

Power of Perspectives Thinking

BY ADITYA BHALLA

Perspectives Thinking

Strong innovators have a well developed skill called Perspectives Thinking.

Perspectives thinking is the ability to appreciate the concerns of key stakeholders and their inter-linkages within the context of the given situation. It is also the ability to foresee and adapt to the dynamic nature of those perspectives over time.

Lack of a well developed skill of perspectives thinking leads to situations where the untrained minds gloss over the different and sometimes differing perspectives.

This only impedes the ability to arrive at sustainable solutions and many times makes the problem worse as solutions are implemented with a uni-dimensional perspective of the situation.

Every organization will have examples of such deployments that make the problem go away momentarily only to resurface with greater intensity in a different form.

The essence of generating innovative solutions is the ability to *identify* and *resolve* the inherent contradictions in any situation. Perspectives thinking can help in identifying the contradictions inherent in any situation or in any proposed solution.

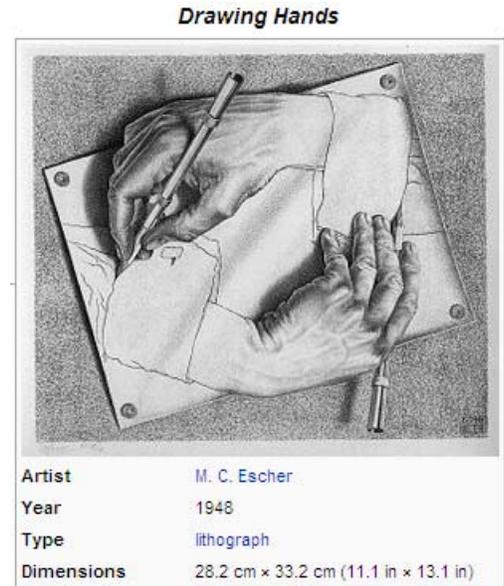
TRIZ (Russian acronym for *Theory of Inventive Problem Solving*) provides the formal framework to develop the skill to identify and resolve contradictions. A lack of Perspectives Thinking can dilute the effectiveness of TRIZ as the energies are focused on incorrectly formulated contradictions.

To appreciate the power of Perspectives Thinking consider the Lithograph by Escher *Drawing Hands* created in 1948.

There are two dimensions that can be explored in this artwork.

Dimension 1:

- 1) Each hand is attempting to draw the other hand. This is creating conflicting demands as both hands compete to finish the job.
- 2) Resolving the dilemma of which hand is the *creator* and which hand is the *creation* or in TRIZ terminology it is the question of identifying the *Tool* and the *Object*.
- 3) If not resolved, it can lead to potential conflict between the hands as each tries to prove itself to be the superior one or the creator.



Dimension 2:

- 1) What we see is a snapshot captured in time.
- 2) If we introduce the dynamics of time then the image could alter depending on the pace with which each hand decides to work and also which part of the image each hand decides to focus its energy on.
- 3) It implies that if were to create a mismatch of pacing of the two hands it will distort the beautiful symmetry and rhythm of the image over time. The image would consequently lose its artistic value.
 - a. In real world scenarios this mismatch between different systems/ departments/ teams results in attendant problems such as inventory buildup, work-life imbalances and so on.

To summarize, the power of Perspectives thinking can be realized in two dimensions

1) Dimension of Space and Structure

- a. Identifying the significant stakeholders or entities impacted by the current situation and the proposed solution
- b. It is important to note that reference to space is made in an abstract way not just restricted to the distance between objects or the area setting objects apart. Space in a business context can refer to the segmentation by customer type, product type, region, request type and so on.
- c. The advantages of viewing in this manner are
 - i. It reveals the contradictory or conflicting demands or conditions between the different stakeholders or entities
 - ii. It reveals the latent and derived resources that can be tapped by the innovator

2) Dimension of Time

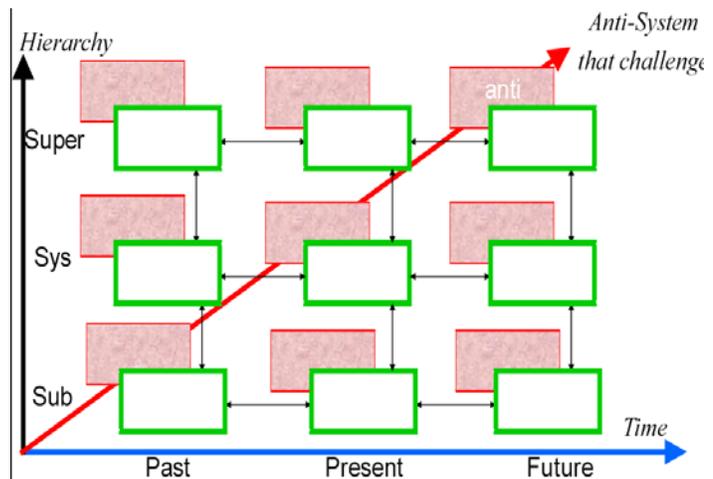
- a. Time introduces the element of dynamism that brings in additional challenges as the relationships between the different entities change.
- b. It provides us with several advantages linked to the evolution of the system under consideration. Two of these are listed below
 - i. Law of harmonizing the rhythms of the parts of the system**
 1. For any system to exist it is a fundamental requirement that the different parts of the system must operate in a rhythm.
 2. Nature loves symmetry and harmony. Our human body also prefers a harmonious environment. If the heart were to pump twice the blood for the next 5 minutes and then stop beating for the following 5 minutes our body will collapse.
 3. Viewing from the perspective of time we can evaluate whether all the parts of the proposed system are operating in a rhythm.
 - ii. Law of Uneven development of parts of a system**
 1. Every system evolves over time. However, not all parts of the system evolve at the same pace.

2. The uneven development will also create contradictory or conflicting demands
 3. If we are to take the analogy from a human body then not all parts of the body evolve at the same pace.
 - On a lighter vein, when we are young “the body says Go and the mind says No” and when we are old “the mind says Go and the body says No”.
 4. The dimension of time can help us anticipate or capture these uneven developments between different stakeholders and help the innovator to adapt the solution in the changed circumstances.
- c. Time can be used as a resource to resolve conflicting demands between significant stakeholders or entities

The TRIZ tool of Systems Operator aptly captures the dimension of space and time (refer image).

Space and structure is captured by the perspective of hierarchical linkages between System, Sub-system and super-system.

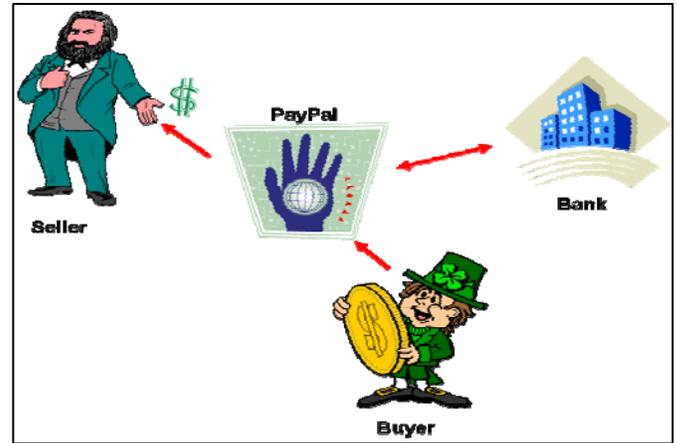
Time is captured by the Past, Present and Future perspective.



Perspectives thinking will ensure the sustainability of the proposed solutions as it creates a win-win environment for all significant stakeholders. The dimension of time will ensure that the solution does not create secondary problems of higher order over time.

Case Study: Perspectives Thinking applied to PayPal

PayPal founded in 1998 and acquired by eBay in 2002 offers a service that allows anyone to pay in any way they prefer, including through credit cards, bank accounts, buyer credit or account balances, without sharing financial information (refer image).



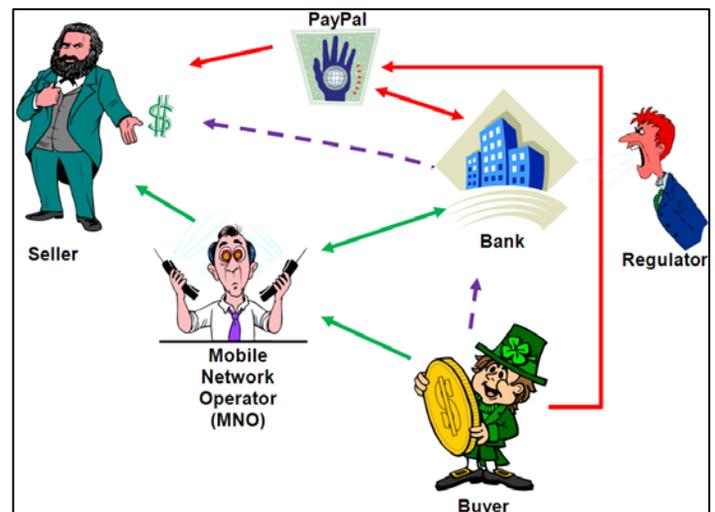
It does so by creating a transaction specific code for the buyer to purchase and the seller to claim payment. This facility enables the users of PayPal to make secure payments or even transfer of money from one account to another. PayPal also provides the user the flexibility to link multiple credit card details to the same account.

The business model of PayPal is based on the assumption of ease and security for the buyer and seller. At the same time it takes away the risk management liability from the bank.

Now let us introduce the dimension of time and see how the image of the ecosystem is changing over time.

The market space of enabling financial transactions has over time become more and more crowded. Additionally regulators have started playing a more proactive role to protect the citizens from potential fraud.

The changed ecosystem in which PayPal now operates is shown alongside.



1) The biggest threat to PayPal's business model now originates from the banks themselves. For countries such as India the government regulations have mandated banks to offer a safety feature to mask the real credit card numbers while the banking customers are doing online usage of credit cards. Banks such as HDFC Bank are offering NetSafe functionality by which the bank credit card customer is given a temporary number valid for 24 hours for one-time transaction of a specified amount.

- Implication for PayPal:

- a) The banks are taking the risk management liability on themselves thereby reducing the dependency on PayPal

- b) There are potential compatibility issues between PayPal and the new processes defined by the bank.

1. For example PayPal allows its users to link additional cards. For every new card linked, PayPal charges the user a refundable USD 2 and as a security measure asks the user to review the bank statement in the next 2-3 business days to get a 4-digit authorization code to validate the additional card.

2. One of the problems with this process in the new environment is that the validity of the temporary card is 24 hours while the PayPal 4-digit authorization code can take up to 2 days to appear in the bank statement. If the user does not validate through the authorization code she loses the USD 2. The value may look small for developed economies but for emerging economies if we were to target the users of micro finance and those at the bottom of the pyramid, USD 2 may be their one day's earnings. This by default creates a natural barrier for PayPal to extend its user base.

3. This is an example of *Law of Uneven Development of Parts of a System*.

2) The next level of emerging threat for PayPal will be from Mobile Network Operators (MNOs) that are offering mobile money transfer facilities to their subscribers. MNOs are even posing a challenge to banks by providing alternative means of financial transactions to cover the vast majority of unbanked customers. Examples include MPESA by Safaricom in Kenya, GCash by Globe Telecom in Philippines that are gaining widespread popularity

- Implication for PayPal:

- a) While currently not a threat to PayPal, it is a matter of time before these operators start offering the same features of buyer-seller, peer-to-peer transfer of money in a secure and convenient manner as PayPal does.
- b) They will also offer the additional facility of the localized human contact points through their network of authorized agents that PayPal lacks or will find difficult to replicate.
- c) Many Central Banks are considering mechanisms to regulate and manage the growth of this alternative channel as a means to achieve financial inclusion of the vast majority of unbanked citizens in emerging economies.
- d) What we are seeing is possibly the signs and symptoms of disruptive innovation as described by Harvard Professor Clayton Christensen in his book *The Innovator's Dilemma*.

For management at eBay the strategic growth objectives for PayPal need to be defined to make the service of use to these emerging stakeholders in the super-system. Otherwise they risk relegating this service to users of eBay only and even there they risk erosion of customer base.

Conclusion

Perspectives Thinking in the two dimensions of space and time allows the innovator to spot barriers and contradictions easily. This can help generate sustainable solutions that are considered win-win by all significantly impacted stakeholders.

.....



Author Details

Aditya Bhalla is Practice Manager with QAI Global Services Innovation Practice and President TRIZ Association of Asia. He is one of the two persons in South Asia to be certified as MATRIZ Level 3, I-TRIZ Inventive Problem Solving and Anticipatory Failure Determination, Six Sigma MBB and Lean Practitioner and Post Graduate Diploma in Patents Law. He is full member of American Society of Quality (ASQ), member Altshuller Institute USA, and registered volunteer for Financial Services Volunteer Corps (FSVC) USA.

His articles on innovation, lean, and Six Sigma have been published in magazines such as Altshuller Institute, ASQ Quality Progress, Quality Digest, ASQ Six Sigma Forum, TRIZ Journal, IDG Outsourcing World and OUTSOURCING. He is on the book review panel of Pearson Vue (owners of Addison Wesley, Penguin brands).

His clients include Globe Telecom (Philippines), Government of Singapore, Citibank (South Asia), Cognizant, and many others. He can be contacted at adityabhalla@yahoo.com

.....