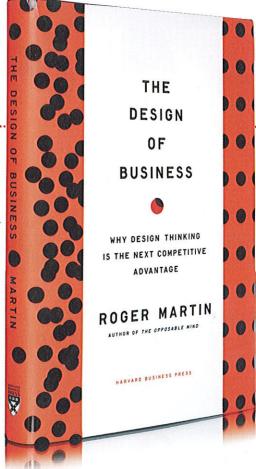


## y ideas come from continued

ed at which ideas diffuse has made it r think tanks to have an impact. get email alerts. Australian Policy apo.org.au) is a networking site of aper stuff relevant to policy, with a nmary. And the US State Department an indexing service with a monthly links to interesting American thought. re is the inevitable trawl over other k websites, especially those overseas, g the Institute for Public Policy, Policy e, American Enterprise Institute for olicy Research and Demos. a book or so a week. Antonio 's Descartes' Error and The Feeling Happens - these books have been luential for me in understanding the ical aspects of how people make 3. And behavioural finance literature, Hersh Shefrin's Beyond Greed and plains how people do not always act ncially logical way. read fiction; I like the classics. I've just he Great Gatsby; it's as fresh as the day itten. The moral questions - someone II of the love of life and is re-creating out got there by hurting a bunch of nd doing illegal things. How should we ? Those kinds of questions are timeless. id some detective fiction. These books vide a window into society and how nink. Fiction can help you understand ect different viewpoints. There's no ng as a decision that is value free. at The Australian, The AFR and The n't read them all every day, but I'll nks of them; I focus on the opinion Il make a real effort to publish a variety ntful opinions. I like The AFR's long n Saturday. We should applaud any er in this day and age that will publish vord essay. And The Economist is a d for a plane trip; the way they present rts, they do it brilliantly. watch much television, but I'm an ner of ABC Classic FM. I love Graham n Saturday mornings [on "Keys "]. The extraordinary thing about am is it appeals to my 11-year-old

## **BOOK REVIEWS** by Mike Hanley

- Buy it, read it
- If you are interested
- If you must



\*• THE DESIGN OF BUSINESS: Why design thinking is the next competitive advantage Roger Martin Harvard Business Press \$50

Readability • • Usefulness • • •

WE ALL know those stories of monolithic corporations that got stuck in the mud, kept doing what they had always done and failed to smell the winds of change - only to be blindsided when customers stopped buying their products or demanding their services. McDonald's, IBM, Procter & Gamble, even Apple when Steve Jobs took his extended sabbatical.

In each of these cases, the companies had honed their operations to a fine

point, developing what Roger Martin calls an "algorithm" to achieve value-added outputs. This is a sure-fire route to profitability, as companies come up with products or services to solve a particular "mystery" - in the case of Maccas, the McDonald brothers knew there was something in fast service, limited-menu restaurants, but it took Ray Croc to come along and convert it into a rigorous formula that spread like a rash across the globe.

This process

- the investigation
of a mystery, the
development of a
heuristic to solve it, and
the eventual creation
of an algorithm – is the
"knowledge funnel"
that organisations use
to create value. All
too often, however,

companies either settle at the middle stage, because the managers in charge of it understand how valuable it is to the organisation, and resist its further refinement, or exploit the algorithm until the mystery it was created to solve has changed.

Martin, Dean of

the Rotman School of Management in Toronto, believes "design thinking" can help companies to refine their heuristics into profitable algorithms, and to avoid getting so comfortable that when the world changes under them they are left running on air like the roadrunner off a cliff.

## WHAT'S NEW

## • THE SIXTH WAVE:

How to succeed in a resource-limited world James Bradfield Moody and Bianca Nogrady Random House \$34.95

THE AUTHORS write that after five waves of transformational innovation beginning with the industrial revolution — which have each transformed society, economies and industry — we're into another. The fifth wave was dominated by information and communications technology. Moody, from CSIRO, and science writer Nogrady assert that this latest wave will be about natural resources, human resources and information. Responding to the challenges of sustainability and rapid population growth, humanity will finally break away from resource dependence.

and to me with my background in

a]. That's what we try and do at the

nstitute - be relevant to an expert

ey spoke to Lucinda Schmidt.

to a general audience.

e played violin for the Australian Youth