You’ve been a strong proponent of design throughout your career. How has it influenced the way you lead at MEC?

Design has always been my paradigm of choice: everything I do is about placing the user first and focusing on a desired outcome or ‘future state’ for that user. For me, things like hierarchical systems and processes are a ‘means to this end’ as opposed to an end in themselves.

Over the past five years, Mountain Equipment Co-op has evolved considerably, and we have re-visited the very purpose of the organization. All of this was driven by what’s happening in the Canadian landscape: demographics, urbanization, how people are approaching leisure, and how technology is changing communication, particularly for young people. When you step back and look at this whole system of change, you realize that your business has to change in order to meet desired future states, and you have to look beyond your balance sheet and cash flow statement to understand where you have to go.

Organizations emerge and grow, but they also fail and die.
The average lifespan of an enterprise is decreasing because the future state of the consumer is changing so quickly. And as much as data is vital to making decisions, the future state cannot be predicted by what came before.

**How do you define Design Thinking?**
To me, Design Thinking is about defining a future state for our customer and the desired outcome of that future state — what our customers will need, and what the effect will be on them, and then applying the appropriate solutions to meeting the challenge. I confess that I have a bit of difficulty separating design from systems thinking, which is also about defining what is changing in a market or business and getting to that future state. To me, the two are sort of 'joined at the hip', and starting to morph into one. Both are very future-focused and customer-focused and attempt to understand the complexity of what we do, as opposed to taking a very linear approach to strategy and solutions.

**Talk a bit about the difference between complicated problems and complex problems.**
Here’s an example: the wiring on a 747 is incredibly complicated, but every 747 has exactly the same wiring chart and diagram. If a fuse blows, you can pull it out and put in a new one and you’ve solved the problem. You cannot fix a complex system by replacing one part. When you’re dealing with people’s needs, changing demographics, changing desires, unpredictable flows of commodity and material and a changing climate, you have to deal with many different components at the same time to try to understand what the solutions might be. In these cases, I think you have to apply both a systems approach and a design approach.

**Why do you think Design Thinking has gained such prominence in recent years?**
I think it’s because life has become so complex and is moving so quickly that the tools for solving complicated problems no longer work. You really have to understand what is happening outside of your business, what the drivers and trends are, and understand the desires of the people who comprise your market.

**How will education change, as a result of all this?**
We have to get to a point where we can teach people to adapt to change as it happens, rather than having them apply traditional models to new problems. There is some very robust intellectual thinking in schools these days, but little of it connects to the reality of making something happen on the ground. I believe that we have to get to a place where there’s a very strong

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**Big Data is a Bit Over-Hyped:**
Mark Barrenechea

Interview by Karen Christensen

You were running Silicon Graphics in the Silicon Valley when you decided to take on the OpenText role in Waterloo. What drew you to this smaller pond?
I saw vast untapped opportunities in the realm of enterprise software, due to the incredible growth of unstructured data and the need for enterprises and governments to find ways to manage it, secure it, and build applications on top of it. I also felt that OpenText had the potential to take centre stage globally in this arena, so it was a pretty easy decision for me. As to whether or not Waterloo is really a smaller pond, I’m not so sure; our company might have a Canadian soul, but we’re working on the global stage.

It has been said that 80 per cent of usable business information is created in e-mail messages, text documents and social media interactions. What are the implications for today’s organizations?

continued on p. 64
balance between left and right brain thinking and between Design Thinking and practical application. Most education institutions have been around for so long that change is going to take some time. I think in many ways, business schools are in the best position to change.

You recently oversaw the redesign of your iconic brand. Can you talk a little bit about why that was necessary?

Let me go back five or six years. We were doing quite well at the time, but we decided to do a deep dive into the emerging trends and drivers. We looked way beyond just our business — at future demographics, how approaches to recreation were changing, park usage etc. We even looked at fertility rates and cultural change over the next ten years.

The signs did not look promising for us: we realized that we were very much playing in a traditional space that had been created by people who were aging and very Caucasian, in a world that was becoming younger and more culturally-diverse. It had also been a very masculine world. We needed to change our approach.

Looking at the world beyond the one in which you play is critical for every organization. I’ll give you an example. We compete for the consumer’s discretionary time and money in the broader sport, leisure and well-being market, and our market share within that segment is pretty small. We compete against giants like Sony PlayStation®, Netflix and Apple for the discretionary time and money of our consumer. If we don’t look at these wider competitors, we will be lost, because we’re not just about ‘outdoor retail’, we’re part of a much larger leisure arena.

Having studied all this, we went back and revised the purpose of the organization, from ‘helping people realize the benefits of self-propelled wilderness recreation’ to ‘inspiring and enabling everyone to lead active lives in the outdoors’. In moving towards that purpose, or future state, we expanded our product assortments and our activities.

The last piece of this was refreshing our visual brand to realize this expanded ‘larger tent’, a more inclusive approach to outdoor recreation and the visual needs of the changing communication and transaction platforms (web, mobile and social media). We gave the design firm a solid idea in terms of painting the preferred future state, what we held sacred and what needed to evolve. The one thing we knew for sure was that we wanted to change the brand to reflect how our Members refer to us — which is as ‘MEC’. We wanted to tap into that familiarity — to move away from the bigger Mountain Equipment Co-op nomenclature. As already mentioned, so much branding today is done in a social media or electronic space, that unless there is real clarity, we will be lost, because we’re not just about ‘outdoor retail’, we’re part of a much larger leisure arena.

Describe the difference between enterprise content management and enterprise information management.

I think of the difference this way: when you go into a pub and order a beer, you don’t ask for water, yeast and hops. If you did, you’d just be getting a few separate pieces of ‘content’. What you want when you order a beer is the synthesis of those discrete components.

Enterprise information management (EIM) is the beer in this scenario, and it’s made up of five elements. The first is enterprise content management (ECM), which I define as the under-
you’re not maximizing your visibility. So we wanted to simplify the visual brand; but we never expected to lose our iconic mountain in the process! That was a real surprise for all of us.

You talk about imagining the future and being open to surprise, which are not traditional ways of thinking in business. How do you instill this in your organization?

You have to set a very clear direction for people and empower them to find solutions on their own. For example, as much as I hated doing it, I have stepped away from the design of our products, because if I tell our team what I’d like to see, I can’t hold them accountable for surprising me, and the accountability moves away from them to me. By setting very clear direction and outcomes and holding people accountable, you allow them to surprise you.

Obviously, some parts of the organization need a more hands-on approach. If our store is supposed to open at ten o’clock, we need to have staff on the floor at 9:59 to serve customers — there’s no leeway around that one. But when it comes to design and strategy, encouraging people to come up with solutions that might be quite different from what you are thinking, and not constraining those too much, is very valuable.

The other thing is to allow people to make mistakes — honest mistakes that are made in trying to achieve the outcome, as opposed to just being sloppy — they will be more creative going forward. If a strategy is well thought out and executed but is not successful, that is a lesson learned. A product that is beautifully executed but has not resonated with the consumer is a ‘good mistake’; whereas something that is too expensive due to indulgent design or falls apart due to sloppy design is not acceptable.

For readers who want to try a Design Thinking approach, what’s the best way to get started?

Define your key target stakeholder’s needs and then take conscious steps to understand the system and constraints within which your organization can deliver on those needs. Next, have a place to go to — a clear desired outcome. You really need an end point or future state to work towards. Once you define it, find the most appropriate ways to get there. There’s a lot of luck in all of this — the luck of timing and the Kismet that happens when you remain curious and free of arrogance. I never assume we have all the answers.

David Labistour is CEO of MEC, formerly Mountain Equipment Co-op, Canada’s leading retailer of outdoor gear, apparel and services. Born and raised in South Africa, David previously worked with Adidas and the South African affiliate of Marks & Spencer. He was named Design Thinker of the Year by the Association of Registered Graphic Designers at its annual conference held in November, 2013. The 2014 Design Thinkers Conference will be held in Toronto on November 6-7. For details: designthinkers.com

Tell us a bit about your most recent acquisition.

Last November we announced our intent to acquire GXS, a market leader in B2B integration, which is basically a trading grid. This was a $1.2 billion acquisition. They have 550,000 trading partners: everyone from banks to manufacturers to retailers can utilize the trading grid for cash movement, finding products and services or conducting commerce in the Cloud. They do 16 billion transactions a year. Putting this next to our existing EIM assets will create a global EIM ‘trading community’ and connect billions of transactions and millions of traders — all from Waterloo.

Speaking of Waterloo, you have had a front row seat as the BlackBerry drama continues to unfold. In your opinion, what led to this situation?

As you can imagine, I get asked this a lot. The first thing I’ll say is that there is no doubt in my mind that a stronger BlackBerry is a stronger Waterloo — just as a stronger University of Waterloo is a stronger Waterloo. So, we wish them well, of course. For me, it’s a very simple story of innovation: you have to keep innovating. When BlackBerry started out, it had this incredible innovation: handheld access to email. I will never forget getting my first BlackBerry product when I was working at Oracle. I couldn’t get enough of it. But I stopped using BlackBerry two years ago and moved over to the iPhone, because it...
Forbes has called you ‘the quintessential global CMO’, given that you’ve lived on four continents and marketed everything from P&G diapers to Disneyland France. What has been your toughest challenge to date?

What comes to mind is the launch of Disneyland in France, back in the early 1990s. They already had successful operations in the U.S., in Los Angeles and Florida, and had extended the franchise to Japan. The next phase was to create a park in Europe. They went back and forth between Barcelona and Paris, eventually opening EuroDisney in Paris in April of 1992.

Unfortunately, the predicted attendance did not follow: the target was 11 million visitors for the first year, but after a few months they were on track to attract 8.5 million. I was called upon to join the company in November, which was a major challenge because the slowest period of the year was about to begin. My team and I had to act fast, because we had the banks breathing down our necks.

Mark Barrenechea is CEO and President of OpenText Corporation, based in Waterloo, Ontario. Prior to joining OpenText in 2012, he was CEO and President of Silicon Graphics International Corp. (SGI).

A Marketing Veteran Reflects – And Looks Ahead: Alfredo Gangotena

Interview by Karen Christensen

Countries around the world are embracing the Open Data phenomenon, as evidenced by the Canadian government’s recent launch of ‘data.gc.ca’. You have called this website “the great leveller”. How so?

Open data is extremely important for innovation and job creation, and making folks more productive and efficient. Last fall I had the privilege of interviewing the Honourable Tony Clement about data.gc.ca — the interview is on YouTube, for those interested. I have great hopes for this initiative in Canada.

The U.S. has already started to embrace open data; just look at Google Maps. This was all government data that was suddenly opened up to create the foundation for a whole new enterprise. Likewise, NASA has taken all of its historical content and is now making it available for Kindergarten through to Grade 12 educators and companies. Globally, there are initiatives where data is available online for weather and soil information to produce better crops and food yields.

I really encourage every country to open up their data, and enable people to come in and innovate on top of it. This will create a much more productive citizenry. As Adam Smith once said, if we all had equal information, we could all make better decisions.
As we reviewed the situation, we suddenly had a *Eureka* moment when we realized that the graphic for attendance at the park showed concentric circles around Paris: the further away from the city you lived, the more likely you were to visit the park in the summer. This made sense: why would an Italian — or a German or a Brit, for that matter — choose to visit in the winter?

As we stared at those circles, it became clear that these customers would not be the park’s saviors during the winter months. We realized that the solution would involve customers who could make several visits throughout the year: Parisians themselves. The marketing dilemma was that these were the very people who thought EuroDisney was despicable—that it was an invasion of the American way of life, along with *McDonald’s* and *Coca-Cola*. Our challenge was to make them feel as if this place was their own, and we came up with two strong incentives.

First, we reminded them that many of the Disney stories were actually written by French poets and authors. *The Hunchback of Nôtre Dame*, for example, and *Cinderella*. And the brothers *Grimm*, from nearby Germany, had written *Snow White* and many other stories that Disney had just brought to life. The second element we focused on was the fact that the park’s construction and all the sets and artifacts were produced by French artisans and painters.

When these stories came out in the media, some of the barriers were removed; but what really helped was something I observed when I visited the Orlando park at Christmas: the ‘Resident’s Salute’. Basically, there was special pricing and benefits for customers who lived near the park. Many Parisians felt EuroDisney was too expensive, so we advertised the discount all over town, in the subways and other places where everyday Parisians would see it.

Soon, the numbers began to turn. We didn’t end up meeting the 11 million goal by the anniversary date on April 12, 1993; but we did meet it one week later, on April 20. The approach we took secured the Park’s success going forward.

**A true turnaround.** On to other subjects: it is estimated that half of the world’s population does not have a bank account, yet 80 per cent will soon have a mobile phone. What are the implications of this?

There is a very strong correlation between the development of a country and the financial inclusion of its people. If citizens don’t have bank accounts, they can’t receive government subsidies or be paid a salary in a convenient and secure way. They remain in a state of under-development that is very hard to overcome.

Most of the countries in Latin America and Africa have made it clear that improving financial inclusion is a top priority. The good news is, it’s actually starting to happen, and credit cards are playing a big role. As remotely located as a person might be, if they have a debit or credit card, they can stay at home in their village and they don’t have to travel into a larger town to get cash or make payments, which has significant implications for development. Down the road, as more and more shops start to accept these cards, it will make it even easier to not use cash, which can be a dangerous item to have in places where crime is still quite prevalent. ‘Electronic money’ adds a huge element of security.

**On that note,** MasterCard [*Alfredo was CMO until Dec. 2013*] is currently testing a revolutionary card in Nigeria. Tell us a bit about it.

The card MasterCard has introduced is very innovative indeed. It carries two faces: on one side is an ID card similar to a North American driver’s license, but more sophisticated because embedded within the chip are the individual’s biometrics, including fingerprints and the iris of their eyes; even their voice can be recorded. The identification aspect is very important in turning an individual into a citizen, part of a democracy: they can use this ID card for elections or for any purpose to identify themselves vis-à-vis government agencies. On the other side of the card is a debit or credit card, which provides the financial inclusion benefits I spoke of earlier.

There is a test going on with some 13 million of these cards issued, and the plan is to eventually extend them to the entire adult population of the country, which would be roughly 120 million people. Several other countries around Nigeria are watching this experiment closely, including Ghana, Côte d’Ivoire and Senegal. Mexico has also signaled that it would be very interested in such an instrument. MasterCard’s solution provides governments with a ‘double whammy’, providing two benefits in one tool.

**Marketing buzzwords these days include Big Data, omni-channel marketing and on-demand marketing. Which is the most important to understand and embrace, in your view?**

Consumers are complex animals: their tastes can change very quickly. Loyalty for life doesn’t really exist anymore, so you have to be on your toes all the time. Marketers have responded by moving to segmented target markets — women, men, young, the old — you name it. But the truth is, you cannot do segmentation based only on such statistics, because even same-age individuals and same-sex individuals can have completely different tastes and passions.

You need to go a step further into what I would call ‘emotional marketing’, which appeals to the specific passions of an individual. Peoples’ passions tend to be pretty stable. If you love sports — say, tennis — that is going to stay with you for a long time. As a result, the next frontier is going to be ‘instant individual segmentation’ — one-on-one marketing. A particular individual may want to hear about a great new Broadway show, for instance, on a Monday evening; but on a Sunday, forget about it: she is with her family. She might, however, be open to messages about Disneyland on a Sunday. The trick is, the very same individual can have completely different tastes on a Monday vs. a Sunday, and marketers have to learn how to respect that.

One-on-one marketing entails a complete dialogue between the consumer and the product offering that is instant, in real time and intimate, and as a result, Big Data is part of the solution. It enables you to track habits, preferences and moods and to develop predictable models that say, ‘It is very likely that in the winter, on a weekend, this message is what this particular consumer will
want to receive’.
At the same time, there is another huge influencer that we are all just beginning to understand: social media, which is empowering the consumer in major ways. People know that they’re not alone out there — that millions of others have the same desires at the same time. They are forming communities around this, and when you tap into that, you can create sufficient supply and demand for a product or service and be very successful.

You have said that one of the most important skills required for successful marketing today is humility. Why is it so important?
When executives or brand managers start to feel like they are on top of the mountain, they act as if they understand everything; and that’s when they stop listening to what’s going on around them and start to make mistakes. Picture someone standing on what they think is the peak of a mountain; suddenly, the fog clears, and they realize they are actually on a very small ledge — they can’t even see the peak. This is where I sense many marketers are today.

What can they do about it? Keep an eye on what’s going on, brainstorm, think creatively, try new things; but above all, keep that sense of humility. Trial and error will lead to solutions.

You retired from MasterCard in December 2013 and early this year, you were named the global Chief Marketing Officer for Sotheby’s. What will be your main challenge in this role?
The art market is huge — estimated at $60 billion, comprising auctions, private sales and retail gallery sales — and it’s growing fast. The major challenge ahead is also an opportunity: the art business is very much concentrated in the Western world, and we need to extend it to new and emerging markets. More to come, once I settle in! RM

Alfredo Gangotena was appointed global Chief Marketing Officer at Sotheby’s in early 2014. He was previously the Chief Marketing Officer at MasterCard Worldwide between 2010 and 2013, having joined that company in 2004.