

By Karen Kane

Why Companies Need Skeptics

Successful leaders know that when everything's cool and mellow, things can go wrong. At the same time, too many naysayers can turn an organization sour and cause paralysis. The aim is for balance. The smart skeptic may be the most underappreciated member of the team.

It's not just asking tough questions. It takes someone smart and brave enough to "call them as they see them" rather than become overly focused on the collegiality and happiness of the work team.

The skeptic as a contrarian, not a pessimist, can fuel innovation. At the very basic level, it's what Karin O'Connor, managing director at investor network Hyde Park Angels, calls a willingness to tell the entrepreneur that "the baby is ugly."

That's really the only way you can be successful: to hear the truth, O'Connor says.

Steve Jobs famously insisted that he would tolerate only "A players." It was his way of preventing what he called "the bozo explosion," in which managers focus on the harmony of the team, encouraging mediocre employees to stay. While Apple cofounder Steve Wozniak said he preferred more congeniality and less conflict, he readily acknowledged that the Macintosh project would have failed had he been in charge.

Constructive criticism is valuable, but even smart skeptics or well-intentioned realists can come across as voices of doom. Such feedback may be annoying to the entrepreneur, but the naysayer's opinion may contain a useful and important kernel of truth.

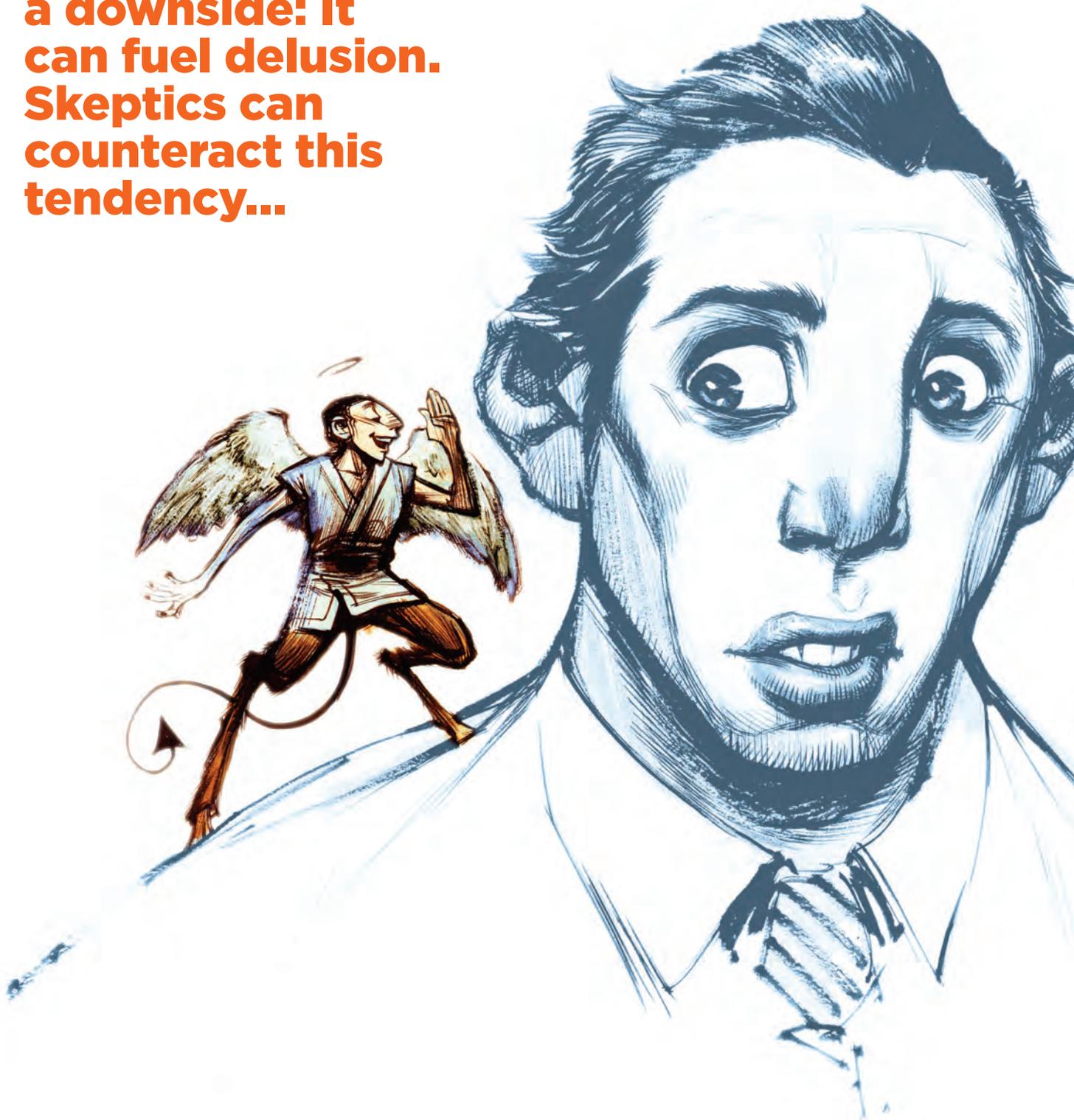
Ideas and innovations have to be tested. "When startups are beguiled by products that delight a small audience, including the company's founders, but fail to connect with a broader market, they are doomed," said Howard Tullman, a serial entrepreneur and CEO

of the technology incubator 1871 in Chicago. "There is really no such thing as a valid excuse for slow or no growth of a startup," Tullman says.

Humans are social animals, and straying from the herd doesn't come naturally. Yet when things go wrong, terribly wrong, as when a space shuttle blows up, the postmortem often reveals a dissenter whose voice was silenced or ignored.

The investigation of the Challenger space shuttle disaster found that a Morton-Thiokol engineer urged managers to delay the launch because the cold weather could cause problems with the rubber O-rings that sealed the joints in the solid-fuel booster rockets. The after-accident analysis revealed that NASA had noticed unexpected problems with the O-rings. But over time and at meetings about the issue, concerns about the O-rings were downplayed. NASA's deputy director dismissed the dissenting engineer's recommendation and called it "appalling." The resulting catastrophe killed seven astronauts and could have ended the space shuttle program.

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Skeptics might be difficult to deal with, and might even be unpleasant, but they have a role.

Author Chunka Mui calls these skeptics “devil’s advocates” and considers them part of the innovation process in *The New Killer Apps: How Large Companies Can Out-Innovate Start-Ups*.

Mui isn’t against harmony, happiness or employees who feel at ease, but he notes, “Humans need to feel part of the group in order to be happy, and yet group-think is one of the big dangers that lead to corporate (and other group) failures. That doesn’t say that happiness indexes are inherently bad, but [the indexes] are ... not the whole story.”

The key is for the designated skeptics to be engaged in constructive questioning with the long-term best intentions for organizational versus personal success. “The term (*advocatus diaboli* in Latin) comes from the popular name for the canon lawyers of the Catholic Church that used to review evidence during the canonization process. It was their job to take a skeptical view [of candidates for sainthood] in order to protect the long-term best interest of the Church.”

Entrepreneurs and innovators are generally optimists, says Robert C. Wolcott, founder of the Kellogg Innovation Network (KIN) and an expert on growth. “The entrepreneur tends to have a different calculus about the opportunity than others, or why the heck would they be doing something so unlikely to succeed?”

It feels good when the whole team is “on board” and happy, but congeniality has a downside: It can fuel delusion. Skeptics can counteract this tendency, but the office realist requires special handling. It takes a skillful leader to give the skeptic a role on the team and encourage the designated critic to give voice to doubts.

Constructive criticism is one of the most important inputs to innovation, says Wolcott. For it to work, however, innovators have to have the self-confidence to filter out the personal, unproductive parts of the criticism and find the relevant and helpful insights, Wolcott argues.

Balance is required.

“I prefer ‘realism’ to ‘skepticism,’ two sides of the same coin,” said Tullman. “For many of our entrepreneurs, their activity is an antidote for their anxiety. We ask them if they’ve done the hard work of sitting with customers to learn about their real concerns and problems. And that’s hard, boring work. It’s not nearly as fun as showing off the new screen you’ve designed to do all these neat things. We’re constantly trying to inject realism into the process without taking away their enthusiasm and energy.”

Tullman has started more than a dozen tech companies. He’s a guru to many entrepreneurs because he spends a great deal of time trying to share his “pragmatic” experience. “Call it the ‘we’ve-seen-this-movie-before syndrome’ or in a more grandiose way, pattern recognition, but since I have lived through these experiences myself, I can say to them, ‘Here’s what arose in a similar situation.’ Our new entrepreneurs will make mistakes, but they don’t have to make the same mistakes. And they don’t have to make them repeatedly.”

i871 injects “business reality” into the planning of novel ventures through meetings with business leaders and decision makers. These insights would take an entrepreneur working alone years to discover and accumulate. “Last year, we had 4,500 one-on-one meetings involving 600 entrepreneurs. These are invaluable sessions for the entrepreneurs to talk with business leaders who give them real-world business advice.”

Are skeptics contributors? Have they played a role in the success of critical ideas? One of Mui’s favorites is Alfred P. Sloan, the legendary CEO of General Motors. When he asked his top executives if they were in complete agreement with a decision and he heard no objection, he said he was adjourning the discussion “to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about,” according to an anecdote cited by Mui.

Mui’s research shows that “too many organizations get to the point of complete agreement too quickly. More disagreement is in order.”