PROSPERITY

SURVIVAL

PACE

ACHIEVE

LEVERAGE

TRAJECTORY

ATTRACT

INDIVIDUAL
INSTITUTION
ARENA

A C C E S S

THE BIG
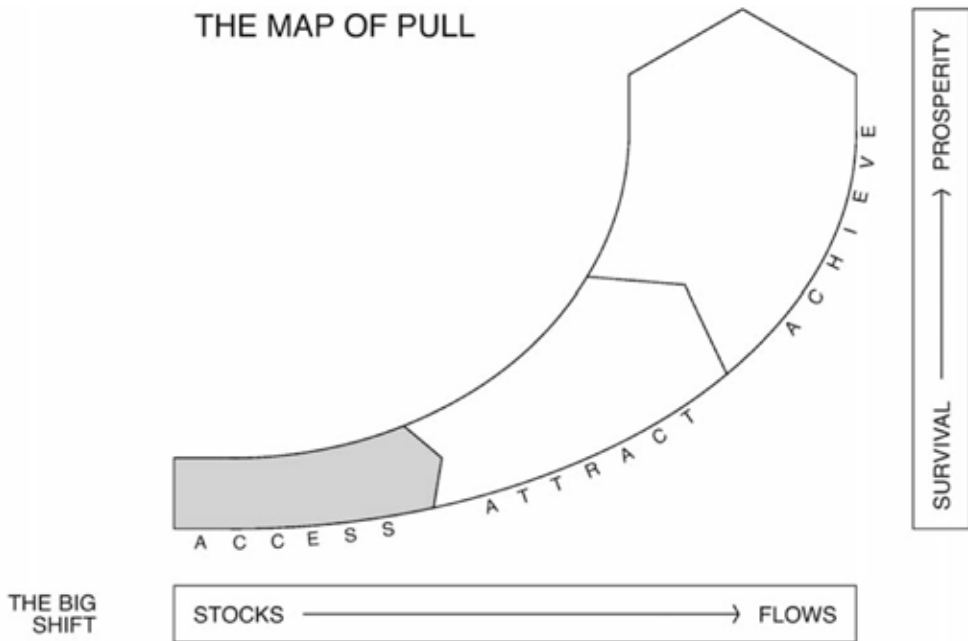SHIFT

STOCKS ——————————————→ FLOWS

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where you really want to be. It's the story of how small moves can have disproportionate impact. It's the story of how to change the world.

To help keep track of these different aspects of our book, we're including a "map" showing the three levels of pull (access, attract, and achieve); the three domains in which they apply (individual, institutional, and societal); and the three elements of the journey that all of us will follow toward pull (trajectory, leverage, and pace). (See the diagram above.) We'll be highlighting aspects of this map in each chapter to help you navigate through the book.

In previous generations of institutional change, an elite at the top of the organization created the world into which everybody else needed to fit. The institutional changes ahead will be quite different. These changes will be driven by passionate individuals distributed throughout and even outside the institution, supported by institutional leaders who understand the need for change but who also realize that this wave of change cannot be imposed from the top down. The new institutional model will involve a complete refocusing: Rather than

THE MAP OF PULL

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Now he's in Dubai, rubbing shoulders with Pakistanis. Then to Milan for a public debate with a distinguished lawyer who had recently called him a "pirate" in an Italian newspaper—and who will be a friend by the time Joi leaves town two days later for Tokyo. Then to San Jose for a stretch, and on to Amman to meet with Princess Rym Ali of Jordan.

Seasoned as he was, Joi wasn't prepared for what happened the first time he visited India. He'd arrived in New Delhi at 3 A.M. for a conference. When he got to the hotel, he found that it was in a sketchy area of town. If he hadn't been so tired, Joi might have reversed course before he even got out of the taxi. Now, standing on the sidewalk, he turned around to look for it but the driver had already left. The lobby clerk, after Joi finally managed to wake him up, handed him half a bar of soap and a padlock for the door of a filthy room. There was no drinking water. Nor were there any towels, or a broom for the rat droppings in the corner, for that matter. Needless to say, the power outlets didn't work, either. Joi was, by his own admission, getting nervous as he fired up his Nokia GPRS with the last of his batteries. He signed on
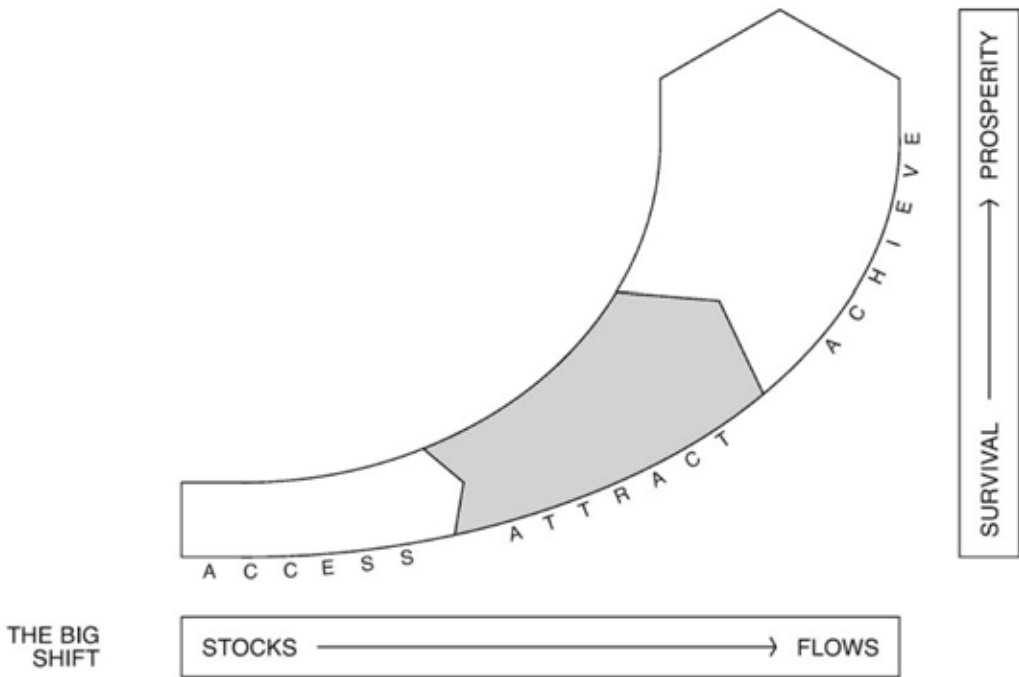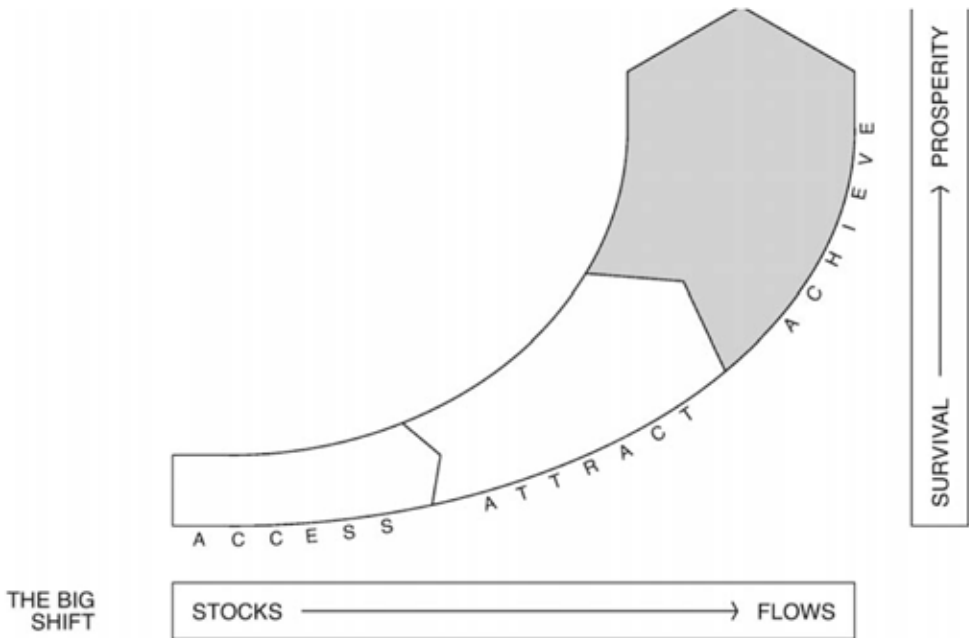
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experiment, or the unexpected discovery of some information that proves helpful in a project.

We will look at the specific environments, practices, and preparedness that can help us to increase both the number and quality of unexpected encounters with people. Our particular focus is on managing the "funnel" of serendipity—on the one hand, increasing the scope of relevant serendipitous encounters; on the other, ensuring that each serendipitous encounter is as productive as possible.

Serendipity has always been an important part of our lives. Why is it becoming even more critical to our success now? To answer that, we need to return to the second wave of the Big Shift described in Chapter 1. As you will recall, we discussed a first wave of the Big Shift, focusing on the convergence of two key catalysts of the changes we see going on around us—the proliferation of an ever more powerful digital infrastructure combined with the growing adoption of public policies favoring economic liberalization. These events in turn are leading

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development, early evidence suggests that they drive increasing-returns performance curves so that learning accelerates as more people participate.

So, why does this matter? Performance improvement has always been desirable and, since we first emerged from the forests, we have been on a quest to achieve the potential that each of us believes is within us. What's different now? Once again, we must return to the Big Shift to provide context for why this third level of pull is acquiring new urgency and value.

You'll recall that the first two waves of the Big Shift are creating intensifying competition and growing pressure. As we noted in Chapter 1, the first wave, driven by the deployment of digital infrastructure and public policy shifts toward economic liberalization, reduce barriers to entry and barriers to movement, thereby leading to intensifying competition. The second wave is shaped by the proliferation of knowledge flows, especially within emerging edges and across edge and core

Figure 4.1. Exponential Learning Curve in World of Warcraft

Hours to Gain Experience Points (XP) in WoW
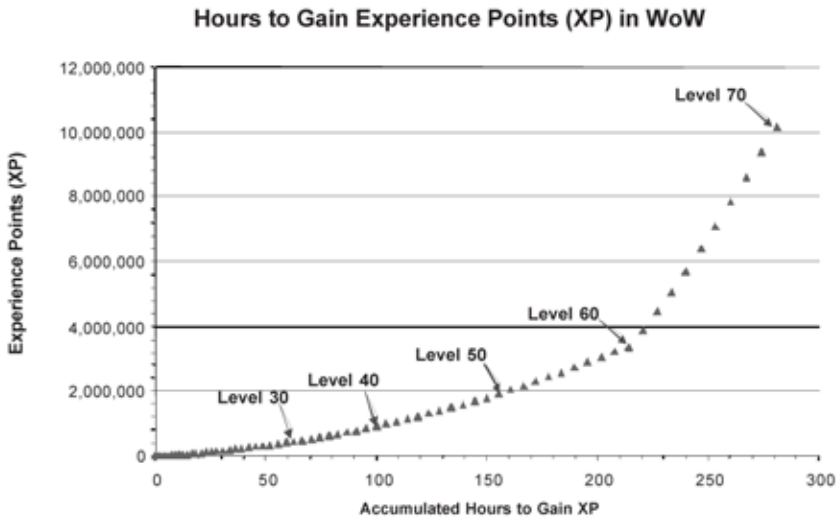
Source: Palo Alto Research Center (PARC). Deloitte analysis.

compete with traditional video games and provide a new set of chal-lenges for collaborative risk takers. These edge players—the first to be drawn into creation spaces—go on to form the kernel that then attracts larger numbers of participants.

Nor is it an accident that these creation spaces are initially organized by, and engage, people operating outside of traditional institutional boundaries. As we suggested earlier in this chapter (and will develop more fully in the next chapter), individuals are fast becoming the essential catalysts for institutional change as we move from a push to a pull economy. The early participants in these creation spaces are individuals with the questing dispositions often exhibited by edge participants. These dispositions lead them to discover and bring to the surface new practices and ultimately new institutional arrangements to support these dispositions. A key attribute that all of these individuals share, whether they are extreme sports enthusiasts, avid gamers, or software geeks, is an enormous passion that drives them to push the performance envelope and that draws them together to help each other get there.
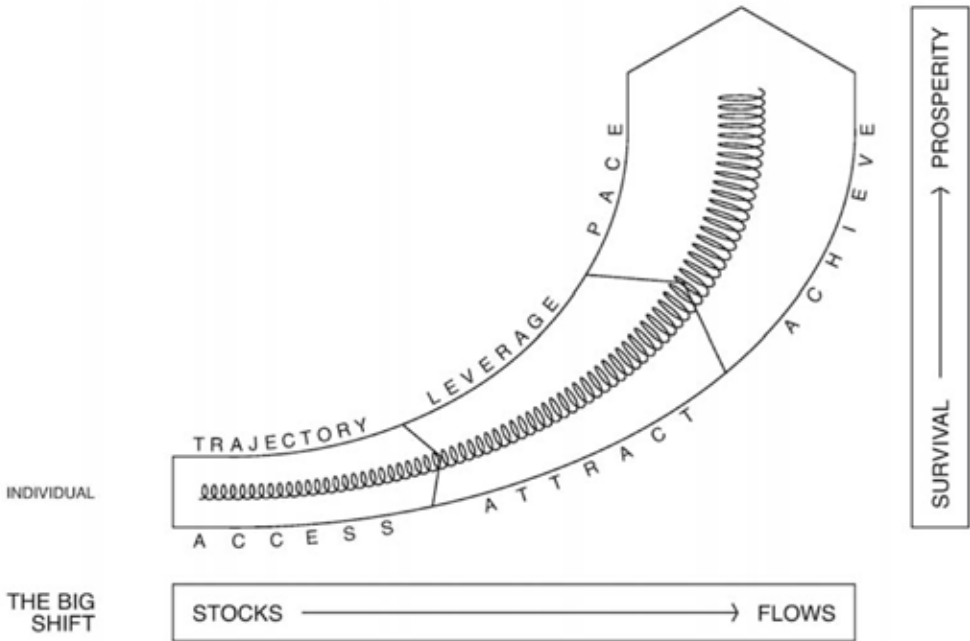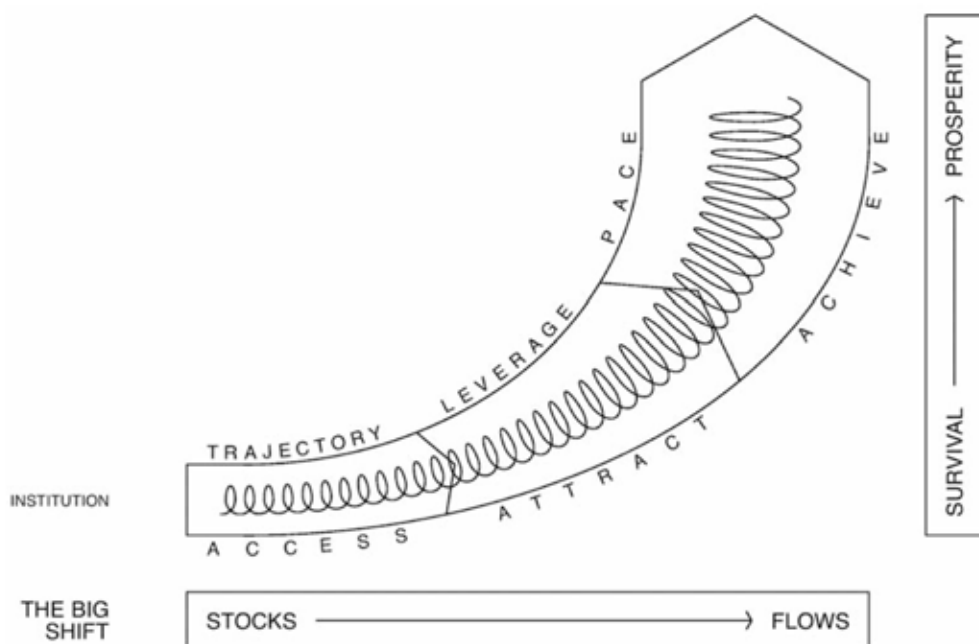
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EMERGING ELEMENTS OF TRANSFORMATION

As we look across these three levels of change—individuals, institutions, and the broader social and economic arenas—certain elements become apparent as they promote the transformation from a push-driven to a pull-driven world: trajectory, leverage, and pace. These factors guide direction and action on the path that individuals and institutions—indeed, our society as a whole—must take in the journey from push to pull (see the diagram above).

You have to know where you're going or you risk running around in circles. That's *trajectory*—the path toward a meaningful destination, one that helps shape choices and action in the near term. Defining a destination helps to focus effort and initiative. At a time of rapid change, when it's all too easy to spread resources too thinly across too many fronts, trajectory is essential lest we find ourselves going either
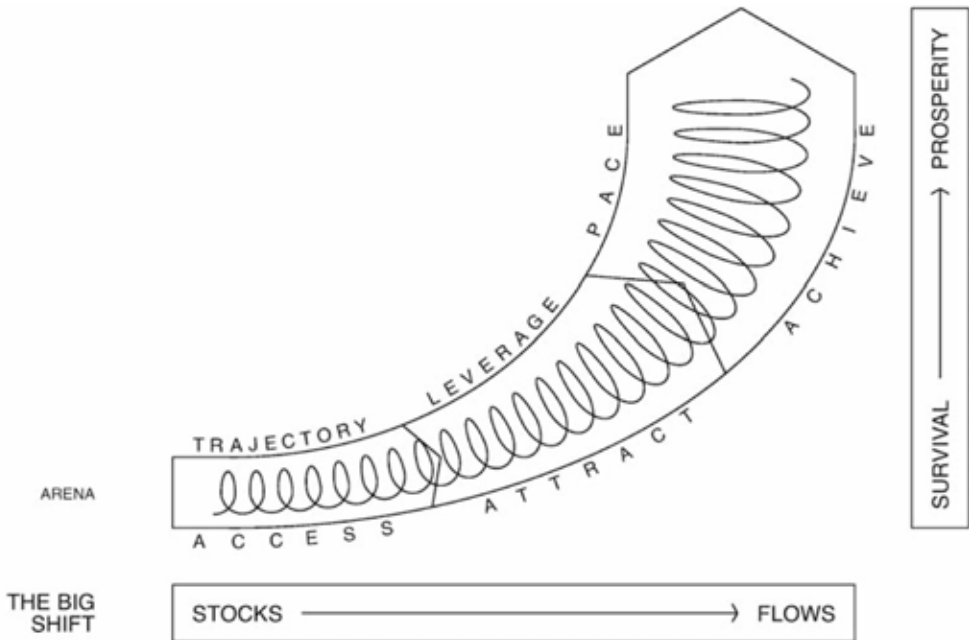
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PRESSURE IS MOUNTING

As we have indicated, normal may be a thing of the past. The rules of the game are changing. And yet many institutional leaders are still playing by the old rules even though traditional management approaches are quickly becoming outmoded and less effective than they were in a push world.

Why don't these institutional leaders see that the rules are changing and adapt accordingly? Here's the problem: The changes playing out over the past couple of decades have been so fundamental that they have challenged even our most basic assumptions, the assumptions that enabled CEOs and other executives to build their institutions in the first place. At times the question has seemed to be not how to change specific practices or institutional arrangements, but whether the "institution" is still a viable form of organization at all. We find that we must reassess the rationale for the institution itself.

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increasing the potential for leverage and for rapid and sustained distributed innovation. These relatively recent developments take the prospects for shaping success from the realms of the improbable and rare into the zone of the merely difficult. We've already seen Shai Agassi trying to reshape the world's transportation system around more renewable resources. Could such a shaping strategy help settle today's troubled financial markets? Or provide a way to resolve U.S. health-care challenges? Both health care and financial services, after all, have lots of potential participants and widespread uncertainty about the future—two conditions that make them ripe for shaping. But we get ahead of ourselves.

This chapter will define what we mean by shaping strategies and explore the key elements that our research suggests are essential for these ambitious strategies to exceed. We will explore in some detail who might aspire to play a shaping role, discuss other roles that might be appropriate in a shaping strategy, and suggest where these shaping