

# Change It Up

What we saw,  
heard, thought and  
said at THINK 13





# It takes some exceptional partners to disrupt business as usual.

An inspiring conference begins with inspired support. All of us at CO-OP Financial Services express our appreciation to the forward-thinking organizations that helped make THINK 13 such a memorable and productive event. Many thanks to these Diamond and Platinum Level partners.



# Welcome, Change.

This may not be everyone's sentiment all the time, but at THINK 13 we took four intense days to consider the possibility. Disrupt business as usual was our theme—and our rallying cry. We debated the roles of massive versus measured change for the credit union movement. We peered into the inner workings of companies that are playing fresh roles in changing dramas: President, Global Marketing and Innovation John Costello shared branding secrets from Dunkin' Brands Group, Inc., and Nicole Clemens, Senior Vice President of Series Development at game-changing cable TV network FX, told us how her network found its voice. We learned the creative value of managing change from Lego expert David Robertson—and heard real, employable ideas on executing innovation from real, live Internet entrepreneur Scott Belsky. FUBU founder Daymond John took us into the Shark Tank; leadership expert Margaret Heffernan urged us to open our eyes and ears. And

the Impossible Dream Team of Cory Booker and Daria Musk showed us what it looks like to ignore limitations and become the change you wish to see.

Throughout the week, we polled our THINK participants to find out how they were feeling about change—the nature, urgency and management of it. The big takeaway: Change is here, and we know it.

What we learned is difficult to lay down in a few pages. In addition to our marquee speakers, we heard from industry insiders, who shared ideas on new technology, changing consumer expectations and inspirational leadership. We challenged each other's ideas—and our own assumptions. We asked difficult questions. We heard surprising opinions. We clapped our hands in unison, rocked out with folks around the world and made our own ducks.

It wasn't business as usual, but it was exactly like THINK. ■



THINK 13 Master of Ceremonies  
Valerie Coleman Morris, *Financial Journalist and Author*





Scott Belsky, *Startup Guru/Realist*

## MAKING IDEAS HAPPEN

THINK 13's general sessions kicked off with an eye-opening presentation by writer and entrepreneur Scott Belsky, founder of Behance (an online portfolio platform that acts like LinkedIn for creative people) and author of "Making Ideas Happen: Overcoming the Obstacles Between Vision and Reality."

Belsky doesn't want to help you generate new ideas. He's interested in the process that takes innovative organizations from concept to fruition. "I wanted to look at why some creative teams can make ideas happen again and again, and some never see the light of day," says Belsky, because in reality, "most ideas never happen."

Belsky describes a project plateau, in which excitement and energy plummet over the time taken to develop a project. For creative people especially, he says, prolonged development is torture: "The more creative you are, the more you desperately want to escape the doldrums that accompany the development process and come up with a new idea."

So bringing a new project to light has to happen quickly. How do you accomplish this without needless delay or emotional fireworks? Here are some of Belsky's tips:

**Overcome reactionary workflow.** Don't be a slave to email, text

messages, Facebook, Twitter, LinkedIn and the phone. Ask yourself what's important, versus what seems merely urgent.

**Spend energy on being organized.** Creativity multiplied by organization equals impact.

**Measure the value of a meeting in action steps.** To keep meetings crisp, try conducting them without chairs. Also, mornings are the most productive work times. Are your meetings better scheduled during the afternoon?

**Set priorities.** Belsky recommends creating a visual "energy line" with the headings Extreme, High, Medium and Low. Place tasks





**The more creative you are, the more you desperately want to escape the doldrums that accompany the development process and come up with a new idea.”**

— Scott Branson

under their appropriate headings to establish their priority—and allocate your energy accordingly.

**Optimize to surpass your horizon of success.** Success breeds complacency, but even great ideas need fine tuning. Don't stop improving.

**Share ideas liberally.** It's normal to feel a twinge of paranoia or insecurity when sharing a new idea. Do it anyway. The value of feedback and help far outstrips the risk of stealing or sabotage. Plus, if the idea won't fly, it's best to find out sooner than later.

**Seek competition.** Sometimes the desire to implement an idea faster

or better than the competition is pure motivation. Use it.

**Overcome the stigma of self-marketing.** Enough said.

**Leaders talk last.** In the rush to present your brilliant ideas—or plans to turn those ideas into product—you may squelch useful input from others. Listen first, then talk.

**Value your company's immune system.** Ideas don't move beyond the idea stage on ether alone. You need implementers who can puzzle out the nuts and bolts of production and distribution, and finance folks who can get to the bottom line. This

kind of friction isn't just healthy; it's necessary.

**Move through bureaucracy.** Think of your project as a ship cutting through a freezing ocean. Keep moving or get iced in.

**Ask annoying questions to keep momentum going.** If you insist on getting a decision at every turn, you force action.

**Gain confidence from doubt.** If everyone thinks you're crazy, you're either crazy or you're really onto something.

**Be bold.** Nothing extraordinary is ever achieved by ordinary means. ■

# GLAZED, NOT CONFUSED

If Belsky's ideas map out a matrix for progress, two presenters offered a vision for what it might look like when you get there. John Costello and Nicole Clemens talked about creating brands that connect with—and create currency in—people's lives.

Costello's experience with Dunkin' Donuts is a great example. At age 62, this company isn't hot out of the oven. But it is on the rise, with annual sales at Dunkin' Donuts and its sister brand Baskin-Robbins topping \$8.8 billion and global business expanding to 17,400 restaurants in 60 countries. Costello himself asks, "How do you keep a 60-year old icon relevant to customers today?"

Here are his six steps:

- 1 **Confront reality.**
- 2 **Differentiate or disappear.**
- 3 **Embrace a 360-degree approach to meeting customer needs.**
- 4 **Think long term: Invest in your brand.**
- 5 **Build a team of people better than yourself.**
- 6 **Have fun.**

Simple, yes? But underlying Costello's methodology is a compelling elegance. This brand is airtight. Dunkin' confronted reality by looking closely at its fan base. Who buys Dunkin' donuts? "Our personality is more important than demographics," says Costello. "Our customers are proud to have things to do." In turn, "Dunkin' is a

grab-and-go brand. We're for busy people on the go. We are how the everyday folks who keep America running keep themselves running every day." There's the reality—and the differentiator that makes this brand unique.

What about the customer experience? "Breakfast is a very ritualistic meal," says Costello. "We like to fall into a routine for breakfast." So Dunkin' offers the familiar items customers want day in and day out. But it also serves up monthly specials, so regular customers can change it up when they want. "It's a combination of continuity and innovation."

The same combination of continuity and innovation drives Dunkin's international stores. There, U.S. customers are likely to find the



## THE NETWORK'S UP

**LIKE CREDIT UNIONS,** FX is building its brand with (relatively) limited resources and an underdog mentality.

Nicole Clemens,  
FX Network Series Developer

familiar favorites they associate with home—but also local alternatives, like savory donuts topped with shredded pork in China.

Dunkin' isn't afraid to break out when it comes to investing in the customer experience. The company introduced a proprietary payment card last August that now boasts more than two million users—delivering convenience and building customer loyalty in a single bite. Whether through the introduction of widespread change (like its payment card) or local specialties (like sweet tea in the American south), Dunkin' does an extraordinary job of listening and responding to its team. Is the team “better” than its leader? Collectively, yes. Dunkin' has clearly built its strength around that collective voice.

Costello's final advice, to “have fun,” may be his loosest directive, but it's no less essential to Dunkin's success—and possibly to yours. Beloved brands don't belabor their efforts. Despite the work and the collective brainpower that goes into Dunkin's brand-building, there's an effortlessness to what they do. Joy comes through—and why shouldn't it? What's not to celebrate about serving up delicious donuts? Or, for that matter, financial services you can trust?



John Costello, *Dunkin' Brands*

Costello also says: “This is the best time to build a brand.” Is he talking about the proliferation of media? The recovering economy? Shifting consumer attitudes? Or is he saying that the best time to build a brand is now because here we are? ■

FX's Nicole Clemens had this to say about where her network is: “On many cable systems, we are channel 248.” In other words, it takes a tremendous amount of channel flipping just to get to FX. “Our brand has to be on the forefront for people to find us,” she says.

FX has a strong identity, to say the least. Did we say strong? What we meant was adult, transgressive, aggressive.

“We take a genre and subvert it,” says Clemens. “Our shows have an extreme point of view, iconic characters and story lines you won't see anywhere else.” Examples: *The Shield*, *Nip/Tuck*, *Damages*, *Sons of Anarchy* and *Louie*—all shows that

are surprising, uncomfortable and, for the right audiences, as addictive as *Playstation 3*.

Like credit unions, FX is building its brand with (relatively) limited resources and an underdog mentality. What it's found is a great wellspring of interest in alternative programming. That is to say, writers, directors, producers and actors are eager to work with FX—even for less money—because it's a place where their voices can be heard. Switch seats: Audiences are on board for the same reasons. This is not the same old, same old.

And because FX wasn't created in the mold of traditional network television, it's been able to adapt to changing viewer habits. For

instance, viewers now have the ability to discover an established show, download episodes from the Internet and run their own “marathons.” FX has the kind of cult programming that's perfect for this. “Binge watching has actually helped us,” says Clemens. “People are able to go back and find a series and watch the whole thing,” as a way to catch up with an ongoing story (or “catch up” your friends on it), or experience an entire series in a condensed timeframe.

Being an alternative fish in a big pond takes audacity. But it's possible to thrive—financially, artistically and cosmically—if you know who you are. And, of course, if you're willing to transgress. ■





David Robertson, *Lego Expert*



## AND THEN THERE WERE DUCKS

Subverting the status quo is what THINK 13 was about. We were there, after all, to disrupt business as usual. That's a prickly subject for a lot of credit union leaders (to say nothing of humans at large). Why? Change is a scary proposition—a belief we confirmed in an audience poll. When asked what their biggest obstacles to change were, respondents voted “fear” number one (at 28 percent), followed by “resources” (22 percent) and “risk” (17 percent).

What makes change frightening? Wharton Business School professor David Robertson spelled it out this way: What if you did everything right—what if you innovated by the book and to the extreme—only to find yourself on the brink of bankruptcy?

Answer: You might be Lego.

In a remarkable presentation on the rise and fall and re-ascent of Lego, Robertson painted a portrait of a company intent on doing innovation right. It was the 1990s and the iconic toy company had fallen on stagnant times. Kids were migrating to video games and, frankly, Lego had nothing new under the sun.

They decided to innovate, but not on a small scale. And not on a manageable scale, either. Lego embarked on a system-wide, all-encompassing innovative mission. There were new bricks and new kits, including the “Duplo” line of bricks for toddlers and a “Jack Stone” line of snap-together sets that were more character- than engineering-

driven. They made Bionicles, robotic creatures complete with their own backstories; Galidor, a Lego-inspired electronic action figure; a Lego movie studio; Lego learning centers (primarily in Asia); and Legoland amusement parks. They practiced every kind of innovation: “blue sky” innovation, “full-spectrum” innovation, “open ocean” innovation. And not only that, but they practiced each one well.

The result? Chaos. So much chaos, in fact, that Lego nearly went belly up.

It turns out that sometimes change is scary for a reason—and innovation, in and of itself, is not a solution to flagging sales. “Following their period of innovation, the complexity of the



## AUDIENCE POLL

“What are your biggest obstacles to change?”

28%  
said  
**FEAR**

22%  
said  
**RESOURCES**

17%  
said  
**RISK**

business went through the roof,” says Robertson. Lego had, for instance, created eight policeman figures, three bad guys and six chefs. “The question they had to ask was, ‘Why?’” Robertson continues. “They had added a lot of variety but not a lot of value.”

The same went for their various business lines and new enterprises: “New” wasn’t always “improved.” So Lego revamped again, this time under new leadership. They reconnected with their core identity—building and construction—and zeroed in on products that were successful, like Bionicles, while jettisoning the ones that didn’t fit. They built better processes for developing,

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**Even with constraints, a great deal of innovation is possible.”**

— Dave Robertson

evaluating and executing new ideas. And, in fact, they became a model of purposeful innovation. Today, Lego is both growing and profitable.

But what does this say about our capacity for innovation? To illustrate, Robertson passed out 250 Lego kits with six blocks in each. He asked the random recipients to spend one minute building a duck. One minute. At the end of the minute, the ducks were collected and displayed in front of the room.

They were not, uh, uniformly awesome. Some were not recognizable as ducks. And at least one consisted of a crumpled heap of plastic bricks. But the ducks represented a surprising diversity of imagination. And they were all the product of quick thinking. What was Robertson thinking? “Even with constraints, a great deal of innovation is possible.” And by applying thoughtful constraints, you can make the innovation process much less risky. ■



Cory Booker, *Mayor/Influencer*

## INSPIRATION!

On the middle day of THINK 13 general sessions, something odd happened. We flashed forward to what felt like the future, where change had already done its magical transformations and we were living in a new world.

Too much?

Our first speaker was Cory Booker, the mayor of Newark, N.J. If you know anything about Booker, you know he's a graduate of Stanford (with two degrees, thank you very much) and of Yale Law. You know he's a master of Twitter, routinely using the social media channel to connect with individual citizens

about their concerns and issues. Maybe you heard that he responded to one citizen's complaint about having snow shoveled out of her elderly father's driveway by actually shoveling the snow himself. Or better yet, he pulled a woman from a burning building with his own hands. That is "hands on," no question about it.

You may also know that he's an American politician who slept in a tent and went on a hunger strike to call attention to problems in a tough neighborhood. Booker became the mayor of Newark in 2006. "When I got to city hall," he

## ENTER THE ROCK STAR

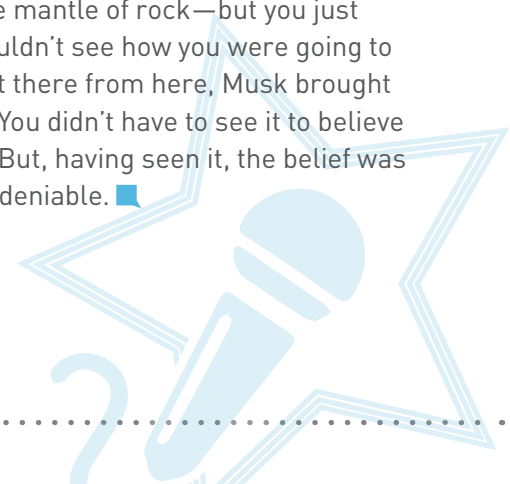
And if Booker becomes president, Daria Musk wants to sing at the inauguration. We think she'll do it, too, because if Daria Musk is good at anything beyond making the music she loves, it's being where she wants to be.

Musk's story begins like the tales of many young musicians. She is poor. She is working coffeehouses and bars. She loves playing music but dislikes the job of it. Then one rainy night—on a suggestion from her big brother—she decided to

try hosting a Google+ Hangout. When her screen lit up with the faces of curious folks from around the world, Musk lit up too. Within months, she had a following of nearly a quarter million fans (now at more than two million and counting) and a career that is not only burgeoning but groundbreaking. She is a self-made Internet rock star.

We saw it with our own eyes—not just the faces on the Google+ Hangouts screens, not just the

young singer lifting her voice and bringing us all together in song, but the vision realized. If you've ever thought that you could be a rock star—literally, or in whatever way you envision yourself wearing the mantle of rock—but you just couldn't see how you were going to get there from here, Musk brought it. You didn't have to see it to believe it. But, having seen it, the belief was undeniable. ■





**You can't have great breakthroughs without great frustration. And the times I've learned the most are the times I've failed."**

— Cory Booker

says, "I faced what anyone would call a turnaround management challenge. The budget was due two months ago and the budget deficit was over \$100 million. The city had 3,500 workers' comp claims against it. We had a gang task force working Monday to Friday, nine to five. If you know anything about gangs, you know they probably aren't working Monday to Friday, nine to five." Worse, the city was experiencing a paralysis of dysfunction. Problems were so widespread and engrained it was difficult to know where to start.

"People were in a state of sedentary agitation," says Booker. "They

had forgotten how powerful they are." They forgot, but Booker remembered. "We just started challenging conventional wisdom," he says. "We went out and said, 'This is the greatest city in the world.' We got people to do things they never thought they'd do."

Booker rode in patrol cars with the police; police productivity shot up. His administration created youth courts and veteran's programs and fathering classes to bring estranged fathers back into their kids' lives.

Booker turned his city around, and to see him speak is to believe he may have done so purely by his own

kinetic energy. Booker is a doer. He admits to being frustrated at times, and to feeding that frustration with Ben and Jerry's. But he also says, "You can't have great breakthroughs without great frustration. And the times I've learned the most are the times I've failed."

This is not the language of American politics, circa 2013, when most politicians seem to be entombed by their own inability to act. Regardless of your political leanings, it's hard not to see in Booker a brand new model—not a retreat or a better version of something you've seen in the past (or even the present), but real change. Zap! He is here. ■



Daria Musk, *Google+ Music Star*



# THINK

# THE DISRUPTION CHALLENGE



## DISRUPTION, DISRUPTION

Our final day at THINK 13 brought something new: Open debate. When we raised the question about what kind of change credit unions need—massive or measured—we knew THINKers would have their opinions. What we wondered was what those opinions would look like as part of a formal competition.



Debate Moderator Caroline Willard, Executive Vice President, Markets and Strategy, CO-OP Financial Services

**TEAM MASSIVE:**  
Credit unions need fundamental change.

The Disruption Challenge brought together two teams and a panel of experts. Team Massive made the assertion that credit unions need fundamental change. The core argument went like this:

*Massive changers improve a product or service in ways that the market does not expect, typically first by designing for a different set of consumers in the new market and later by lowering prices in the existing market.*

Team Measured, by contrast, argued for a more incremental approach:

*Measured Changers do not create new markets or value networks but rather only evolve existing ones with better value, allowing the firms within to compete against each other's sustaining improvements.*

We'll be debating this one well into the year to come, but for now suffice it to say that both teams made smart arguments. Citing a long history of revolutionary changes and new consumer demand for convenience and technology, Team Massive made a case for radical change. Without grand-scale innovation, credit unions can't compete, they said. Team Measured, meanwhile, pointed to the evolutionary success credit unions have enjoyed—both historically and recently—as evidence that measured change is both dynamic and possible.





Experts—who included Chip Filson of Callahan & Associates; Brandi Stankovic of Mitchell, Stankovic & Associates and Mollie Bell of Filene Research Institute—weighed in on everything from the Millennial generation to mobile banking. In the end, Team Massive narrowly won the vote. In doing so, they won a big victory for change as a cause. But the jury may still be out on what that change will look like as we move into the future: Massive or measured. ■

**TEAM MEASURED:**  
Measured change is both dynamic and possible.

# SWIMMING WITH THE SHARK



The important thing to Daymond John is that we move. The fiery founder of the FUBU clothing line and cast member of ABC's "Shark Tank" made this observation about business: "Whether you jump in, fall in or are pushed in, sooner or later you'll be swimming with the sharks."

John should know: He is one. Starting with little more than a catchy idea, \$40 and nine T-shirts (which he loaned out on a rotating basis to people he thought were influential), John's story is one of risk and recovery. It begins with a photo he snapped of rapper LL Cool J wearing one of his shirts. To say that John hadn't established much cachet with his brand yet is an understatement: He was still waiting tables at Red Lobster at the time. But he leveraged LL Cool J's silent endorsement. "I sent that picture to every mom and pop store I knew," he said. Along with the picture went the promise that he would be at the influential

trade show, Magic. Small hitch: He couldn't afford to attend.

"We snuck into the Magic show and got \$300,000 worth of orders," he says. New problem: He had no way to fulfill them.

John was turned down for financing by 27 banks. What saved him? His mother mortgaged her house to pay for sewing machines. She also converted living space into a makeshift factory. He made the initial orders, but as he says, "The float was killing me." With additional financing from Samsung's Textile Division, FUBU was off and running. Today, the company logs \$1 billion in sales annually.

John's secret? Keep swimming. Even when obstacles appear, even when you don't know your way out, move forward. If you have determination, you'll go. "When you're learning to walk, you'll fall 20 times and still get up. You figure it out," he says. ■

**“Whether you jump in, fall in or are pushed in, sooner or later you'll be swimming with the sharks.”**

— Daymond John

Daymond John,  
Shark Tank Star/FUBU Founder



Margaret Heffernan, *Professor/Author*

“If there isn’t any conflict and discussion happening in your credit union, there isn’t a lot of thinking going on.”

— Margaret Heffernan

## WHAT DO YOU SEE?

The final word at THINK 13 went to author and expert on entrepreneurship Margaret Heffernan, whose book “Willful Blindness” catalogs the many ways in which people resist making necessary changes—especially when the stakes are critical.

It may be human nature to turn a blind eye to such information. Why? “We all have these orthodoxies that we cling to,” says Heffernan. “Theories blind us to the information we most need.”

Even worse, we may be so resistant to hearing upsetting news that no one is willing to break it. According to Heffernan, 85 percent of respondents to a survey on organizational silence said they had issues or concerns at work that they don’t talk about. That’s 85 percent.

“In America, people said they were afraid of recrimination. In Europe, it was futility,” says Heffernan. “These people are your early warning system.” You leave them mute at your own peril.

How do we change? Heffernan poses three questions:

- ***What are the assumptions on which we operate?***
- ***What if those assumptions are wrong?***
- ***What would we do differently?***

To ask these questions—and to truly receive the answers—we must become uncomfortable. “Conflict is how organizations think,” says Heffernan. “If there isn’t any conflict and discussion happening in your credit union, there isn’t a lot of thinking going on.”

If we do open the doors to discussion—if we work hard not to make people feel afraid—we open ourselves to many challenges. We may have to rethink our assumptions. We may have to reacquaint ourselves with our members, our organizations, our missions. We may have to retool—or reset. But if the alternative is blindness, is there really an alternative at all?

“I don’t think there’s a company in the world that can’t be disrupted,” says Heffernan. If you see it coming, if you can change your course, if you empower your organization to see the truth and speak it, you have a chance. Begin here: “Give people the courage to speak up.” ■

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# NEW YORK NEW ORLEANS

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