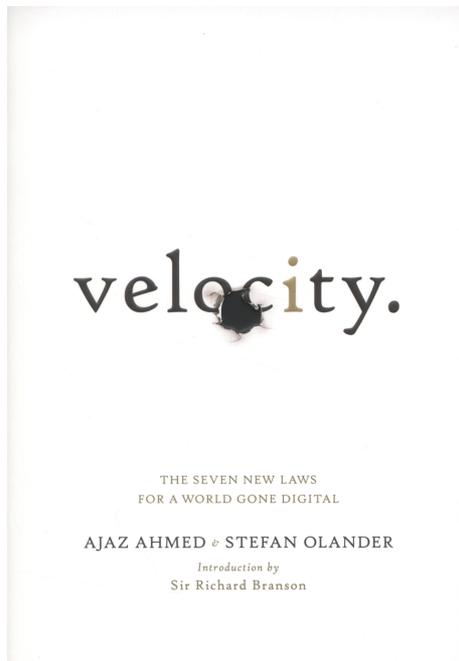# Velocity – The seven new laws for a world gone digital
By Ajaz Ahmed & Stefan Olander

IN A NUTSHELL

Organizations need to be flexible to respond to fast change. Digital data allows instant feedback loops to help an organize better adapt and remain, fit' to compete.

The seven laws of velocity are:

1) Evolve immediately (entitlement kills)
2) Get going - then get better
3) Make *meaningful* connections
4) Never have anything to apologise for
5) Make people's lives easier, richer or more fun
6) Have the balls to make the calls
7) Have a purpose large than yourself

We are living through a time of immense change – we need to find new ways of doing things

The authors define this new environment as one typified by velocity that requires the ability to act fast, a clarity over direction, to take advantage of leveraging scale and the discipline of consistency through strong values, learning, delivery and services. Critically brands need to all become 'service' brands with a shift in mindset from 'How do we convince?' to 'How can we be useful?'

The first law of Velocity – A Smith & Wesson beats four aces *(i.e. Evolve immediately (entitlement kills)*

An old tale from the old west tells the story that no matter how good the cards you hold, if someone from out of town changes the rules of the game with a gun, those cards are useless. The gun (i.e. new technology) changes everything.

Thus the new environment (aka as 'Velocity) doesn't care how good you were yesterday.

Big organisations are trapped in the mindsets and modus operandi. These were the rules they devised years ago that helped to define their success then – why not devise the key factors for success – who wants to mess with a winning strategy? But that mindset starts to make a company vulnerable. Since the environment has radically changed (just as they have) so some of these are no longer helping the organisation perform at its best – yet the organization is rigidly stuck in working in a certain way and cannot adapt to the new. Complacency is a killer of performance.

The music industry for example did not react fast enough as people moved from CD's to digital/shared music (as it held onto an old set of rules of how the market operated). Likewise Blockbusters vs the new model developed by NetFlix, Borders versus Amazon and Kodak film)

Technology helps puts the customer at the centre. The Amazon model for example allows for better customer servicing as every purchase/browsing history provides more detailed insights into a person's personal choices (that allows Amazon to better tailor offers – thus providing a better shopping experience).

Customer data is increasingly becoming an organizations core competence (and thus should not be outsourced or marginalised). Many new company start-up have analytics at the heart of their operation (unlike more established companies) –allowing them access to real time data rather than old data.

Data is not the end goal but a tool - its about the understanding it gives – and the actions it drives (to better need customers' needs).

But the information we have is only as good as the data we collect. The y reference the Thanksgiving Turkey from 'Black Swan'. As far as the turkey is concerned, life is good. Thus it often needs a wider perspective to be taken to gain a bigger picture.

Brands can no longer hide behind polished advertising messages – brands are now transparent and thus they need to be authentic in all their activities. The web acts as a magnifier of issues – both positive stories and also negative ones.

Unsurprisingly, (since one of the authors works for Nike), they use the metaphor of an organization being like an athlete: the desire to learn; to constantly improve and adapt to the evolving competitive situation to win. In high performing teams, speed and quality of feedback is critical to adapting quickly. Technology makes this more possible in real time – rather than months later.

The best coaches praise effort as opposed to praising an innate gift /talent (as the former leads to more effort whilst the latter suppresses it). They also push their athletes to perform beyond their own belief.

The current market situation is ideal for any entrepreneur with a disruptive idea, as the internet allows rapid dispersion of a great idea. Even raising funding is much easier with crowd-sourced funding (cf the TikTok watch, the founders wanted to raise $15k pm to fund tooling, but after 30 days had banked $942,578)

Organizations must be constantly adapting and not resting on its past successful products. Thus, fit organizations are institutionalising innovation to better meet the changing needs and tastes. The trouble is often the innovation is held back by the paradigms of the organization – so tends to develop incremental improvements. Its often organisations outside the category that think in a different way who are able to bring new innovation to a category.

Often people with a wide range of experience are highly effective as they can make connections out of the ordinary. Alternately spend time with people outside your category, try something new each day and employ a multi-cultural workforce. Seek your information from multiple sources to gain different opinions on the same subject (and use a service like Flipboard to arrange it all on your desktop in real-time).

The reality is even though we can now monitor more things, we still cannot accurately predict the future – so nimbleness is still key.

Thus it's a good idea to 'act' like a start up and force disruption

The most successful people have the ability to focus on detail as that lies at the heart of quality delivery

The second law of Velocity – It's easier done than said *(i.e. Get going - then get better)*

Sir John Harvey-Jones talked about 'Making it happen' is the biggest challenge facing management.

The Velocity model is moving from up-front strategy development to implementation. It needs a culture of 'execution'. Everyone in the organisation (at all levels) are to be focused on constantly trying to improve delivery

'Always in Beta' is the current mindset – i.e. focus less time on debating the perfect solution in endless meetings and more time learning through execution – we learn from a working prototype than we do from sketches.

Facebook prototype everything (e.g. Timeline) – as one needs to see how it works in real life – operated by actual users. Thus then leads to a continual line of incremental improvements (that can only be discovered through in real usage). Zuckerberg recently wrote, "We don't build services to make money. We make money to build better services". Facebook takes a hacker's principle to its software – i.e. there is a better way of doing this (and nothing is complete cf an asymptote curve).

Nike used a principle of launch-learn-relaunch when working on Nike+. They stripped back all the superfluous features to help make it faster and simpler for its users. Such an attitude allowed them to launch the Nike+ GPS watch in just 11 months (by partnering up with TomTom as they recognised they did not have the experience themselves). They also added a 'tell us what you think' button on the nikeplus.com site and received 15,000 responses per day.

Nike encourage their staff to become 'super-users' of their own products – to see themselves as consumers again (as its often by truly living it can one distil real insights – informed intuition is worth a thousand times more than any commissioned research).

Even though 'first mover advantage' grabs the headlines, often the 'second mover advantage' takes the share – as it builds on their experience.

Organizations need to balance analysis and logic with intuition – need to trust their intuition more.

The third law of Velocity – The best advertising isn't advertising (i.e. Make meaningful connections)

Instead of just interrupting people, serve them and make meaningful connections which makes them feel something.

In 'The Social Network', Zuckerberg says, "You have part of my attention. You have the minimum amount".

The average person in London is exposed by over 3,500 marketing messages a day – but 99% of these had no impact on the individual (Source: The Guardian)

Advertising is not dead (is great at creating emotionally inspiring stories) but the opportunities to connect with consumers has expanded. Digital allows for more tailored messages and tailored services that benefit more specific groups. Digital does not replace TV – it enhances it.

We're in the age of 'connectedness' – the aim is to produce ideas/services etc that people want to share with others. Ideas that define culture rather than follow it.

We gain engagement by talking about things that are relevant to the consumers – i.e. by being useful.

The data feedback allows for more closely targeted information/services etc to be offered to the individual, allowing for a more personalised, tailored and hence being useful by providing only that information that is relevant to them (and thus making the brand more relevant to them).

By 'listening' to their consumers, a brand can know what, where and when they should best communicate to people on a one to one basis.

Also by listening one can find out where the consumer issues are. Then by responding quickly to issues, what are the most important touchpoints and issues to focus on, so one can further build positive brand engagement. Furthermore, by listening it means the brand can only provide relevant information to that person rather than offering some blanket series of messages, where most of them will be irrelevant at best and annoying at worst.

Furthermore, the internet allows for communities to self form and share ideas and stories amongst itself. Nike Training club allows individual runners to be part of a much bigger community (where individuals can share advice with others and become part of a bigger narrative). It has accumulated over 50m minutes of training – all for the cost of one 30" commercial. Indeed Wall Street Journal named he app one of the best five ads of the year – That's because it is a genuine service to its users.

Great brands are about storytelling – an agency helps amplify a brand's authentic voice

NikeiD was an example of brand building through serving rather than interrupting through an ad – it was about inspiring and enabling people. They wanted to connect through *being useful.* The stronger the service, the better the connection.

Jeff Bozos from Amazon is quoted, "Advertising is the price you pay for having an unremarkable product or service". Amazon spend their money developing better service. And because they have the numbers, they immediately know if things are working or not.

Through use of Facebook, Twitter, Instagram, the websites, the mobile apps, Nike receives millions of connections that allows it to get accurate feedback on its services.

We are seeing an increasing trend towards multi-tasking, with TV on, whilst surfing the net and texting friends at the same time. Heineken picked up on this trend and developed StarPlayer which allows people to

predict what will happen in a UEFA Champions League game on their phone or PC.

The best brands are constantly trying to be brave and extend themselves further (for fear of becoming a 'me-too brand'). To achieve what they can't they must do what others won't.

Strong brands create positive stories and experiences (we store our experiences of a brand within stories). Nike does not create ads – they create wonder. Nike create stories that make deep connections with people. The 30" constraint to tell a story can now be lifted with You Tube (Indeed, Nike have launched a few products via You Tube rather than conventional media – which also has the advantage of gaining immediate feedback from comments posted and number of times viewed).

Storytelling is a critical part of brands. We store experiences in stories (and through stories we experience). People do not just buy the product service - they buy the story and values that surround it. It is the role of the agency to be a storyteller for the brand – to uncover the truths and bring them alive in an interesting way. Storytelling has moved beyond film and can be expressed in many different formats. For example, apps use a narrative arc to increase their relevancy and engagement.

The digital space is surrounded by data points. At this point there is still some confusion as to which are the relevant metrics. There are 5 key metrics to help measure the Return on Investment: Engagement, Brand Equity, Sales, Shareholder Value and Overheads.

Increasingly, we are relying on other people's experience (aka collaborative consumption) with a brand/service (and not just the brand's message) – thus its important to build a positive experience at the individual level.

New technology is unlocking whole new opportunities and services e.g. Jamie Oliver's 20-minute meals app or TaskRabbit (where you post on line something you want done (e.g. wrapping presents) and then you receive offers). BlaBa.com is also matching people together to share car journeys, Fiat's 500 offers Eco. Drive that allows a person to monitor how fuel efficiently they are driving (and one can go on-line and compare versus others).

The role of communications (esp. on line) is changing from persuasion to being of service. The internet now provides a new way to connect into what is important in people's lives (and help meet their needs better). Brands that make themselves valuable to a person become indispensable.

The digital age is increasing the role of entertainment. Brands need to inform through entertainment. In 2008 games revenue in the US overtook the cinema for the first time. Games provide a more stimulating,

interactive, co-created story that really engages (as it often puts the person at the heart of the story). Increasingly, games are played on-line in real time communities – an ideal vehicle for brands to operate in.

In the age of connectedness, the objective is to create ideas that people want to share.

The fourth law of Velocity – Convenience is the enemy of right *(i.e. Never have anything to apologise for)*

Advertising is not always the answer to a problem. Instead of running a campaign to tell people to put their rubbish in bins, would it not be better just to install more bins?

Human nature means we tend to make a decision often based on convenience as opposed to the optimum solution. For example, its always better to discuss something in person but instead we send an email across the office or make a phone call.

We live in an 'experience' economy. Brands need to provide meaningful experiences (whose footprint is often wider than just the product experience) – cf Nike+ Fuelband, linked to NikeFuel (which helps people set and maintain training targets, and cross compare with others). Kiehl's store creates a deeper shopping experience as does Heston Blumenthal's The Fat Duck which brings theatre to food.

Increasingly its 'second mover' advantage that wins the game – as its all about execution – learning from what went on before and constantly improving. Find a better way – and not just copy what others have time. Merely jumping onto a bandwagon may not be the right thing to do (as the environment is evolving so fast).

One of the truisms is that making life easier for others often means making life more difficult for ourselves. Thus an organization dedicated to the principles of velocity needs to set and hold to high standards – to constantly go beyond what is 'necessary'. Increasingly it's about execution. Whilst its necessary to start with a simple idea the key it to tirelessly push for quality of execution (as an idea is only as good as how it is expressed). Such phrases as 'Keep it simple-stupid', 'Good design is as little design as possible', and 'Beautiful comes as standard' are key principles that drive AKQA.

The fifth law of Velocity – Respect human nature *(i.e. Make people's lives easier, richer or more fun)*

As our lives become more complex, so our desire to simplify it will grow. Organisations that can take the friction out of a person's life will grow. Organizations with a fanatical focus on humanity will thrive.

Organization should focus on "how can we make people's lives easier, richer or more fun?' rather than 'How do make extra profit'? (as then more likely to generate the profit).

One should never forget that at the other end of a brand, service or technology is a human being. This requires detailed observation of the person interacting with the product (ethnography) so to better meet their needs (e.g. website should use conversational language like 'Send' not 'Submit'). At Nike, they ensure everyone on a project actually 'live' with the product/technology first to ensure it works in real life. Technology should be intuitive – seeing his 5-year-old son using an i-phone/i-pad is testament to how well Apple have painstakingly developed and honed their products.

Often the 'cost' of something is greater than the cost of the item – it includes the cost of purchase (in time and effort) – so an app/website that makes it easy is more likely to be used frequently (e.g. Domino's Pizza app or Amazon Prime – Ed).

Data is like crude oil – it has to be refined to be useful. Hidden amongst the cacophony of noise on the internet can be found powerful insights. Facebook, Zynga, Google, Apple and Amazon are very good at analyzing customer data to improve their quality of service to their users. For example, Zynga watch how players are interacting with their games in real time (they have 55m daily users) – they are an analytics company as much as they are a gaming company. The key is to spend time mapping people's real behaviour and then develop products/service that improve their real lives.

Making people work harder than they are used to is a recipe for failure (cf 3-D TV).

Transparency from the web is actually making life easier as we know what people want (and we know quickly what people don't like).

The sixth law of Velocity – No good joke survives a committee of six *(i.e. Have the balls to make the calls)*

Decisions made by committees are often sub-optimal. Great organisations thrive on debate and argument. Ideas too early accepted have not had the thoroughness of analysis they need. Final decisions should be arrived at through unfettered debate, supported by facts, with then one person empowered (and brave enough) to make the right decision (even if it is not the most popular one).

The authors admire brands that have a strong set of values and a clear vision (which helps guide their decision making in a consistent way) – companies such as Virgin, Apple, Audi, Red Bull.

But in a world surrounded by data, part of the art of intuitive decision making is knowing what to ignore i.e. don't let adverse facts stand in the way of a good decision (because you can never plot a straight line through all the data points).

A key managerial skill is the ability to foster a positive working relationship amongst the team that allows for open debate over issues without people taking personal offence.

Nike use a checklist to vet all ideas (and remove the subjectivity and political nature of decision making): Does it help athletes get better? Does it have potential to add millions of new members? Can it be explained in 2 sentences or less? Would we use it ourselves? And Is it simple, human and indispensible?

At Nike, their aim in innovation is to edit and amplify: "We need to do fewer things better, and make sure our innovation is built around true deep consumer value, not gimmicks".

Good decision making ignores convention and merely doing what others do – instead they do what is right – cf Barcelona who have short players versus the current trend for taller players. Moneyball, the film tells the story of how Oakland Athletics baseball team picked his players on numbers – relying more on proven performance (vs price) rather than style or personality.

Brands want to develop long term relationships with their customers. This first starts with developing products or services that are of 'useful' so they improve the person's life in some shape or form. Increasingly the 'logged-in' consumer allows the development of a more rewarding relationship for both brand and customer.

The seventh law of Velocity – Have a purpose larger than yourself

Make a dent on the universe. Organizations must strive to make a contribution to society (i.e. bigger than just share, sales or profit gain). An organization coalesced around a shared passion can create amazing things.

Bill Bowerman, the co-founder of Nike was always focused on one question: "What's the best way to make a lighter shoe?"

Velocity suggests the world is moving too fast to ever be in total control – instead we have to learn to be fast and flexible to respond to the dynamic environments we live in.

Lots of parallels from sport to business: The need to be totally committed, the need to face harsh facts (and hence the need sometimes to change tack), the need to keep pushing (even through failure, even when you want to give up), to never stop learning, to accept criticism, to scrutinise and improve every detail of the process (as small incremental

improvements across a wide number of parameters means the difference between winning and losing).

Examples mentioned include the Nike Human race where over 1 million people from around the world ran 10k on the same day, or the Livestrong armband appeal (70m armbands and $100m in donations).

CRITIQUE

If you can look past the fact that it's a veiled sell for Nike and AQKA, this...

A lot I have heard before. Lots of over used clichéd thoughts (e.g. age of connection, engagement, touch-points etc) and examples (like Kodak...)

Doesn't 'always in beta' clash with a focus on detail?

Doesn't the need to constantly evolve clash with having a clear direction?

Over claims: e.g. Informed intuition is worth a thousand times more than any commissioned research.

When you have a hammer every thing looks like a nail – so it seems they seem to think that all answers should be addressed through digital (and have a real downer on advertising) - Life is not so black and white.

Flaky in their assertions – for example they suggest that 99% of ads fail to create attention – yet this ignores the evidence from Robert Heath about how ads also work unconsciously. They then say digital gives the opportunity to tailor the message (sorry but advertising as always also done that!)

Like with the internet, one can be seduced by thinking its all new. A lot of the content feels more like a large collection of sporadic (often good) ideas loosely tied into an artificial framework called Velocity – and many of these ideas are not necessarily new or distinctive to 'Velocity' (such as ethnography, brands being useful, courage to make decisions or even data analysis).

They have read the same books and just regurgitating it- It's just a lot of clichéd ideas loosely tied together

When you have a hammer everything looks like a nail. That is what I feel about this book. They seem to be suggesting that all the old ways have been replaced by this brave new world. The internet has certainly helped accelerate and amplify things, but still many of the original principles in brand and business management remain constant (but are enhanced by the potency of the internet).

A lot of repetition (apparently it was a recorded conversation)

It is over indulgent merchandising of their two organisations

Its an easy & quick book to read – but like fast food, not particularly filling.

Some of their statements are just not true or thought through (and they contradict what previously said_. For example Nike rarely rely on external research to make its decisions – yet they speak about intense use of analytics of people's behaviour and interaction with their products.