

Fahrenheit 212

01 HOW TO TURN ON SHAREHOLDERS



Boiling Points
INNOVATION PERSPECTIVES

THE POINT: Still waters cost shareholders sleep. Top performing businesses need to master the art of constructive turbulence, consistently delivering the kind of disruptive, market-moving innovation that moves the top line and gets noticed.

HOW TO TURN ON SHAREHOLDERS

It's been a few billion pretty good years since that fateful moment in a placid seaside tide pool when the first amoeba sprang to life.

Sure, there was some sloppy paperwork by the patent lawyers of the day leaving the question of who invented Life As We Know It hung up in court for eternity. But, as we see it, that's no reason to deny dear old Life its rightful place among Innovation's Greatest Hits. Just above The Wheel and below Room Service.

And if any holdout skeptics out there need convincing of how big that moment was, just look at how, try as we might, we can't seem to let go of our aquatic origins.

To this day, the mere sight of still water sets the human imagination racing. In that water, the goateed psychologist sees a deep metaphor for our greatest dreams and ambitions. Your rebellious inner child sees an invitation to skip a stone, shatter the calm and defy gravity. And your primordial inner goldfish sees home sweet watery home and hey, mom, what's for dinner? (Except in winter, of course, when it sees a hockey rink).

Now we could go delving into what still water means to the optimist, the pessimist and the horny mosquito. But these are impatient times so let's skip like a stone to the end.

To a group that responds to still water with no enthusiasm whatsoever. We refer, of course, to your shareholders. Those all-knowing market-movers who seem these days to get all hot and bothered only over that which is dynamic, moving, surging, creating, innovating. For whom still waters cost sleep.

Which is why, in this primordial soup, innovation is suddenly your best friend; provided, of course, you're not average at it.

The frosty truth is that while there's no shame whatsoever in being an average shrink, stone-skipper, limbo dancer or goldfish, being average at innovation means you fail at an 85 percent clip, take your sweet-assed time doing it, burn cash like a runaway brush fire, and find that just when you think you've cracked the code on market disruption you discover you've barely made a ripple.

If that's average, let's gaze across that placid tide pool and dream bigger.

CREATING CONSTRUCTIVE TURBULENCE

So how, your shareholders ask, can we create the sort of constructive turbulence of which buoyant top-lines are made? As the rock stars in your company's lab will tell you, there are a handful of ways to turn water into a dynamic, world changing force.

You could follow the path of the canyon-carving river and apply gravity. Works like a dream if you had the foresight to build your gleaming new HQ on a big old mountain, but otherwise requires pushing water uphill, which is the innovator's bane, so that's out. Or you might try waiting for the wind to blow. Boy, it sure puts color in your cheeks when trends suddenly gust your way. But there's something about betting the farm on forces you can't control that just makes Warren Buffet a little queasy and, well, he's smarter than the rest of us put together so let's look elsewhere.

Your best bet is to apply **heat**.

Or, to be precise, to get that idle aqua up to Fahrenheit 212. The transformation that unfolds the moment still water crosses that magic threshold from F211 to F212 is one of the most potent and – temperature notwithstanding – one of the coolest phenomena science has ever tripped over. Turning mellow old h-2-eau-my-goodness into a roiling, boiling, churning Jacuzzi of a physical force to be reckoned with. The very force that powered the invention of the railroad, that makes coffee beans worth caring about, gets annoying stains out of carpets and makes the lights go on.

That's right, that billion dollar power plant nobody wants to live near couldn't push static through your Uncle's Bob's ham radio without first pushing water from F211 to F212 to set the turbines flying.

All that with water and heat? Who knew?

THE POWER OF THE IDEA

Beyond its transformational pedigree, Fahrenheit 212 has a humbler claim to fame. It is the name and inspiration of our innovation company. A group that, since our founding in 2002, has been tapped by some of the world's great companies to bring constructive turbulence to their innovation efforts.

An ambition realized by unleashing a particular heat source:
The Idea.

What we practice (but preach only when asked) is an innovation model called **Idea-Led Innovation™**. It is based on a simple ambition: **Bigger Ideas, Faster to Market.**

These thoroughly non-average outcomes – big & fast – are far more likely when market-ready ideas come into play at the beginning of the innovation journey than at the end. When it comes at the beginning, the idea informs and inspires. Provokes and clarifies. Creates richer learning. Brings into view opportunities that analysis alone would not. Allows size-of-prize assessments ahead of placing big bets. Redistributes risk. Defines the mission for a project team before the team starts burning cash. Identifies capability gaps. And tells us not just where to play, but how to win.

When you put a multiplier on all of that – by putting not just a single idea on the table, but a broad portfolio of them – suddenly we know very quickly what big looks like, tastes like and feels like. It has an insight, a name, a brand, a texture, a flavor, a benefit, a technology, an experience, a role in life, a business model, a sustainable growth path, momentum, data behind it, a buzz in the organization and a ROI even an amoeba would find highly arousing. Until the buzz on the street is the hooting and hollering of happy shareholders, pulling on their Speedos and leaping into the roiling, boiling Jacuzzi of your steamy share price.

Ah, what a little heat can do.

IMPACT-BASED COMPENSATION

Nowhere in our ethos and practice is our obsession with tangible progress more visible than in our compensation model. We put up to two-thirds of our fees at risk, making them contingent upon the achievement of very concrete, pre-agreed commercial milestones within the prescribed time horizon. These milestones are client specific, typically mirroring the dates, gates and metrics of the company's prevailing innovation best practice.

This model is not about lighting a proverbial fire under our proverbial asses, though it certainly does that. More importantly, it is about creating a seamless alignment of our client partners' ambitions and our own. It ensures we run the project for success rather than cozy meetings. And it makes us the only innovation company on earth that doesn't get paid more the longer it takes to get somewhere.

Getting to a great place more quickly is more valuable for you, for your shareholders and for us.

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