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Chapter 1: Flash versus Blink: An Introduction to Strategic Intuition

It's an open secret that good ideas come to you as flashes of insight, often when you don't expect them. It's probably happened to you--in the shower, or stepping onto a train, or stuck in traffic, falling asleep, swimming, or brushing your teeth in the morning.

Suddenly it hits you. It all comes together in your mind. You connect the dots. It can be one big "Aha!" or a series of smaller ones that together show you the way ahead. The fog clears and you see what to do. It seems so obvious. A moment before you had no idea. Now you do.

If this kind of flash of insight has ever happened to you, you're in very good company. It is the key element in some of the greatest achievements in human history: how Bill Gates founded Microsoft, how Picasso found his style, how the civil rights movement finally succeeded, how the Google guys conquered the Internet, how Napoleon conquered Europe, and so on through the ages. It's how innovators get their innovations, how artists get their creative ideas, how visionaries get their vision, how scientists make their discoveries, and how good ideas of every kind arise in the human mind.

In recent years neuroscience has made great strides in explaining how flashes of insight work. We find reference to flashes of insight as well in a variety of older fields that seek to explain how good ideas for action happen. They appear in Asian philosophy, classical military strategy, business strategy, the history of science, and the newer field of cognitive psychology. By pulling together these various sources, we are able to arrive at a modern discipline that puts flashes of insight at the center of a philosophy of action across all fields of human endeavor.

I call this new discipline strategic intuition. It is very different from ordinary intuition, like vague hunches or gut instinct. Ordinary intuition is a form of emotion: feeling, not thinking. Strategic intuition is the opposite: it's thinking, not feeling. A flash of insight cuts through the fog of your mind with a clear, shining thought. You might feel elated right after, but the thought itself is sharp in your mind. That's why it excites you: at last you see clearly what to do.

Strategic intuition is also different from snap judgments. These are technically expert intuition, a form of rapid thinking where you jump to a conclusion when you recognize something familiar. In *Blink* (2005), Malcolm Gladwell brought decades of research on expert intuition to the attention of a wide audience. This book attempts something similar for strategic intuition. Expert intuition is always fast, and it only works in familiar situations. Strategic intuition is always slow, and it works for new situations, which is when you need your best ideas.

This difference is crucial, because expert intuition can be the enemy of strategic intuition. As you get better at your job, you recognize patterns that let you solve similar problems faster and faster. That's expert intuition at work. In new situations your brain takes much longer to make enough new connections to find a good answer. A flash of insight happens in only a moment, but it may take weeks for that moment to come. You can't rush it. But your expert intuition might see something familiar and make a snap judgment too soon. The discipline of strategic intuition requires you recognize when a situation is new and turn off your expert intuition. You must disconnect the old dots, to let new ones connect on their own.

The term strategic intuition distinguishes this discipline from other forms of intuition and also places it firmly in the field of strategy. Classical texts on strategy from Asia give us our first rough sketches of how flashes of insight work, especially the Bhagavad Gita from India (400 B.C.), Sun Tzu's *The Art of War* from China (450 B.C.), and Miyamoto Musashi's *Book of Five Rings* from Japan (1645). These works apply Hindu, Tao, and Zen Buddhist philosophy to the problem of military strategy. The formal science of strategy begins with classical European military texts, especially *On War* by Carl von Clausewitz (1832), and here too flashes of insight reign.

The European version of strategy spread from the military to business in the late nineteenth century and then to government, nonprofit agencies, and professions at large in the twentieth century. Wal-Mart has a strategy, your state department of health has a strategy, the Girl Scouts have a strategy, and so do doctors and lawyers and every other modern profession. But as strategic ideas spread from the military, flashes of insight were lost in translation. The leading ideas in strategy today leave them out completely. For example, in the 1980s Michael Porter's competitive strategy became the reigning paradigm in business. It tells you how to analyze your own strategy in light of your industry and your competitors. But it does not tell you how to come up with a strategic idea: that's a creative step Porter leaves out. Strategic intuition, in contrast, puts the strategic idea itself at the center of strategy. That makes it the first major breakthrough in the field of strategy in over twenty years.

The purpose of this book is to show how the discipline of strategic intuition works. In the first half of the book we study the theory of strategic intuition in its original forms: the history of science, neuroscience, cognitive psychology, European military strategy, and Asian philosophy. In the second half we learn how to apply strategic intuition in business, in social programs, in professions of all kinds, and in education. Along the way we overturn conventional wisdom about strategic planning, the scientific method, creativity, imagination, rational decision making, teamwork, leadership, innovation, brainstorming, and the divide between the "hard" and "soft" skills of science and art.

The leading notions in all these arenas arose at a time before modern neuroscience was able to show how ideas really happen in the mind. They all preserve a distinction between two kinds of mental activity: rational thought and creative imagination. In that old model the only thing that

brings the two sides together is teamwork, where you're rational and I'm creative and together we can be both. But strategic intuition as a discipline combines both abilities in the same mind, through flashes of insight large and small. Understanding that can change to some degree how you plan and organize actions of every kind.

Strategic intuition also puts active use of the human mind back at the center of human achievement. Flashes of insight lie at the heart of great achievements of all kind throughout history. But they usually hide in plain sight, because accounts of what happened typically leave them out. Instead, for example, you read that social, political, and economic forces were ripe for the rise of someone like Napoleon. Or you read that the circumstances and events of Napoleon's childhood and early youth, combined with his innate character, gave him the personal traits that fueled his climb from corporal to emperor in just ten years. Instead of Napoleon we might plug in Bill Gates--or any other modern hero--and the message is still the same.

Both these explanations of human achievement--external forces beyond your control and inner traits of character--give us little guidance for our own lives. Either the world around you will propel you to greatness, like Napoleon or Gates, or it won't. There's nothing you can do about it. Or you are who you are and you can't change that, and nothing you've done so far shows that you have what it takes for greatness. External forces or inner traits have already sealed your fate. In contrast, strategic intuition shows how flashes of insight leap beyond the forces around you and who you are within them. The idea for action that a flash of insight gave to Napoleon or Gates was not the inevitable result of historical forces or of innate character or talent. The flash of insight fits your time and who you are--that's part of why it's a good idea, not a bad one. But no one can predict what that flash of insight will be. The individual human mind always stands at the center of how great achievements happen.

Although the discipline of strategic intuition rightly belongs in the field of strategy, it brings together elements from other disciplines as well. That is because it deals above all with concrete reality, not abstract theory. Scholarly fields arise as attempts by human beings to organize knowledge about the world in ways that other humans can understand. They are never full and true pictures of the world itself. That's why Einstein drew on many fields for his theory of relativity, and Marie Curie won the Nobel Prize twice, in chemistry and physics. And so on through history, to Bill Gates, the Google guys, and beyond. Scholarly disciplines are excellent ways to organize knowledge, but don't mistake them for the real world.

This book presents each discipline in turn, for what it can contribute to our understanding of strategic intuition. That makes the book eclectic in the extreme. The first half of the book covers five scholarly fields that help explain how flashes of insight work in theory: the history of science, neuroscience, cognitive psychology, military strategy, and Asian philosophy. The second half covers four fields that apply strategic intuition in practice: business, social enterprise, the professions, and education. In each case we see how flashes of insight apply to the methods for

action that rule that field.

In this way, strategic intuition becomes like a cottage you come upon in the middle of a forest. You move up close, look around the outside, and then peer through each window to see what's inside. Each window gives you a different view of the same thing. You look in one window, then another, then another, and then at the end you find you're inside the cottage. It all comes together in your mind. You understand strategic intuition.

Our first scholarly field is the history of science. Many of the world's greatest achievements are scientific. For example, the scientific revolution took us out of the Middle Ages and into the modern world. And science gives us the world's most respected method for coming up with useful ideas: the scientific method. Most professions--law, business, and myriad others--try to emulate the scientific method in their own fields. So right away we ask, Does strategic intuition conform to or violate the scientific method? To answer that question we turn to Thomas Kuhn, the great historian of scientific achievement. In *The Structure of Scientific Revolutions* (1962) Kuhn gives us a blow-by-blow account of how science really advanced, in the period from Copernicus to Einstein. Sure enough, we find flashes of insight at the very heart of it. The result is a new understanding of the scientific method, where strategic intuition stands out as one of its major steps.

Our second field is neuroscience. We trace the history of two Nobel Prizes, to Roger Sperry in 1981 and Eric Kandel in 2000. Sperry won for his work on the two-sided brain: the right side is creative and intuitive but irrational, and the left side is rational and analytical but lacks imagination. Sperry studied actual patients with their brains cut in half. This left-right idea spread around the world and remains strong to this day. Someone will say, "I'm a left-brained type," or "Let's use our right brains on this." In the Sperry model strategic intuition would be impossible, as it combines both sides of the brain. And so enters Kandel, who overturns Sperry with a whole-brain model that combines analysis and intuition in all modes of thought. Neuroscientists call it intelligent memory, where flashes of insight large and small take past elements from memory anywhere in the brain and combine them in new ways. This new model reveals strategic intuition as a form of rational thought in the whole brain, rather than irrational thought on the irrational side of the brain.

For our third field, psychology, we study expert intuition--the snap judgments of experts in action. The psychologist Gary Klein pioneered the study of rapid decision making in real-life situations, starting at a firehouse in Cleveland. An emergency call, a torn artery, and the swift actions of Lieutenant M, the officer in charge, led Klein to understand how snap judgments combine past elements in the expert's mind without any conscious thought. They just happen, from practice. Our study of expert intuition takes intelligent memory out of the neuroscience laboratory and into real life. This sets the stage for future chapters, where we see how strategic intuition applies the same mental mechanism as expert intuition, but more slowly, more consciously, and in new situations where past expertise is not enough. Expert intuition works for familiar situations--you get better and faster at your job. But strategic intuition works for the unfamiliar, where every strategic

situation is different to some degree.

Our next field is classical military strategy. The word strategy entered the English language in 1810, when scholars first turned the subject into a formal discipline of study. From there, strategy spread to business in the late nineteenth century and to other fields in the twentieth. The first great work of strategy scholarship, von Clausewitz's *On War*, put flashes of insight at the fore of how good generals think. Von Clausewitz gives us key elements that accompany a flash of insight: examples from history, which you must already have in mind; presence of mind, where you expect the unexpected and don't prejudge which examples you will draw on; the flash of insight itself, which selects and combines the right examples; and resolution, where you follow through despite the uncertainties and obstacles ahead. These four elements solve the problem of how intelligent memory applies to unfamiliar situations: the elements you draw on come from the past, but their combination is something new.

From classical European military strategy we move to classical Asian military strategy. Half the world lives in countries where the leading ideas about thinking for action come not from American or European scientists and scholars but from the ancient traditions of India and China. Elements of classical philosophy from these countries show a striking similarity to the four steps of von Clausewitz. These traditions pay special attention to presence of mind: the mental discipline of freeing your thoughts to let the flash of insight come. Asian martial arts apply this discipline to military strategy in a way we can recognize as strategic intuition.

Our next field is business strategy. We tell the story of the computer revolution in the same way that Kuhn told the story of the scientific revolution. From Gates to Google, via IBM and Apple, we trace each great achievement as strategic intuition in action. We then look to the reigning models of business strategy to see what they say about the same subject. Sure enough, they leave out how strategists actually come up with their ideas. For that we must go back to Joseph Schumpeter, an economist of the 1940s who explained leaps in business achievement in terms we now recognize as strategic intuition. We find a way to reconcile Schumpeter's work with modern models of strategy, including Porter and financial models that planners use to project a strategy into the future.

Our next field is social enterprise. This is a new name for an old idea: applying elements of management science to government and nonprofit agencies. Strategy is one of those elements, for every organization needs a strategy. Here we tell the story of three great social movements--civil rights in the United States, how American women won the right to vote, and microfinance in poor countries--as strategic intuition in action again. We then see how strategic intuition conflicts with reigning ideas of how agencies think they should make their strategy. We also apply a tool from the business world--the insight matrix from General Electric--to show how to use strategic intuition as a standard procedure in any organization. This cuts against a recent trend toward rigorous post-program evaluations that claim to apply the scientific method to social problems. As

Kuhn shows us, the real scientific method works by strategic intuition.

Next come the professions. Chief among them are law and medicine, but any practical education or experience makes you a member of a professional field: engineering, journalism, social work, international development, information technology, media--the list goes on and on. In most professions you don't make quick decisions like Klein's firefighters, yet you seldom think about strategy. Instead you master your field as an expert, and then you get creative. That's where strategic intuition comes in. Creative ideas in a professional field--even the arts--arise the same way they do in science. This contrasts sharply with brainstorming, where you rely on pure imagination. But the scientific method depends not on imagination but on discovery, through strategic intuition. You do not imagine the unknown. You discover it and make it known. And it turns out to be different from what you imagined.

Our last field is education. This book presents strategic intuition as its own discipline, but each field of knowledge should teach its own version in its regular course of instruction. Lawyers should learn strategic intuition for lawyers, doctors for doctors, artists for artists, and so on. And shouldn't you start in grade school? A century ago John Dewey launched a progressive education movement that claims to impart creative thinking skills beyond the traditional disciplines. And in graduate education the Harvard case method follows this progressive tradition. Yet a closer look at this tradition shows that it misses a key element that makes flashes of insight possible: examples from history to put on the shelves of your brain and combine. Methods that teach such examples offer a better education for strategic intuition.

Before you turn the page and look through the first window of the cottage, I'd like to give a warning. As you see how great achievements really happen, your first reaction might be disappointment. It's like what happens to the audience at a magic show when someone pulls back the curtain to reveal the magician's tricks. It pricks our balloon. The mystery is gone. If that's what Bill Gates did--or Picasso or Einstein--then what's the big deal? But like that same audience, instead we might start to think: if that's how it works, with enough practice we can do it too. And that's exactly the point. I hope these examples inspire you in that way. Strategic intuition puts leaps of human achievement within the grasp of all human beings--of people like you.

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