

# The Medici Effect:

A Renaissance of Breakthrough Ideas for Small Businesses Owners

The Learning Café recently hosted a networking event called The Innovators Exchange and I found it to be a good example of applying *The Medici Effect* to local small business owners. They brought together a large group of businesses from diverse disciplines and concepts to share ideas on innovation.

Fran Johansson's book, *The Medici Effect*, demonstrates how innovators have been changing the world for centuries by stepping into "intersections." Intersections are places where people of different fields (or industries) meet, to set off an explosion of brilliant discoveries. The Medicis were an Italian banking family who brought together merchants, artists, tradesman and people from every field imaginable. That resulted in a burst of creativity that is now known as the Renaissance!



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The book (which is subtitled *Breakthrough Insights at the Intersection of Ideas, Concepts, and Cultures*), is filled with stories of intersections across domains as diverse as science, art, politics, and business. For example, it shows that the study of travel patterns of ants led to breakthroughs in network communications and even complex NASA systems. Clearly, your best chance of innovation is at the *intersection of diverse disciplines*.

When you make connections at points where dissimilar concepts meet, you view problems in new ways. You walk into unfamiliar networks and venture into the unknown. That is where the challenge is. In my organization, The Alternative Board, I am privileged to be able to gather owners together in a structured environment that leverages on *The Medici Effect* continuously. We not only create these critical "intersections" but we help owners recognize them and then provide owners with the coaching they need to venture into the unfamiliar. Our motto is: *To get what you've never had, you must do what you've never done*.

For example, an *HR-focused* TAB member listened to a *sales-focused* member's successful marketing process. The HR-focused member did not need more sales, she desperately needed talent; however, we showed her how she could adapt the same marketing ideas to her process for recruiting. We helped her implement this process and she went on to gain a huge advantage in her challenge of attracting talented employees. I take that example further in my most recent book, [How Small Businesses Capture Talent](#). Many of my 164 strategies for *recruiting* actually initially were born during discussions on *marketing and selling* during TAB meetings.

My eyes were further opened during a workshop for USC parents about an honors program coined The Renaissance Scholarship. My daughter qualified as a USC Renaissance Scholar by combining business/marketing with flute performance studies. At first I thought that was a bizarre combination of widely disparate fields. What good could possibly come from being with a Hollywood studio musician one moment and a business book author the next? However, the USC workshop showed us how successful people throughout history have combined

different ideas, concepts, and fields together to inspire great breakthrough creativity. These connections appear around you all day long. However, without help, they are easy to miss. You must become aware of them and then leap with both feet into those intersections to come up with creative new insights.

We have learned throughout history that diversity of ideas and experiences yields abundant fruits in innovation. You will suddenly find pathways that were previously invisible to you and possibilities that are worth considering. Harvard's Clayton Christensen, says, "*The assertion that breakthrough occurs at novel intersections is an enduring principle of creativity that should guide innovators in any field.*" For example, a TAB member loves an owner's discussion about his *employee retention* program; however, his employee turnover rate is low. What he really needs is a new way to keep his clients. Bingo! He modifies the employee retention program to develop his own unique *customer retention* plan.

*The Medici Effect* talks about Richard Branson, and how in 1984 after building Virgin Music to a British money-making machine, he decided to acquire Trans Atlantic Airlines. What could he possibly know about airlines that tens of thousands of airline people did not already know? What he did was to look for the connection point between these two diverse businesses - customer service. Applying his customer service experience from music to a whole new business became the key to his success in airlines. He now has accumulated over 200 different businesses in international music mega stores, air travel, financial, retail, internet, drinks, rail, hotels and leisure!

Through Branson's entrepreneurial spirit you learn that you must do more than see the connections. You must have the courage to take the risks. So keep your eyes open *and take the leap* into the intersection!

In summary, to keep up within your industry, you must network with your trade associations to benchmark and observe best practices. However, if you want to create a unique, sustainable competitive edge, you must look to people and concepts that are *outside your industry*. Then you must have the support processes to recognize those intersections and help you leap into them. There are a lot of ways to do this, just do something. Get *The Medici Effect* working for you. Don't just play someone else's' game. Become the maker of "the rules of the sandbox".

Ray Brun founded a global leading office for The Alternative Board to serve East Bay business owners. He may be contacted at <mailto:rayb@tabeastbaynorth.com>.