

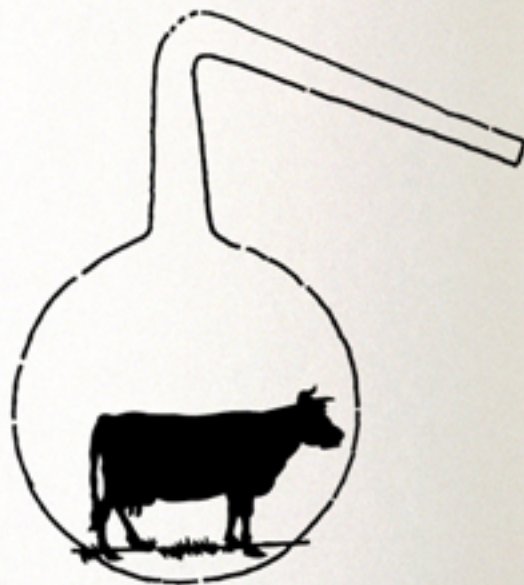
DEATH TO
ALL SACRED
COWS!



*How successful
business people put
the old rules out
to pasture*

David Bernstein Beau Fraser Bill Schwab

Always Trust Your Research



Always Trust Your Research" is an edict by which businesses have been swearing ever since businesses first began to swear (this usually happens during the summer of their twelfth year—thirteen if they're late bloomers). But what does "Trusting Your Research" really mean? And, for that matter, what does "Research" really mean?

"Research": from the Medieval French *recherche* (1577) meaning "the act of searching closely." Do we speak French? No. Do we know anything about France, history, or etymology? No. You know how we knew all that stuff? Because we did the research. We did the research on research.

Research is what you have to get done before anyone can do anything. Without research you're just guessing. Without research you're just hoping. Without research you're nothing, let's face it. Testing. Focus groups. Polls. Questionnaires. Internet surveys. It's all part of the multiheaded monster called research.

Our company isn't called The Gate because it sounds good when sung out loud in the shower. That's just a happy accident. The name "The Gate" was tested. It was researched. The research said, "Go ahead and call your company The Gate." And we have prospered. That's not to say we wouldn't have prospered if our company was called Hot Fudge in a Bag. But our

company isn't called Hot Fudge in a Bag. Because, just as they taught us in business school, we Trusted Our Research.

Always Trust Your Research. Sounds like a sound philosophy, doesn't it? But don't fall in love with this Sacred Cow, because it's time for it to die. In this chapter we will prove beyond a shadow of a doubt that Always Trusting Your Research is simply not a sound business philosophy. And our supporting evidence is so strong, that we will prove this over three hundred yards beyond a shadow of a doubt—and that's tough to do even with today's newfangled titanium drivers.

iced tea

In China, tea is big. This is, like, the mother of all truisms. There's over a billion Chinese and almost all of them drink tea. So, in 1999, when the Beihua Beverage Company had the bright idea of introducing iced tea to China, it seemed like a no-brainer. In the business world, however, there's no such thing as a no-brainer. At some point, everyone runs everything past someone with some brains. And usually that's when the trouble starts.

Soon after the iced tea idea had been floated, Liu Qiang, the Beihua Beverage Company's research director, decided to do what he did best—research. He organized taste tests and conducted market studies to make sure that selling iced tea to the Chinese really was a good idea.

His research was conclusive. The Chinese didn't want iced tea. Over 60% of research subjects rejected Beihua's product. Consequently the company immediately abandoned the development of iced tea and forgot about the whole thing.

The next year, however, another beverage company, Xu Ri

Sheng, launched their own iced tea into the Chinese market. And guess what? It was a huge success.

The folks back at Beihua scratched their collective heads. Where had they gone wrong? Their research had been clear. Iced tea shouldn't have worked in China. But it did.

So, Liu Qiang—quite possibly worried about his job and whatever bonus was supposed to have been coming his way—took another look at the research to try to solve the mystery. And it wasn't much of a mystery. Qiang realized that their research had been conducted in the middle of winter. Testing subjects came in out of the cold and weren't given time to warm up. Naturally, when they were offered freezing cold glasses of iced tea, they politely declined.

Research is good. Research is important. But research is numbers and graphs and charts. Numbers, graphs, and charts will never be as intuitive as a clever person with good instincts. Research may give us some answers. But we shouldn't rely on research to give us all the answers.

When you first read that a company was going to introduce iced tea into the Chinese market, what was your reaction? Ours was "I can't believe the Chinese didn't already have iced tea." And our next reaction was "Wow, that's a brilliant and incredibly obvious idea that is going to make someone very, very rich." When an idea feels that right, you can't just abandon it because of some research statistics. Sometimes you have to let common sense overwhelm the tyranny of the Sacred Cow.

ice-t

And speaking of common sense, how about that gangsta rap? We love it! It's loud, it rhymes, and it spells gangsta with an "a"

instead of an "er" which is creative and insouciant. But what, we're sure you're asking, does gangsta rap have to do with research, Sacred Cows, the business world, or anything else for that matter?

We'll tell you.

Tracy Marrow, better known as Ice-T, the rapper/actor/entrepreneur, is one of the unofficial founders of gangsta rap. Ice-T is also a stone-cold killer . . . of Sacred Cows. Actually he just killed one . . . and he did it by accident . . . and he probably doesn't even know he did it . . . but it still counts.

Tracy was born in New Jersey, but he grew up in South Central Los Angeles where—according to documented reports, industry insiders, and every time Ice-T opens his mouth—he became a member of the Crips. While focusing his energies in bandana-fueled drug deals and random gang activity, Tracy/Ice was also dabbling in making music.

In 1987 he stopped dabbling and started taking music seriously. He signed a deal with a major label, Sire Records, and he released his debut album *Rhyme Pays*. And it did pay. *Rhyme Pays*, a collection of mainly party-themed songs, went gold. But Ice-T didn't want to just churn out lame party tunes. He wanted to make music that reflected the reality of what was going on in the streets—the gangbanging and violence that was going on in the streets, not so much the spirited games of roller hockey. Sire Records wanted to make music that would get on the radio and move lots of units. Ice-T wanted to make music with lyrics that rhymed with "snitch," "bigger," and "truck." Sire Records wouldn't go for it.

Why was Sire Records (and, in fact, all the major labels at that time) so opposed to releasing the kind of hard-core music that Ice-T wanted to develop? You guessed it—research.

All the significant research of the day pointed to one obvious fact: radio stations would not play music that contained graphic language and obvious references to violence and obscenity. Research also clearly stated that, without radio play, records don't sell. That's why record companies pay radio stations to play their music (allegedly). So that constant repetition will convince a gullible audience to spend money on music they wouldn't even listen to if the radio stations hadn't been colluding with the record companies to begin with (allegedly).

So here's Tracy Marrow aka Ice-T, and he's faced with a quandary. Does he take the easy money and make more party albums for Sire Records? Or does he ignore the market research and make raw and offensive albums that won't get any radio play?

For most people, this would have been a hard decision. But once you've rhymed "assistance" with "social persistence," the world is pretty much your oyster. So Ice-T left Sire Records, started his own label, and began to release the kind of brutal, violent music for which he became so well known and which is responsible for it being impossible to spend more than five minutes in a car with our receptionist's nephew Eric.

And the research was right. He didn't get much radio play. But the research was wrong. Because, even without radio play, Ice-T albums started flying off the shelves. And his success paved the way for other hard-core rap groups like N.W.A to do the same. You didn't hear Ice-T's "O.G." or N.W.A's "Straight Outta Compton" on the radio. But you heard them blasting out of everyone's car (especially Eric's).

Ice-T changed the way the music business operates. His album sales were the object lesson that taught record executives not to "Always Trust Their Research." And, by killing that one Sacred Cow, Ice-T helped transform an industry. These days al-

most every major label has a whole division dedicated to developing and selling rap acts, regardless of the radio-friendliness of their lyrics.

At the end of the day, research will answer the questions it is asked. If you ask the wrong questions in the wrong way, don't blame the research when someone else ends up selling gangsta rap in the suburbs or iced tea to the Chinese.



"Any company or individual would benefit from hiring and training more cow wranglers to wrangle lumbering Sacred Cows to the ground. This very funny and smart book shows you how."

—Bill MacLellan, chief human resources officer, Sun Microsystems

"Show me a believer in Sacred Cows, and I will show you someone forever stuck in middle management. A must-read if you don't want to get stuck."

—Kurt Schneider, CEO, The Harlem Globetrotters

BANG!

"The ideas in this blessed bovine-busting book will cause you to laugh out loud one second and ponder great thoughts the next. It is truly a must-read for those who seek to grow nimble and successful companies with thoughtful analytical employees."

—Sean M. Dandley, CEO and president, DSCI Corporation

"If the wit in this book were any drier, the pages would disintegrate in your hands. When the book wasn't making me laugh, it was making me think. The ultimate one-two punch. Well done!"

—Stu Upson, senior vice-president of sales and marketing, Skip Barber Racing School

"This practical book has the rare ability to impact an organization and rally everyone behind needed change. It has already gained traction with our teams."

—Doug Moore, vice-president of advertising and branding, General Mills

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