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MBS ([00:00](#)):

Does business shrink the heart or does it help it expand? I mean, does it nourish the spirit? Can it nourish the spirit? Welcome to 2 Pages with MBS, the podcast where brilliant people read the best two pages from a favorite book, a book that has moved them and a book that has shaped them in some ways. Now Martin Reeves is the author of *The Imagination Machine* and he didn't have a particularly auspicious start to his career.

Martin ([00:32](#)):

I guess I'm primarily a failed musician and a failed botanist. And I've stuck to strategy consulting for 30 years and I now run... so they call it the Henderson Institute, which is a BCG's think tank for new approaches and ideas in business.



MBS ([00:55](#)):

BCG, it stands for the Boston Consulting Group, is a top-notch strategic firm like McKinsey or Bain. Now I think of those firms, probably a little unfairly, as being all about number crunching and optimization and bloodless decision-making. So how does one go from music to botany to business strategy? Well, here's a clue. I met Martin first at the House of Beautiful Business, that's my favorite conference at the moment. And that tension you probably noticed between beautiful and business, well, that exists in Martin as well. He is brilliant at strategy, he loves business and at the same time, he can see its limitations and how little it has fulfilled its human potential.

Martin ([01:44](#)):

If you look at the words used in business, you'll find that roughly half of the languages never used in business. And I think that's indicative that we're not applying our full human potential to business. Business is a little desiccated, a little antiseptic, a little bit overly logical. And so that was interesting because the House of Business is all about the intersection of the humanities in business.

MBS ([02:08](#)):

If you want an example of that, just look at how we communicate in PowerPoint.

Martin ([02:12](#)):

Every abbreviation or innovation in communication brings new problems, right? If PowerPoint was originally a sort of an information compression, a way of communicating concisely, but then of course we just increased the number of slides. So you're back to the same problem and with an additional new problem, which is in the design system of PowerPoint, communication becomes quite uniform, quite desiccated. That's why I was quite interested in, well, the choice of the word beauty of the House of Beautiful Business. I think communication can be beautiful but has beauty been, you know, beauty means



appealing to the mind or to the senses. And we can communicate in ways that appeal to the mind or the senses and that that attracted my attention too.

MBS ([02:51](#)):

Most of the PowerPoint I've sat through has appealed more to my need for a nap than for any sense of beauty. Now Martin's used the word desiccated twice already. So what causes this drying up, this bureaucratization, this ossification?

Martin ([03:08](#)):

Well, I think generally in life, success often undermines itself by breeding complacency, by precipitating some sort of lock in effect to the previously or currently successful model. So I think as businesses, if you think about sort of their life cycle of the business, it starts with a hungry entrepreneur with a very tentative idea. And we don't remember the ones that fail but 95% of them fail. And then the few that survive, they scale, they grow, they specialize, they refine, so they exploited a model of success.

Martin ([03:47](#)):

And at the same time, if they're successful, they become big, they become complicated, they become more financially oriented, but those very elements which monetize the success, can undermine the possibility of future success because they're the opposite of exploration, curiosity, risk-taking, nimbleness, breadth of thinking and so on. So in business strategy, we call that strategic ambidexterity, the ability to explore and exploit at the same time. That's a very important concept.

MBS ([04:19](#)):

Right. Yeah. That points to Christensen's idea of The Innovator's Dilemma as well, which at a certain point you just lose that ability to move to the next S-curve and try to figure it out. So that's a difficult leap to pull off.



Martin ([04:33](#)):

Well, that's the economic part of it. And then we have this other dimension that we just touched on with the House of Beautiful Business, which is, making sure that we're using the full human potential, our full human potential in business, rather than just the efficient economic actions. So making sure that we don't become homo economicus, that we maintain our identity and our full potential in the business context.

MBS ([04:59](#)):

I feel like this is a great segue to ask you about the book you've chosen to read for us. What have you picked?

Martin ([05:05](#)):

So I picked up a book by one of my favorite writers, John Kay. He wrote a book with Mervyn King. So they're both economists, so Mervyn is the former governor of the Bank of England. And they wrote a book called *Radical Uncertainty: Decision-Making Beyond the Numbers*. And I picked it because it deals with something that I'm thinking about today and I can explain that. And also I think John is a very good writer. He writes with humor, he writes with breadth, he brings in history and philosophy. So it's an interesting read as well as being some sort of weighty and interesting insights.

MBS ([05:49](#)):

I'm really looking forward to hearing this. I don't know this book but I have read his book *Obliquity* and he's a great writer and a rich writer in terms of he draws on different sources, but he's funny and he's provocative as well. I haven't read many books by economists, but when I think of what books economists would write, they're not short and crafted and eloquent and elegant and provocative. How did you come to pick the two pages that you chose, Martin?





Martin ([06:16](#)):

Well, I had John on my podcast, we're all podcasters nowadays and broadcasters. And so my podcast discusses important new business books and ideas and so we honed in on an idea of the power of narrative. What is the power of narrative as opposed to the power of a quantitative model? So that's where the conversation led. And that ties in with something that I've been thinking about. I've just completed a book that's coming out in a few weeks time called *The Imagination Machine*, which is about how corporations can harness the uniquely human capacity to imagine things which are not the case and cause them to become the case.

MBS ([07:00](#)):

Yeah. I want to talk more about that new book of yours because just the title itself is such a brilliant, intriguing play of words. It's a factory but it's a machine and it's imagination. How do they even stand together? So we're going to get into that, I'm sure. But for now, read just these two pages. I'm really intrigued to hear what they say.

Martin ([07:21](#)):

So I'm going to read chapter 12, part of chapter 12, which is about good narratives and bad narratives. "In chapter nine, we described how extended social kinship groups developed in Paleolithic times. From the very beginnings of cooperative human action, hunter-gatherers formed groups to provide self-protection and to exploit the division of labor. And as humans began to communicate, they clustered around campfires to tell stories. We see the beginnings of narratives 20,000 years ago in cave paintings such as those at Lascaux. Upper Paleolithic tribes would elaborate epics of heroism and invent fantastic mythologies to explain natural forces they did not understand.



Martin ([08:09](#)):

The anthropologist, Polly Weissner, has compiled meticulous records of the conversations of the !Kung Bushmen, the modern communities whose practices are believed to most resemble those of Paleolithic societies. During the daytime, one third of communication relates to economic matters and a similar amount of time to bickering, the modern office is much the same. But after dinner and dark, the harsher mood of the day mellows, the focus of conversation changed radically as economic concerns and social gripes were put aside. At this time, 81% of lengthy conversations involving many people were devoted to stories. These stories were largely about known people and amusing, exciting, or endearing escapades.

Martin ([08:53](#)):

Storytelling is how humans normally try to interpret complex situations. And such storytelling is universal. The Bushmen gather around the fire and Manhattanites and Londoners fight for tickets to the musical Hamilton. Humans are natural storytellers. And humans use these stories in reaching decisions by using analogies, in testing arguments and understanding of both processes and facts, and to elicit the cooperation of others in arriving at and implementing good decisions. Narratives aid both understanding and persuasion. And most people are more comfortable with the concrete than the abstract. As young teachers or more seasoned speakers, it did not take us long to learn that we could grip an audience with a good story and lose the room with a few statistics or a single equation.

Martin ([09:43](#)):

What makes a good narrative? Quality of presentation makes the most immediate impression upon us. Among the Bushmen, both men and women told stories, particularly older people who had mastered the art. Camp leaders were frequently good storytellers, but not exclusively so. Two of the best storytellers in the 1970s were blind but cherish for their humor and their verbal



skills. Those who listened were entertained while collecting the experiences of others with no direct cost. And in the West, it is the brilliance of execution and performance that attracts us to the novels of Jane Austen and leads us to admire the Royal Shakespeare Company and the performers in Hamilton.

Martin ([10:22](#)):

Narrative is not simply a synonym for verbal communication. Nor is verbal communication less scientific than algebraic or other symbolic communication. To cope with radical uncertainty, we try to form a coherent and credible answer to the question, what is going on here? This effective use of narrative is in sharp contrast to the idea that narratives are a recourse of the ill-informed and biased agents who prefer storytelling to computation."

MBS ([10:53](#)):

That's really interesting Martin. And I'm so glad that you got in some of that John Kay humor for us as well because he has that very dry, British sense of humor. This is really interesting. I mean, I strive to be a better storyteller. It's one of the things that I'm like, "Okay, I'm good at this at times," but really a great storyteller does move a room, but also helps us tackle the question, what's really going on? So what struck a chord for you in this? What felt so powerful?

Martin ([11:23](#)):

Well, if I link this to the broadest set of ideas in the book, some of the key ideas are that we may think that quantitative models and statistics are impressive and accurate and scientific, but actually they have some severe limitations. They can only use and what John calls, small worlds, that permit a level of prediction. But we live in what he calls a large world, a complex world, where the situation is not stationary and where there is this property of reflexivity. Namely, my beliefs of other situation influenced the reality of the situation. So that creates an unforecastable situation.



Martin ([12:02](#)):

For instance, stock market prices partially depend on what I believe about stock market prices, which inform what I believe about stock market prices. So you get this circularity, this unpredictability. So he says, "How do we make sense of these more complex realities?" Well, there's this age old technique of storytelling, which is essentially concerned with the question of, what is going on here? Which is basically the question I face every day in strategy consulting.

MBS ([12:33](#)):

Right.

Martin ([12:34](#)):

He claims that it's not inferior to numerical analysis, in fact, in some ways it's superior because it can handle a greater complexity. He admits that it is capable of superficiality or abuse or appeal to emotion, but he says that it has its own discipline. And he describes that as ecological rationality. In other words, the stories that are subject to challenge and survive challenge are transmitted at last, have have wisdom in them.

MBS ([13:03](#)):

That's interesting.

Martin ([13:04](#)):

Now the central idea that fascinates me is the idea that we can all do this of course. We all understand, we can all immediately relate to what he says about then the narratives and the stories around the campfire, but we cannot necessarily explain our art. And so there's something about the magic of codification here by giving it a name and understanding how it works. We can then deploy this incredible capability more deliberately and more powerfully.



MBS ([13:34](#)):

Now, I'm projecting a lot here I'm sure, but what I make up about BCG as I do with all the big consulting firms, is that they're more about the rational-based, numbers-based, show me the quant proof of making stuff happen. Not least because I suspect that the clients who work with the CEOs of big and small companies asked for that, they demand that as well. So there's a shared collusion that we all feel safe if we've got the numbers and we've got the models and we've got the structures. I'm curious to know how you try and bring storytelling into those types of business conversations.

Martin ([14:12](#)):

Yeah, I think it's actually an essential part of what we do. So I think good consulting requires an ambidexterity of thoughts. So obviously there are quantitative and financial aspects of business. There has to be a favorable outcome, but on the other hand, there's actually a quote at the beginning of each chapter and a well-chosen quote. So the quote for this chapter that I just read is from Dan Kahneman saying that, "Nobody ever made a decision because of a number. They need a story."

Martin ([14:46](#)):

And that is true in consulting, which is to focus minds and to move minds and to create alignment and excitement and motivation, you need more than numbers. And that is where the narrative comes in and you also need the transmission of ideas. You need not just the leader or the champion of the idea to believe the idea, you need others to believe the idea. So there's the appeal with the idea and the framing of the idea. So a lot of the art of consulting or persuasion or problem solving in everyday life, I think is to do with narrative technique.



MBS ([15:23](#)):

How has this book and these insights influenced your new book, The Imagination Machine?

Martin ([15:30](#)):

It would have been a great thing had I read John's book before I wrote mine because they covered some similar ground, but it was more written in parallel. And I'd say my confidence in some of the ideas that I wrote about was reinforced. So my book on imagination is about a different problem, it's about the problem of this incredible capacity of corporations to shape the world by imagining the possibility, and then realizing that possibility that actually involves marrying the mechanical and the instrumental and the financial, with the creative and the inspirational side of business.

MBS ([16:15](#)):

Yeah.

Martin ([16:15](#)):

So what I'm interested in basically is a bit like storytelling. We all have imagination, it's something that distinguishes us from other animals and from machine learning. But we can't necessarily describe what it is and we don't necessarily have systematic ways of harnessing it in business. So the title of The Imagination Machine is basically about the... it sounds paradoxical that you can have a machine that imagines.

MBS ([16:40](#)):

That's right, yeah.

Martin ([16:41](#)):

But it's about the corporation as a deliberate exercise in harnessing a rather quirky human potential called the imagination. And some of the key ideas in the



book which linked to John's book are the limits of modeling. I talk about the limits of artificial intelligence. So artificial intelligence is good at what the mathematician, Judea Pearl, calls correlative thinking, if this happens, what else happens? But it's not very good at causal thinking and it cannot do counterfactual thinking. It cannot analyze the patterns in data that doesn't exist because you're imagining something that didn't happen yet. So that's one aspect.

MBS ([17:23](#)):

Right.

Martin ([17:24](#)):

A second one is, John says in his book that, "The complex unpredictable nature of the world is the very reason why entrepreneurialism is possible." If everything followed a preset formula, if everything was a financial equation, there would be no Steve jobs.

MBS ([17:42](#)):

And it would all be figured out by now.

Martin ([17:44](#)):

Right exactly. So I would... and that's very important because one very important instantiation of that paradox in business is that almost every company was founded on an act of imagination by hungry entrepreneur.

MBS ([17:57](#)):

Yeah.

Martin ([17:57](#)):

But in pursuing success and scale, often that that mojo, that innovative mojo is often lost and it becomes an exercise in optimization, so the link to



entrepreneurialism. A third important connection is, John points out that when an economist says that something is departs from rationality, what they really mean is, that the real world is more complex than their model. Reality doesn't follow the axioms of the model.

MBS ([18:27](#)):

That is fantastic. I love that.

Martin ([18:29](#)):

And I say something related in my book, which is that mental models are not fact. In order to see the possibility of changing the world, we first need to think about the world in a different way, which means that we need to adopt different mental models. And the first step to doing that is actually to realize that my mental model of the business is precisely that. It's a mental model, not a fact. So when I talk about market share, I'm not talking about a fact, I'm talking about a way of looking at the boundaries of the business, which could be otherwise. And just one more, what is a good narrative? In John's book, a good narrative is one that has the properties of coherence and surviving challenge, it invites challenge. And in the same way, a good, an imaginative company is one that is perpetually self-disrupting yesterday's model for success. So surviving challenge, ecological rationality is a very important part of this.

MBS ([19:39](#)):

There's a lot here, Martin. I think what I want to ask you is this. Knowing that there's a broad tendency to move from this initial sense of being imaginative and hungry and disruptive, a new way of seeing the world to, as you become more established, becoming more codifiable and more predictable and more efficient, I mean, how do you help curiosity and imagination stay alive in a machine where actually kind of efficiency is its raise on debt? I mean, organizations like things being predictable and they like them being the same, this is a homeostasis. And it feels like there's a constant pressure to actually





eliminate imagination and curiosity. So what have you seen as the best ways to try and keep this alive?

Martin ([20:29](#)):

Right. Well, it comes back to that first question you asked me about what is strategy? Anything which gets the job done and the job would not have been done very well had we created temporary success that was not replicable.

MBS ([20:42](#)):

Right.

Martin ([20:43](#)):

That that would be very limited form of success. Ideally we want the performance of the company to create an encore and to create the ability of self-renewal, not just homeostasis, but self-renewal or replication.

MBS ([20:59](#)):

Yeah.

Martin ([21:00](#)):

And in order to do that, I think you have to balance opposing forces. So one force is one of the legitimate force to exploit the success, the potential of the entrepreneur's thought. But a counter balancing tendency is to question the basis for that success and to look for new bases of success. And that's a very hard thing to do because the second part of that is future oriented and therefore unpredictable.

MBS ([21:33](#)):

Right.



Martin ([21:34](#)):

It involves a different set of questions, somewhat disruptive questions and organizations are of loath to help-

MBS ([21:46](#)):

Right. Don't ask the question because it'll be awkward if you actually asked me that question. If I can interrupt, are there any questions in particular that you find are powerful to help people future orient?

Martin ([22:01](#)):

Yes. Now fortunately, and we've looked at this, we've looked at what we call the vitality, the future growth potential of corporations as a function of their size and age. So the bad news is, the bigger and the older your corporation is, the less likely it is to have a lot of future growth potential.

MBS ([22:20](#)):

Right.

Martin ([22:22](#)):

But the good news is that the dispersion is enormous and that is not a law of nature. That's a tendency, not an inevitability. And so some of the moves that a leader can make to break that compromise, if you will, is one of them is being in the world. So you can think of a company like a sphere, the bigger the radius of the sphere, the lower the surface area is in proportion to the volume. In other words, the more inward facing that the corporation becomes, unless it takes special efforts to stay externally oriented. Because if you're not seeing that which you need to adapt to, you will not adapt, so external orientation. And another one is observation. I think about this as thinking like a novelist, which is... it's a great human invention. The average is a great mathematical shorthand, right?



MBS ([23:21](#)):

Right.

Martin ([23:21](#)):

On average, something is true. But if you de-average and you look at the particular data points, there are always anomalies and some of those anomalies, a customer not buying the product or wanting something else or a salesman using a different technique, some of those anomalies are prescient. They actually are unreasonably successful, they're pointers towards the future. So thinking about the details is very important. And then another one is, to avoid over-financialization. So there is this adage which is attributed to Peter Drucker of, "What gets measured, gets done." "What gets measured, gets managed." There are different variants on it.

MBS ([24:03](#)):

That's right, yeah.

Martin ([24:04](#)):

But I'd say it's unfortunate if we restrict ourselves to that which can be measured accurately because that is the path to financialization, which is not an unadulteratedly good thing. If we restrict ourselves to measuring financial outcomes, we will never explore new ideas with unknowable financial outcomes. So I think balancing exploitation with exploration and showing that that is everybody's responsibility. So a simple way of putting it would be that a leader can either say your responsibility is to produce output from yesterday's model and to not waste a second on anything else. That's one type of cooperation.

Martin ([24:44](#)):

Or what I call a mechanical cooperation, or they can communicate that everybody's responsible for not only running the business, but also renewing



the business. And that's a very different proposition. Now, this goes back to Aristotle's two definitions of economics. He had one definition, which was chrematistic, which was a maximization problem. It was essentially profit making. And he had this other concept called Oikonomia, which was loosely translated as the affairs of the household, which was more of a concept of balance. The pursuit of economics for an ulterior purpose, the welfare of the family. And so that's that second concept of economics that we're talking about here, not the first one.

MBS ([25:30](#)):

I love this. I love the etymology, which is care of the household. It immediately casts economics in a very different light, when you understand that that's its root meaning. Martin, I love this idea that the awareness of the danger of over-financialization and how metrics can shape what the matter is. I can't remember the name of the term, but there's a way you set your metric and then the metric becomes a tail that wags the dog. And I guess my question is, what are the ways beyond the metrics that you measure success, or at least you navigate towards the future? I'm wondering if you've seen examples, if you have language to help people imagine what else can they look to as beacons of I'm on the right path?

Martin ([26:18](#)):

Yeah. There are a number of things that can be said about that. That's a very interesting question. And actually it relates to a previous book by John, which I know you like too, *Obliquity*. So there are things that you can obtain in life, which by pursuing them directly and there are things that you can never attain by pursuing them directly. So you don't get happy by trying desperately to be happy.

MBS ([26:40](#)):

Right.



Martin ([26:40](#)):

You don't make lots of friends by trying desperately to have lots of friends. It's an outcome of pursuing something else. And so, similarly, we've actually measured this because with machine learning, you can measure, you can analyze anything nowadays. And we've looked at whether corporations that are very directly profit seeking and maximizing as an end in itself, are actually successful in doing so. And it turns out that profit maximization is a little bit of an oblique goal.

MBS ([27:09](#)):

Right.

Martin ([27:10](#)):

That if you pursue it too directly, you undermine the sustainability of being able to do so. So the specific answer to your question-

MBS ([27:19](#)):

That's kind of mind blowing because that feels like it undermines one of the, I guess, basic tenants of capitalism, which is to pursue shareholder maximization.

Martin ([27:28](#)):

Yes.

MBS ([27:29](#)):

And actually there's a way that pursuing that actually undermines the very goal itself.

Martin ([27:35](#)):

Right because and for some very obvious reasons in a way, I mean, if you do that at the expense of the super system of society in which your company is embedded, that sooner or later you'll be regulated, sanctioned, boycotted. So



you have to think about the synergy with the broadest, the symbiosis with the broadest system. And also of course, there's this thing called investment. I mean, you don't maximize cumulative profit over time by only extracting. You have to invest in order to extract, which involves exploration. So actually not immediately profit maximizing behaviors may eventually result in profit maximization. And then, the other thing I'd say about your question is, I think metrics can be a good thing but you need different metrics for different stages in the life cycle of an idea.

Martin ([28:29](#)):

So, I mean, to give you an extreme example, if you'd tell me, "I've got this wonderful idea for turning our business upside down, it's quite embryonic but I'd like to discuss it with you." And I say, "Well, I'm only talking to you if you show me the 20 year net present value calculation." This idea will go absolutely nowhere. It's the wrong metric for the situation. A better metric for that situation is, is there a champion for the idea? Is there a narrative which is a plausible model of success for this idea?

MBS ([28:58](#)):

Yeah, love that.

Martin ([28:58](#)):

Has the champion attracted followers? These are sort of more appropriate to very early stage ideas.

MBS ([29:06](#)):

And I love that those metrics in that early stage actually draw in some of the tenants of a good narrative. Do we have a hero? Do we have a mentor? Do you have a journey? Do you have a threshold to cross? Can you imagine what the monster is? You can almost say that this is a hero's journey to be walked here, perhaps, as one indicator that there's something worth pursuing here.



Martin ([29:28](#)):

Absolutely, it comes back to that Kahneman quote, "Nobody ever made a decision because of a number. They need a story." But interestingly, some corporations, if there's an entrepreneur with an idea, the first thing they'll do is a net present value calculation. The second thing I'll do is they'll take the entrepreneur out of the equation and put it into some other team.

MBS ([29:48](#)):

Right.

Martin ([29:49](#)):

So one of the companies who were right by the book is a Japanese company called Recruit. There's a very successful serial business model innovator and they do the exact opposite of that, which is the criteria for starting a project for a new business model, is that there is a champion and there is a follower. It's automatically funded if that's the case. And the second thing is that they deliberately cultivate entrepreneur heroes. So I spent a week with this company studying them and the first thing they told me was, "The first person you meet, must meet is Mr. [Yamazaki 00:30:24], because he's one of the most important people in the company." I thought they were going to introduce me to the company president or the head of HR. In fact, he's one of their entrepreneur heroes.

MBS ([30:31](#)):

Yeah, love that.

Martin ([30:33](#)):

And they have a hall of fame of entrepreneur heroes and the other most important, celebrated people in the company. Also, they invite people on stage to tell the story, the narrative of the success or the potential success and the entrepreneur, the champion of the idea, the hero stays on the hero's journey.



They don't treat it like a disembodied idea that can be put into any part of the organization. They're not afraid of the personal connection between the hero and the hero's journey.

MBS ([31:04](#)):

Yeah. I'm excited for your new book, *The Imagination Machine*. What surprised you most in the writing of it? What did you uncover that you may have been taken aback by?

Martin ([31:14](#)):

Well, there was a tremendous opportunity for me to read very widely on the topic because it's one of the great attractions of the topic for me, is it's not only important in the present, important in business, but it's something that philosophers and artists have written about over centuries. And so one of the most, I guess, in retrospect it seems obvious, but one of the most surprising conclusions I came across as we were writing the book was this idea that imagination is somehow an instantaneous, magical ability applied by gifted individuals in a way that couldn't possibly be managed.

MBS ([31:59](#)):

Right.

Martin ([32:00](#)):

And that struck me as odd because, of course there is a grain of truth in it, I mean, humans are complex, creating new things is an unpredictable business. But it struck me as odd because business does not shy away from other unpredictable aspects of human affairs, like deeply understanding consumers or managing human resources, so why did they shy away from this one? And when we dug, we found that the concept of imagination was very, very influenced by the romantic movement, who saw these, 100 years or so ago,





who saw these tragic geniuses who would be unworldly, would think poetic thoughts inspired by something else.

MBS ([32:43](#)):

Yeah, wondering through the field of daffodils, waiting for the muse to arrive.

Martin ([32:47](#)):

Exactly. And this sort of notion that we all carry around with us is part of the reason why we don't attempt to harness imagination. So that was one very important thing and then-

MBS ([32:57](#)):

it's interesting.

Martin ([32:58](#)):

... I guess, we've already spoken about narrative, the incredible importance of the story because people don't pay attention to facts, they pay attention to stories. And in particular, we went deep on naming because there's a magical moment when the new thing acquires a name and it kind of wears a different types of name in different types of ways. And it turns out to be a really critical moment in the life of an idea when it acquires a name. And we discovered that there were basically three philosophies for naming new things. One of them is to functionally describe what it is because people would otherwise not know. So for example, the vacuum cleaner was initially called Griffith's Apparatus for the Vacuum Removal of Dust or something like this. Because looking at that thing, you'd never guess what it actually did.

MBS ([33:48](#)):

Exactly.



Martin ([33:49](#)):

So that's one way of naming. Another way of naming it is quite the opposite, which is to make it seem familiar and not intimidating.

MBS ([33:59](#)):

Right.

Martin ([33:59](#)):

So the Apple Watch, one of its 200 functions is a watch, but it's not really a watch, but if we call it a watch, people can relate to it. They have a model of what they might do with it. So that's another philosophy, which is the communicate familiarity. And then the other one is what we call the FCUK t-shirt philosophy which is, you draw attention, you gather attention to a name by deliberately naming it in an obscure or sensational way. And sometimes, we thought about how this was a really critical decision in the life of an idea to signal to others the main import of that idea, the main significance of the idea to them. So that was a very interesting chapter I think.

MBS ([34:48](#)):

That's fascinating. And for people who don't know, FCUK is French Connection UK, a clothing shop in England, can't remember in the '80s, I guess, or maybe early '90s. And they came out with a t-shirt where they put FCUK and obviously that's an anagram of a swear word and it was a fashion sensation. I mean, everybody wore it because it was provocative. And also people understood that the pun was there.

Martin ([35:14](#)):

If you'd have said like, "This is clothing." I mean, none of us would have been excited.



MBS ([35:18](#)):

Exactly.

Martin ([35:19](#)):

If it had said, "This is a fibrous plant material that's been woven using of [inaudible 00:35:26] technology for the purposes of covering and insulating the human body," a purely functional name. [inaudible 00:35:31]

MBS ([35:30](#)):

Also not that compelling.

Martin ([35:32](#)):

Not quite as compelling, right?

MBS ([35:33](#)):

Yeah. And the final question for you, it's a big question, it's a sweeping question. What needs to be said in this conversation between you and me, that hasn't yet been said?

Martin ([35:45](#)):

Oh, I wasn't prepared for that question. Well, I guess we're celebrating curiosity. We're celebrating reading in an age where that cognitive surplus can be crowded out with all sorts of other things. So I'd very much endorsed the spirit of the podcast in saying that the written word is still important. Reading aloud is still important. The traditional books is still important. And also that in this age of overspecialization, we can speak across topics. The need for generalist thinking is also alive and well. So it seems to me that implicitly that's what this podcast is about. And I think that's a wonderful thing.



MBS ([36:31](#)):

Martin, in our conversation, talked about organizations and differentiates between those that are inward-looking and those that are more externally oriented. The first one, inward, stops being adapted to its circumstances. It wants reality to bend around it. And that's a game that's rarely won. The organizations that orient outward, well, they still maintain their values, their essence, but they also see and understand their market and their customers and how they're changing. They're the ones whose imagination is likely to be fueled, ignited, or to use a different metaphor, cross pollinated and allowed to bloom. And you, do you feel you're inward or outward looking? I'm, well, I'm a little worried that I'm more inward looking than I'd care to admit. I mean, actually hosting this podcast is one of the ways I try to look outwards, but still, how might you, how might I, choose to shift our gaze?

MBS ([37:36](#)):

Look, if you want to learn more about Martin and his new book, *The Imagination Machine*, you can just go to the website, [theimaginationmachine.org](http://theimaginationmachine.org). And if you want to see Martin's work, you can go to the website, [bcghendersoninstitute.com](http://bcghendersoninstitute.com). And of course, all of this is in the show notes, but I'll spell it for you in case you're keen. B-C-G and then Henderson is H-E-N-D-E-R-S-O-N-I-N-S-T-I-T-U-T-E.com. A great rhythm with all those Ts. And thank you, of course, for listening to the podcast, I'm grateful that you listened all the way through. I'm grateful that you're a fan. I'm grateful if you mentioned the podcast or this episode, or any other episode to a friend.

MBS ([38:20](#)):

We love growing by word of mouth. I'm grateful if you've given us a review on your favorite podcast app, that is helpful for sure. And of course, if you want a little bit more, we do have this little membership site, it's totally free called the Duke Humfrey's, named after my favorite library in Oxford. And it's where you'll find transcripts and you'll find unreleased episodes and you'll find some



downloads that I've created for you as well. So if you're curious, go check that out, there's a nice group of people forming in the Duke Humfrey's. You're awesome and you're doing great.