

VIVEK KAUL

Kevin Maney is the author of critically acclaimed books like *The Maverick and His Machine* and *Trade Off*. He was the technology columnist for *USA Today*, for a period of more than two decades. His latest book, which he has co-authored with Vivek Ranadive, the CEO of TIBCO Software, is called *The Two Second Advantage: How We Succeed by Anticipating the Future - Just Enough*. In this interview with CD, he talks about how talented people can anticipate the future just a little bit faster than others, and how that places them at an advantage. Excerpts:

What is the two-second advantage?

I had been thinking about my next book, and the title in my head in fact was 'The Two-Second Advantage'. I'd started to explore a bit whether super-talented people were better and faster at making predictions about what was about to happen. Around the same time, Vivek Ranadive, the CEO of TIBCO Software in Silicon Valley, had an idea for a book. So one day we were in his conference room and he laid out his idea about where technology was

heading and how it would have to become predictive to deal with the onslaught of data heading our way. The more Vivek talked, the more I thought that the way he was describing technology and the way I was describing talent were very similar, and possibly related. After a bit more research it was obvious it was taking us to an interesting place. The 'two-second advantage' is more metaphorical. It's about that idea that talented people can predict with great accuracy what's about to happen just a tiny bit ahead of their competitors. It might be two seconds ahead, or two hundredths of a second, or two days. Napoleon on an eighteenth century battlefield had something more like a two-day advantage. Wayne Gretzky, the best hockey player ever, was probably a second ahead of everyone else on the ice.

In fact the subtitle to your book is 'how do we succeed in anticipating the future - just enough'. Why do you say 'just enough'?

Gretzky's talent — and this goes for a lot of superstar athletes — didn't come from studying everything he's experienced in hockey and making long-term game plans. It came from constantly taking in all the data that was happening in the moment on the ice, and instantly generating constant predictions based on super-efficient mental models he's built in his head. So his success was based on making predictions just enough ahead of everyone else. And we're saying that technology has to work more like Gretzky. Now companies tend to mine gigantic databases for insights into what might happen six months from now. That might always be valuable, but we're saying there's a different kind of value — and a competitive edge — in processing ongoing streams of data through a software model that can quickly and constantly make predictions about, say, whether a certain customer is going to defect, or an aircraft is going to run into trouble.

Isn't the evidence on predicting a little to the contrary? I was recently interviewing Noreena Hertz, a British economist and who told me with regard to making predictions that virtually no financial or economic expert predicted the financial crisis and no prominent Middle-East expert predicted the Arab spring. Stock market experts have been shown to be as good as monkeys in picking the right stock. In that context, how do you explain the thesis you are trying to put forward?

Of course there will always be events that can't be predicted. Gretzky, in a hockey game, didn't get everything perfectly right — but he did predict more things right more often than anyone else. Also, you're citing a reason that we focus on super-accurate but very short-term predictions as the key to talent. They are based on a highly developed instinct. Big, long-term predictions — like seeing the Arab Spring coming — are far more complex and not at all instinctive. There's no way any one person is going to get a lot of those kinds of predictions right.

You write that 'the basic idea of using data to be predictive in business doesn't come out of thin air'. Why do you say that?

Companies are already beginning to experiment with real-time, predictive technology that borrows some ideas from the way our brains work. Sam's Club (owned by Wal-Mart) uses the data it has about its members to be able to predict, with scary accuracy, what each customer is likely to buy next — and then offer coupons on those items to that customer. Caesars Entertainment — the big casino company — is using it to predict in real time, as things are happening, what's going to make a particular customer satisfied. If one guy gets mad every

time he loses \$200, the casino might know that he's about to lose his 200th dollar, and instantly offer him a free meal at the buffet. Computer science is also beginning to learn from neuroscience. We're starting to see a handful of academics identify themselves as 'computational neuroscientists'.

An interesting statement that you make 'newborn babies are basically savants'. Why do you say that?

Babies aren't doing any high-level thinking. All they're doing is sucking in all the data they experience in the world around them, and remembering it, raw. It's basically what extreme savants have happen in their brains. One we wrote about, Stephen Wiltshire, could take a helicopter ride over a city, and then draw the landscape perfectly. But he couldn't do much of any high-level thinking. His brain was like a recording machine, but it didn't chunk much. Our brains seem to have the power to do one or the other — record and remember every detail, or chunk it to higher level concepts and forget the details. We can't seem to do both. The fact that you could not fly over a city and remember every detail is not something to worry about. Our brains are great at knowing what to forget. We actually have to teach computers to do the same.

What is 'chunking' and how can it be beneficial?

Chunking is the ability of the brain to learn from data you take in, without having to go back and access or think about all that data every time. As a kid learning how to ride a bike, for instance, you have to think about everything you're doing. Your brain is taking in all that data, seeing patterns, and chunking them together at a higher level. So when you get on a bike, your brain doesn't have to think about how to ride a bike anymore. You've chunked bike riding. Which is much more efficient than having to think about riding the bike every time.

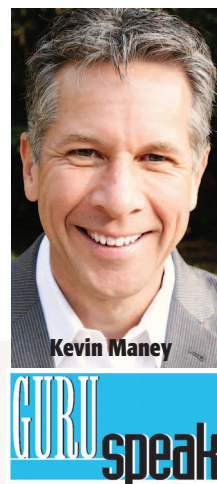
So chunking makes our brains more efficient. The more you can chunk something, the faster and easier you can process it. Wayne Gretzky had chunked hockey like no one before or since. Talented people have supremely chunked the thing they're talented at doing. Through those thousands of hours of practice, they have 'chunked' detailed information into speedy mental models that can process what's going on and in a flash make highly accurate predictions about what's about to happen.

You write that 'Predictive, talented systems will be built around the idea that a little bit of the right information just ahead of time can be more valuable than a load of information later'. Could you explain with an example?

The promise is that by becoming instantly and constantly predictive, it could solve some pretty difficult problems. Toward the end of the book, we detail how we think the Federal Reserve could use it to constantly adjust the economy. These kinds of systems might do a better job predicting terrorism attempts. There's one example of an experimental system that can help save the lives of premature babies by constantly watching their vital signs and predicting when they're about to have a problem.

Can normal people develop predictive abilities? If yes, how do should they go about doing that?

Researchers are finding that adults can learn to be talented at something if they engage in what scientists call deliberate practice or deliberate performance. But that means investing thousands of hours in constantly learning and pushing yourself. That's the main reason people become talented at something early in life as opposed to later — because you have the time! One reason the idea of building predictive capabilities into computer systems is exciting is that it promises to help systematise talent — in other words, build it into a system or organisation. As that technology improves, we should start seeing organisations that operate more like a talented person than a big bureaucracy.



Kevin Maney

GURU speak

A Step Ahead

Technology maven Kevin Maney on the power of prediction and its deep relation to success

THINKSTOCK



Pathbreakers

Nand Kishore Chaudhary



Magic Carpet

If there was anybody to give traditional carpet weaving in India a fresh lease of life, it has to be Nand Kishore Chaudhary. A Marwari from Churu district of Rajasthan, Chaudhary saw carpet-making in India being run by middlemen. As a result, artisans who belonged to the poorest of poor, were being shortchanged. Not only did he alter the situation by setting up Jaipur Rugs, his supply chain today is a matter of discourse at Harvard

Moinak Mitra

What drew you toward social enterprise?

I like to interact with people. About 33 years ago, when I started with two looms at home, I realized most of the weaving work was being done by the so-called 'untouchables'. That was my epiphany. There was no doubt I had to empower them.

Your brainwave...

I've had an English friend, Aila Cooper, for 35 years. He suggested to me once that tribals and the untouchables were actually fiercely loyal and committed people. He told me that the downtrodden only need love, empathy and affection. I pondered over what he said and applied it in the tribal region of Valsad in Gujarat. I was soon training about 15,000 of such people and got started with my operations.

Did you consider any alternate career?

My father owned a shoe shop in Rajasthan. I was a shopkeeper and also got a cashier's job in a bank, which I didn't take up. But I decided to start something of my own so that I could enjoy doing what I do-meeting people.

Does a social CEO work differently from a pure profit company CEO?

It's very different because you need to think about people. About 97% of the people I work with are illiterates. It's very different working with them, particularly when it comes to harnessing talent and capabilities.

What is the difference you seek to make?

Uneducated people who are considered downtrodden have the wisdom and capabilities. I think it is a great opportunity for all businesses. My purpose is to involve such people in businesses.

How are you qualified to make that change?

I'm still learning (laughs). University of Michigan has done a case study on Jaipur Rugs and Harvard University has tied up with us to study our supply chain and give suggestions for improvement, if need be. I was with NR Narayanamurthy last week at a conference on rural development. I learnt two things from him. First, if you have big dreams, you should excel at execution. Two, you should also excel at the speed of such execution.

Biggest crisis to date...

It has to be finding the right people in top management as they don't want to work with illiterates. So I have to personally go to institutions such as IRMA, IIMs and ISB to tap talent. Today, we have [people from IRMA and IIM-

Lucknow working with us. This year, we have eight interns from the IIMs.

Going by the numbers...

Over the next seven years, the Rs 75 crore Jaipur Rugs will be a Rs 500 crore company, with an additional investment of Rs 300 crore pumped into it and a profit of at least Rs 25 crore.

Your big idea for hitting bull's eye...

From merely rug-making, I want to get into accessories-furniture, curtains. I want to offer complete interior décor solutions to the consumer.

What are your personal career goals?

I want to get top talent, which we call in-house as 'A players'. We work in a highly unorganized sector. I want to organize it and bring about a process orientation. I also want to go in for major product innovation at the grassroots level.

Your toughest call to date...

I was not very comfortable with my extended family and friends in my business. So I included only like-minded people in it. And that was a tough call. I want to keep it as professional as possible.

Your moment of pride...

In 2008, CK Prahalad (late management guru) called me up and asked if I knew who he was. My jaw dropped. Of course, I knew who he was. So I asked him why he was calling me. He said he wanted to do a case study on Jaipur Rugs since we were connecting the rural poor with some of the richest people on earth. He called me to the University of Michigan to deliver a lecture the same year.

Explain your job in one line

It is to see happiness on the face of my people.

Any homegrown philosophy?

Finding yourself by losing yourself. The more I lose myself, the more I find myself.

A question you've always wanted to ask someone...

I always want to figure out an individual's natural skills.

What can you teach the corporate world?

The biggest universal truth is death. So how can we leave behind a legacy we don't have? Bottomline, be happy with what you have and be useful to everybody.

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Mind YOUR Manners

Dressing Tips For The Global Indian Bizwoman

Q: What is 'normal business attire' for a woman traveling overseas for business?

A: Business attire is an important first impression tool, as it builds trust and conveys respect at a non-verbal level. When deciding what to wear, ask yourself: 'Can I wear this for a meeting with the host CEO, while delivering a presentation to the local team, when dining with an investor or while negotiating with a client?' If the answer is yes, you are dressed for success! Tips for dressing in an international business scenario:

■ **Attire:** Indian women are well-appreciated in both saris (weather permitting) and western-style business suits.

■ **Dress conservatively:** Dress to build business relationships, drawing attention to your merit and not your attire. High-necklines, well-tailored clothes, neutral colours, sensible shoes and minimal make-up/jewellery all

convey professionalism.

■ **Colours:** Dark colours connote success and wealth and offer the added advantage of remaining wrinkle-free longer. Bold colors (red/orange/yellow) are best avoided as they convey different things in different cultures.

■ **Accessories:** Branded laptop bag, handbag, pen and wrist watch are must-haves.

■ **Winter wear:** Invest in a classic knee-length black woolen overcoat and a pair of black closed shoes.

■ **Power of pearls:** Universally popular, a string of white/off-white pearls are feminine, yet convey power.

■ **Indian accents:** A pashmina shawl/stole and a traditional item of jewellery are ideal for evenings.

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Tech ME up

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and date of each revision) and a full screen mode. Finally, once the document is ready, it can be downloaded (exported) either as a Word file, HTML file, PDF, plain text or an open document.

HITESH RAJ BHAGAT is ET's resident geek

Play to Win

CHANGE THE POWER EQUATION

Very often, in a negotiating situation, we feel that the other party controls all the levers and we have limited or no power. Imagine, negotiating, in your individual capacity, with a bank or airline or in your professional capacity with a dominant customer or supplier. What do you do? My advice is that it's never as bad as it seems and there is a lot you can do.

First, you probably have more power than you think. Be careful with your assumptions. Don't assume: "They will never agree" or "they will never pay that much" or "there's a lot of competition". Such assumptions can defeat you in your negotiations before you start; they lower your expectations; influence the outcome of the negotiation; and may, in fact, be dead wrong. Check them out. They are neither right nor

wrong until proven so.

You need to make a systematic analysis of your source of power. If you are in an existing engagement recognise that is a source of power, since changing the status quo comes at a risk/cost. Maximise your alternatives to achieve the desired outcome as that lowers your need to close the deal (at any cost) and hence delivers power. Look for opportunities for expanding the pie - going beyond the issues that are already on the table. Use questions to understand the unstated needs and the value attached to it.

If these fail, try using the ultimate power card and walk away. A bad deal is worse than a no deal.

JAYANT BHAT is a negotiation expert. jayant.bhat@scotwork.com

Chief TWEET officers

**@BillGates Bill Gates, Microsoft chairman**

Seeing the way young people think about the world reinforces my optimism about the future.

@tom_peters Tom Peters, management author

Ah, Kodak! Thanks 4 da memories! "Built to rock world" better per me than "built 2 last [forever-ish]." Creative destruction = Innovation

