

Trial and error paves the way to success

1 Warmer

- a. Discuss this business scenario with a partner. Ask and answer the questions below.

You work for a startup that sells digital tools for education. During the pandemic, you started selling new products and came up with new solutions. This meant that the company grew a lot. Since, you are only trying to meet customer demands and not working on new products or improving the products you currently offer.

1. How can you set aside resources to keep on experimenting?
2. Do you think experimenting is a good way to achieve success in business, or is it better to play it safe?

2 Key words

- a. Write the words from the box next to the definitions below.

Check your answers and your understanding of the words by using the same word to complete the example sentence under each definition. You may have to change the form of the word. Then read the complete article to see how each of the key words is used in context.

condemn

predictable

record

revert to

trial

trigger

1. the information that exists about a person or company and their past actions

The company has a worryingly bad safety _____.

2. force to experience or cause to be destroyed _____

The strategy is _____ to fail if it doesn't consider some of the market research.

3. the process of testing a product, plan, or person over a period of time _____

There is a new _____ to test a plastic-free version of the pen.

4. something that produces an immediate result _____

Some people say that a single social media post was the main _____ for the drop in share price.

5. happening in the way that you would expect _____

While we can forecast future sales based on past performance, sales aren't always

_____.

6. return to a previous state or way of behaving, often one that is not good _____

*Everyone was very motivated after the team building exercise, but things soon
_____ their old mediocre state.*

mindset paralysed pilot permissionless perpetual unconstrained

7. the process of trying something with a small group of people to find out if it would be successful or popular _____

I have been invited to participate in a six-month _____ of a new fitness app.

8. a way of thinking about things _____

People who have a growth _____ believe that they can work to improve their skills and abilities.

9. behaving in a way that is not controlled or limited _____

When we offered him a permanent position, he reacted with _____ joy.

10. a system for organising people according to their status in a society, organisation, or other group _____

A flatter _____ is better for faster problem-solving and decision-making.

11. continuing all the time _____

We have switched from a periodic to a _____ inventory system.

12. unable to move, think, or operate normally or efficiently _____

She was _____ by the success of her first book on management.

How to ensure experiments leave the launch pad

COMPANIES ADVANCE BY TRIAL AND ERROR, BUT NOBODY WANTS TO BE PART OF THE 'ERROR'

ANDREW HILL

- 1 "Flight heritage" is how the commercial space industry likes to describe a record of success established by a string of missions for a satellite or a launch system.
- 2 The phrase cropped up last week in postmortems of Virgin Orbit's failure to launch the first commercial satellites from western Europe. "Space is hard," said Alice Bunn, president of UK trade body UKspace, after an "anomaly" condemned the LauncherOne rocket and its expensive payload to a fiery end before it reached its target orbit.
- 3 What this blot on Virgin Orbit's heritage underlined was the inevitable commercial tension between experimentation and predictability. Pioneering space ventures are in a constant cycle of "working out what happened and getting up and trying again", to paraphrase Bunn. Trial and error is how they advance, but terrestrial companies are not so different. In both cases, customers would prefer not to be on board for the "error" part. The challenge is deciding when to crystallise the findings of the experiment.
- 4 Back on Earth, the pandemic was a trigger for forced experimentation at many companies that had previously assumed the status quo in how, where, and when we work was immutable. Now they have to decide when to incorporate changes in working practices into a more predictable framework. Even the World Economic Forum was obliged to try out a summer summit in 2022, before reverting to its regular January timetable. One question is whether corporate leaders will return to the Alps this week more open to the need to experiment or keener than ever to revert to pre-Covid certainties.
- 5 "It's very risky not to experiment," claims Costas Andriopoulos, innovation and entrepreneurship professor at Bayes Business School and author of Purposeful Curiosity. Teams that were curious, open-minded, and accepting of failure responded better to the sudden lockdowns of 2020, he believes. "If you don't experiment for a long time, then you bet the house and you either win, or lose everything."
- 6 That is a view shared by Phil Libin, co-founder of mobile app Evernote, who now runs All Turtles, a product studio that has adopted distributed working. The company has just implemented a seasonal structure, in which employees commit to a six-month stretch at the company, followed by a two-week holiday taken at the same time by everyone. Libin freely admits it is a trial: "It's guaranteed that in a season or two we will say 'some of these things don't make sense, we have to change it'."
- 7 All Turtles has more flexibility than many to use itself as a laboratory. "Once we become a big company then predictability of execution is rewarded much more by markets and we'll have to experiment less," Libin says.
- 8 But much larger groups can also pilot new ideas, without betting the house. Unilever was able to test a radical shift to a four-day working week with an 18-month pilot in New Zealand, before rolling it out to some employees in Australia last year.
- 9 Elon Musk, who, through his leadership of SpaceX, knows more than most about how hard space is, has also brought real-time testing into the open at Twitter. The debate between those who want him to leave the familiar, predictable features of their favourite social media platform alone and those who applaud a state of rolling revolution has been vocal.
- 10 The cost and risk of a "perpetual pilot" approach are clearly lower for a digital company, which can change the customer experience at the touch of a button, or test multiple options simultaneously. Yet experimentation is a mindset unconstrained by a company's size, age, or sector. Whatever they think of Musk as chief executive, other companies could learn from Musk the experimenter's effort to involve users in his experiments.

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11 In the latest edition of Harvard Business Review, Rita McGrath and Ram Charan write about how digital technology can liberate managers and their teams to experiment in so-called “permissionless corporations”, characterised by flatter hierarchies, faster decision-making, and better customer relationships. They cite retailer Amazon, lift maker Kone and fund manager Fidelity as companies that have changed the pace and nature of the work they do using technology. “In the permissionless corporation, fast, inexpensive experimentation takes over from slow, involved analysis, enabling organisations to pounce on opportunities as they arise,” they write.

12 There are pitfalls to running a company on perpetual pilot. Andriopoulos says sometimes managers “hide behind a lot of experiments because they don’t want to move ahead and take a decision”. Eventually, Virgin Orbit and its partners will take another shot at re-establishing their flight heritage. But they should not stop experimenting. The alternative, as Libin says, would be “to be paralysed by not knowing what would go wrong”.

Glossary

pioneering: done for the first time using new methods

postmortem: a discussion or examination to find out why an event happened, especially an event that produced bad results

status quo: the present situation, or the way that things usually are

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Andrew Hill, 15 January, 2023

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3 Understanding the article

a. Find key information in the article to fill the gaps in the notes.

Alice Bunn	All Turtles	Costas Andriopoulos	Elon Musk	LauncherOne
Phil Libin	Rita McGrath and Ram Charan			

- _____ thinks trial and error is a normal part of space ventures.
- _____ recommend using digital technology to speed up decision making to make the most of new opportunities.
- Employees at _____ work for six months and then all take two weeks of leave together.
- _____ thinks sometimes too much experimenting can be a way to avoid making difficult decisions.
- The author thinks that _____ is a good example of someone who involves users in the testing process.
- Virgin Orbit's first commercial satellite, the _____, exploded after launch.
- _____ believes businesses with a culture that is accepting of failure did better in the pandemic.

4 Business language

a. Join the nouns to make business and space terms from the article. Then find them in the article to check your answers and read them again in context.

- | | |
|-------------|------------|
| 1. flight | body |
| 2. launch | experience |
| 3. trade | heritage |
| 4. target | orbit |
| 5. space | studio |
| 6. product | system |
| 7. customer | venture |

b. Match the definitions to the words from Activity 4a.

- a. a group of people who are connected in some way, often because they are involved in buying and selling goods and services
- b. a company or a place in a company where new products are designed
- c. the overall experience that someone has when using a product
- d. a record of success established by a string of missions for a satellite or a launch system
- e. a set of pieces of equipment or computer programs that work together to send a missile, space vehicle, satellite, or other object into the air or into space
- f. a new business or activity in the space sector
- g. the path planned to be taken by an object moving around a larger object in space

c. Now explain how the phrases above were used in the article.

5 Discussion

a. Discuss these statements and give reasons for your opinions.

- “We make the most progress through trial and error.”
- “It’s very risky not to experiment.”
- “It’s best to make decisions without getting stuck in constant experimentation.”

6 Wider business theme – critical thinking & problem solving

a. Choose an area of opportunity in your organisation. Answer the questions to analyse and propose a possible solution or improvement.

1. What solution would you like to pilot?
2. What are the risks of failure?
3. What are the risks of not experimenting?
4. What could be gained through trial and error?
5. How exactly would you set up a trial?

b. Create an infographic to pilot your proposal. Try to be as persuasive as possible and use language from the previous activities.

Useful language

I would like to address the problem of ...

I propose a trial in which we ...

While the outcome is not predictable, not experimenting means ...

I believe this would improve (the customer experience, etc)

The pilot would consist of ...

We can ... This could be followed by ...

To sum up, ...