

Business genius can be taught, study says

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How did Steve Jobs do it? What about Whole Foods Market and Starbucks? These kinds of "breakout" success stories show what is possible when business leaders imagine into the future rather than re-enacting the past—a strategy that a new study says is crucial for business success in a rapidly changing world.

Luis Martins, director of the Herb Kelleher Center for Entrepreneurship at The University of Texas at Austin's McCombs School of Business, and co-author Violina Rindova of the University of Southern California argue in a paper published in *Advances in Strategic Management* that the key to revolutionary business strategy lies in the strategist's ability to use a future-focused kind of imagination. They say that this kind of thinking can be taught, and they call on other business academics to test and validate their theory and methods.

"If Whole Foods were a replication of the past, it would be one more small health food store," Martins says. "It required a different imagination of the future to combine an organic farmers [market](#) with a big grocery store, and a strong focus on conscious capitalism. That's the kind of thing that changes the mold within any given industry and comes up with a whole new space.

"You couldn't get a Cirque du Soleil by just trying to make another circus," Martins says.

Martins, who is also chairman of the McCombs School's Department of Management, says that the current standard curriculum in even the top-tier business schools places too little emphasis on strategic imagination. The accepted methodology teaches students how to analyze the past and adapt to the present, which Martins says are crucial components of strategy, but without future-focused imagination, he says, they won't lead to breakthrough business achievements. The few courses that do offer students forward-thinking strategic business frameworks are usually

electives, not requirements.

Anticipatory thinking, analogical reasoning and design thinking are all techniques that can catalyze strategic imagination, Martins says. In his classes, students follow technological, economic and social trends that may come together in the future to brainstorm new goods that could, in some cases, open entirely new markets.

He also encourages thinking about how established business models can be used in new market spaces the way the company Rent the Runway did when it began offering a way for shoppers to borrow clothing instead of buying. They effectively created "the Netflix for high-end dresses," Martins says.

Martins says design thinking—the process of using design to create new offerings and improve the user experience—also has the capacity to revolutionize a [business](#), noting Apple's attention to the appearances of its products as an example of how design can transform an entire industry.

"I think we are running out of runway for mass market thinking and just low-price thinking," Martins says. "So, increasingly, as markets fragment and as people desire something more than just low cost, I think strategic [imagination](#) will become an ever-more-important aspect of the strategist's job."

More information: Violina P. Rindova et al. The Three Minds of the Strategist: Toward an Agentic Perspective in Behavioral Strategy, *Behavioral Strategy in Perspective* (2018). [DOI: 10.1108/S0742-332220180000039012](https://doi.org/10.1108/S0742-332220180000039012)

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