry Nalebuff and Ian Ayres
Sometimes, it isn’t helpful to start with a problem first. There are times when you come up with a solution first, and then think about what additional preexisting problems this solution will also fix. In these cases, discovering a better way to do something provides a solution to a problem that nobody has really taken much notice of before. By searching for new applications for these solutions, you can develop some very innovative ideas.

The good thing about this tool is its versatility. You can start with your own solutions and see whether they will solve someone else’s problems, or you can start with the solutions other people have developed and try to solve your own problems.

So where should you look for new solutions?

- Look at how people in other countries or other parts of the world handle the same kinds of problems you’re facing.
- Look at the good, commonsense ideas your neighbors and associates use to handle their problems.
- Look for solutions which work in one industry and which have never been applied to a different field or application.

**Example #1 – Movie theater passes**

**The solution:** Health clubs and ski resorts sell season passes where people can use the facilities as many times as they like within the prescribed calendar dates.

**Potential application:** Why not apply this concept to movie theaters as well? This is already practiced in France and the United Kingdom, and has proven to be extremely popular with consumers.

**Example #2 – Vanity stamps**

**The solution:** In Canada and Australia, you can have your own vanity postage stamp with your picture on it. These stamps can be used quite lawfully for posting letters and so on.

**Potential application:** Allow corporations to put their logos on postage stamps. That way, they could subsidize the cost of postage by whatever amount they choose. For example, if McDonalds paid 10-cents to have their logo on a stamp, this would be very popular with consumers who would then enjoy cheaper postage rates.

**Example #3 – Speeding indicator**

**The solution:** In Singapore, commercial vehicles have a yellow light installed on their roofs which begins to flash when a vehicle goes faster than its assigned maximum speed. That way, the police don’t need to use radar to take note of speeding vehicles.

**Potential application:** Many parents who let their teenagers borrow their cars periodically would probably like something to go faster than its assigned maximum speed. That way, the police don’t need to use radar to take note of speeding vehicles.

**Example #4 – Video rental rewinds**

**The solution:** Instead of asking the renters of video tapes to rewind them after use (which few actually do), require renters to rewind a video tape before viewing and then return it that way.

**Potential application:** One out of five motorists in the state of California does not have auto insurance, causing the insured to have to pay higher premiums. If you were to bundle car insurance with gas purchases, whoever uses their car would be forced to pay car insurance.

**Example #5 – Childcare services**

**The solution:** Many IKEA stores provide baby-sitting for parents while they are in the store. This lets parents make impulse or last-minute shopping trips without having to worry about arranging baby-sitters. It also allows them to stay in the store longer, increasing the chances to sell them more goods.

**Potential application:** Movie theaters and multiplexes could provide a child-minding service for a fee. Parents could be provided with a beeper so they could be alerted if their children need them urgently. The kids could even be watching a G-rated film in one supervised theater while their parents are watching other movies in other theaters.

**Example #6 – Bookstore coffeehouses**

**The solution:** Most bookstores now have an in-house coffee bar to encourage consumers to linger longer and buy more books.

**Potential application:** Install a coffeehouse in public libraries, thereby encouraging more people to come in and use the facility more. Libraries could also adopt the Blockbuster concept and have multiple copies of hit books available soon after their publication, with the additional copies then being sold off on the secondhand book market when demand has peaked. And while thinking about libraries, why couldn’t they start selling books? A bookstore within a library makes a lot of sense. It may even be possible to encourage people to buy a book, read it themselves and then donate it to the library.

**Example #7 – Black box recorders**

**The solution:** Commercial airplanes have a black box flight recorder (or event data recorder to be more precise) which, in the event of an accident, allows investigators to understand how an accident happened so it can be avoided in the future.

**Potential application:** Require cars to have a similar device installed. This would allow carmakers to analyze and understand how an accident occurred, and whether it was the result of a vehicle design flaw, the design of the roadway or the actions of the driver. As an added benefit, most drivers would moderate their driving behavior if they knew their driving could be analyzed in detail at a later time.

**Example #8 – Video resumes**

**The solution:** Video dating services – in which people make a short video clip describing themselves to potential partners – have proven to be very popular. Most people like to look before they date rather than take a gamble.

**Potential application:** Put together a video based CV. Instead of simply listing previous jobs, the job applicant can describe what was learned from each. This resume could easily be attached to electronic job applications as a video clip that potential employers can view when making up their shortlist of qualified applicants or at other times.

“Asking questions is a different skill from answering them. Some people are better at solving problems than at finding good questions to solve. It’s natural for us to think of problem solving as a solution search, but we can also solve problems by undertaking a problem search – looking for problems to which we can apply particularly clever solutions. And as we become more proficient at this way of thinking, it is often useful to toggle back and forth between the two perspectives. Sometimes we might start with a particular problem and search for solutions, but then turn around and ask whether there are any existing solutions that with some adjustment might already solve this problem.”

— Barry Nalebuff and Ian Ayres
Symmetry

Would flipping this idea work?

For every good idea, going in the opposite direction may generate an even better idea. The commercial world is full of symmetries nobody has ever thought to try. Always be on the lookout for new markets that can be harnessed by doing something that is the complete antithesis of popular thinking. With a bit of luck, your new way of doing things may actually turn out to be much better.

To take a systematic approach to unearthing business practices that are improved when flipped, take these steps:

1. Try and break the existing practice down into its most simple, component steps, and write a description of each step. Ideally, describe the existing product or service in a single sentence.
2. Apply a “stress test” — that is, go through that sentence a number of times stressing a different word each time. Just emphasizing one word over another may destabilize your thinking and move you into unconventional paths of thought.
3. Finally, try and systematically flip or reverse each individual word. See whether that brings out some original ideas or concepts.

As an example, think about a reverse 900 telephone service. The traditional description of a 900 service is:

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3. Finally, try and systematically flip or reverse each individual

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As an example, think about a reverse 900 telephone service. The
traditional description of a 900 service is:

“By calling a 900 number, you trigger a specified payment which will charged to your phone bill”.

Your second step would be to go through that descriptive sentence, successively stressing the words “calling”, “900 number”, “trigger”, “specified payment”, “charged” and “phone bill”. This exercise may generate a range of different ideas and new ways of looking at 900 numbers. It allows you to escape some of the mental conditioning that accompanies a known quantity like this.

Then, in the third step, you can try flipping those words. For example, what about if “charged” is changed to “credited”? The service description would then be:

“By calling a 900 number, you trigger a specified payment which will be credited to your phone bill”.

In other words, some businesses may be willing to pay you to call them, in just the same way as some Casinos will pay you to visit them. Perhaps an advertising company would be willing to pay you to listen to their sales pitch for some product offerings. However, that might be unworkable as people could spend all day every day ringing that 900 number, so perhaps it will be necessary to also flip the word “calling”, meaning you’ve now come up with:

“By receiving a call from a 900 number, you trigger a specified payment which will be credited to your phone bill”.

This is likely to be more acceptable, and by doing this, you’ve developed the concept of a reverse 900 service. Telemarketers might pick up on this. Households would certainly love to be compensated for the time they spend listening to marketing spoils. In fact, instead of hanging up, most people would be saying: “Are you sure there aren’t more questions you’d like to ask me, or more products you’d like to tell me about?” If the compensation were high enough, this situation is not at all hard to visualize occurring.

Example #1 – Cell phone calls

Existing situation: In the USA, the receiver of a cell phone call pays for the call. Therefore, cell phones were slow to catch on because people were careful about their costs. In Europe and elsewhere, the caller pays to ring a cell phone and there is no charge to the recipient. Here, cell phones have been quick to sell, but the per-minute call charges are much higher than in the USA. Is one of these business models better than the other?

Flipping: Why not give cell phone users two phone numbers – one which can be given out publicly which is caller-pays and the other which can be provided to family and friends which is receiver-pays? It may even be technically feasible to achieve this same effect with one number and an add-on pin number which converts the call from caller-pays to receiver-pays.

Example #2 – Job performance evaluations

Existing situation: Bosses evaluate their subordinates periodically and evaluate their job performance.

Flipping: Have subordinates evaluate their bosses – which is the concept behind 360-degree evaluations which are now becoming more widely adopted.

Example #3 – Human organ donations

Existing situation: A large proportion of the population (about 75-percent) say they are willing to donate their organs at the time of their death, but never get around to explicitly making their preferences known. As a consequence, many next-of-kin prevent organ donation.

Flipping: Instead of requiring people to opt-in as organ donors, it could be assumed that unless a person has explicitly opted out, they will become automatic organ donors. In all countries which have adopted this approach, there has been a huge increase in organ donations, effectively eliminating the need for waiting lists.

Example #4 – Why pays for television programming?

Existing situation: Advertisers pay to run their ads on network television. On average, the broadcast networks collect 32-cents per hour per viewer for prime time television programming from the advertisers.

Flipping: Allow consumers to pay the networks 32-cents per hour to buy ad-free versions of the shows they want to watch. These could be downloaded to digital video recorders and then watched at any time the consumer wants rather than when the network decides to show them.

“It turns out there are potential symmetries all around us – ways of flipping things around that might be just as good or better – if we just look for them. For the most part, people find an answer that works and don’t get in the habit of looking for an even better solution. Or we think there is some natural way of doing things and stop looking for alternatives. Did you ever store a ketchup bottle upside down? How long did it take for Hunt’s and H.J. Heinz to figure out that they could turn the label upside down? According to Heinz’s Casey Keller, this change was no small matter: ‘We believe this is probably the biggest idea in ketchup since the invention of the plastic squeeze bottle’. Ketchup is not the only product to take advantage of this insight: Toothpaste, shampoo and even sour cream now all come this way. Who would have thought? This is an example where starting with the problem would definitely not have led us to the solution. Even the idea of solutions in search of problems is a flipping of the traditional problem-solving approach.”

— Barry Nalebuff and Ian Ayres
3. Ideas on Implementation

Coming up with an innovative new idea is great, but it’s only half the battle. The real value of any idea won’t really come into focus unless and until it is implemented successfully. To really change anything, you’ll need to sell your idea to others and get them to buy in.

More often than not, the best entity to put an innovative idea to work will be an existing firm rather than a start-up. That means you’ll need to become very good at persuading the people in power to support your most innovative new ideas if you’re to get anywhere.

To get others to buy-in on your best ideas:

1. **Focus on what you can do** – and don’t get frustrated that you don’t have the authority to implement on your best judgement alone. Don’t let frustration rob you of the power to do something, even if it’s not as much as you’d hoped to achieve.

2. **Come up with a good “sound bite” or “elevator pitch”** – a concise one sentence description of what you’re trying to accomplish. The sound bite won’t do your idea justice, but it will be a foot in the door when explaining your idea. The clearer your reasoning the more powerful an impact a sound bite can have.

3. **When pitching your idea, try to make it sound familiar** – because business managers are always more likely to go with an idea that they are already aware a market exists for than for something radical which is unquantifiable. Always be prepared to translate your idea into language and terms the people are already up to speed with rather than requiring them to learn a whole new vocabulary. Tailor your idea so your listener will understand what you’re suggesting.

4. **Analyze carefully who you should pitch your new idea to** – because sometimes it’s easier to pitch decision makers if they are getting pressure from others. There are times when a direct approach works well, and at other times building the pressure for change beforehand is best. Learn how to differentiate between these two situations and you’ll increase your chances of success.

5. **Be confident that your idea can overcome its early glitches** – by anticipating what the teething problems are likely to be beforehand and thinking through some logical responses to these early criticisms. In fact, welcome constructive criticism. It will help you fine-tune your idea and get it market ready.

6. **Don’t get carried away with secrecy about your new idea** – because you’ll need to get other people involved if you’re to get anywhere with your idea. Remember, the value is in the execution, not the conception of your idea. Why not “open source” your idea – put it out for public discussion and let others help you evolve the idea into something that is much stronger and more practical. If you can establish a reputation as a generator of good ideas, people will seek you out to help in their implementation as well. Put your ideas out there in plain daylight and see where they lead.

7. **As far as possible, always try and think “inside the box”** – that is, don’t ignore common boundaries just for the fun of it. As far as possible, try and come up with ideas that will fit within reasonable constraints while they are still at an early stage of development. This will increase your chances of actually implementing them. Applying inside the box thinking will be much easier if you:
   - Keep in mind the real world constraints and prerequisites rather than coming up with completely radical ideas.
   - Focus on the necessary components any solution must have if it is to be robust and practical.

“If you generate valuable ideas, even ones that seem to speak for themselves, you are likely to be in demand to help put them into practice. Being known as an idea person tends to pay big rewards in our society. Instead of hoarding ideas in hopes of a killer payoff, just put the ideas out there and see what happens.”

– Barry Nalebuff and Ian Ayres

“The difference between a why-not and an of-course-not idea can be mighty slim. That’s one reason why it helps to push hard on the why question: Why hasn’t someone done this before? Reasons change over time. Reasons also depend on geography and accidents of history. Even with a good explanation for why others haven’t done it, there is still the question of will you succeed and will your success be long-lasting. This highlights the importance of developing a set of principles to help guide your search. Figure out some minimal criteria that your solution must meet. If the answer doesn’t meet those principles, consider changing the answer rather than the principles.”

– Barry Nalebuff and Ian Ayres

“There is real pleasure in encountering a simple but elegant idea for the first time – mulling over the pros and cons. But even more pleasurable than reading about other people’s ideas is to solve problems yourself – to experience, firsthand, the joy of figuring out how to make things work better. Some people have the notion that coming up with concrete solutions for real-world problems is somehow reserved for the experts – that the techniques for innovation are beyond the capacity of the typical person. Baloney. Innovation is a skill that can be taught. And what’s more, the potential for innovation is all around us. The problem is that the sense of innovation as everyday ingenuity often gets lost in our high tech world.”

– Barry Nalebuff and Ian Ayres

“You must be the change you hope to see in the world.”

– Mahatma Gandhi

“It’s one thing to tell people, Be creative. It’s quite another to give them a framework for coming up with new ideas. While much has been written about how to make organizations more creative, our goal is to help individuals be more creative. The trick is to give people guidance on where to look. Ingenuity is not for the very few. There are plenty of great ideas just waiting to be done – ideas that you might have dreamed up yourself. It is your job to go forth, share these ideas and give feedback to others. It is our hope that Why Not? will help revitalize an attitude of pragmatic optimism. Why not dream of things that never were and work to make them real?”

– Barry Nalebuff and Ian Ayres

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