

Wired to Care

How Companies Prosper When They Create Widespread Empathy

By Dev Patnaik with Peter Mortensen

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Summary

What's the critical difference between Nike and every other shoe company on the planet? Why do some airline executives continue to insist that air travel is great, when we all know better? What has enabled Zildjian, a family business founded outside Istanbul, to thrive for almost 400 years?

In this essential and illuminating book, top business strategist Dev Patnaik tells the story of how organizations of all kinds prosper when they tap into a power each of us already has: empathy, the ability to reach outside of ourselves and connect with other people. When people inside a company develop a shared sense of what's going on in the world, they see new opportunities faster than their competitors. They have the courage to take a risk on something new. And they have the gut-level certitude to stick with an idea that doesn't take off right away. People are Wired to Care, and many of the world's best organizations are, too.

In pursuit of this idea, Patnaik takes readers inside big companies like IBM, Target and Intel to see widespread empathy in action. But he also goes to farmers markets and a conference on world religions. He dives deep into the catacombs of the human brain to find the biological sources of empathy. And he spends time on both sides of the political aisle, with James Carville, the Ragin' Cajun, and John McCain, a national hero, to show how empathy can give you the acuity to cut through a morass of contradictory information.

Wired to Care is a compelling tale of the power that people have to see the world through each other's eyes, told with passion for the possibilities that lie ahead if leaders learn to stop worrying about their own problems and start caring about the world around them. As Patnaik notes, in addition to its considerable economic benefits, increasing empathy for the people you serve can have a personal impact, as well: It just might help you to have a better day at work.

About the Authors

Dev Patnaik is a founder and principal of Jump Associates, an innovation strategy firm. He has been an advisor to some of the world's most admired companies, including GE, Target, Nike and Harley-Davidson. Dev is an adjunct faculty member at Stanford University, where he teaches Needfinding to design and business school students. He lives in the San Francisco Bay Area.

Pete Mortensen is the communications lead at Jump Associates and a blog contributor for Wired.

Praise for Wired to Care

“*Wired to Care* will convince you that businesses succeed with their hearts as much as their heads. Dev Patnaik has given us just what we need for the lean years ahead.”
– **Malcolm Gladwell, author of *Outliers*, *Blink*, and *The Tipping Point***

“*Wired to Care* describes how to recover the basic human abilities of empathy that may be buried by your day-to-day business routines. Dev Patnaik shows how you can create a more empathic—and much more successful—business.”
– **Chip Heath, author of *Made to Stick***

“Dev Patnaik's *Wired to Care* maps a path to innovation fueled by ‘seeing the world with new eyes.’ On numerous occasions, Dev and his colleagues at Jump helped us break through to those most critical insights.”
– **Beth Comstock, Chief Marketing Officer, GE**

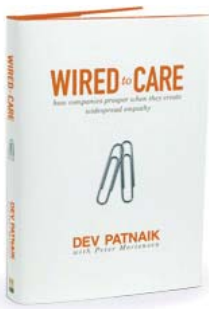
“Empathy might be the most underappreciated ability in business. But with this smart and insightful book, Dev Patnaik shows how to enlist this powerful capacity both to boost your own business and to better our shared world.”
– **Daniel H. Pink, author of *A Whole New Mind***

“*Wired to Care* offers a roadmap to success paved with empathy, where caring contributes more to the potential success of a company than cost cutting, and where hope is more important than hype. The bottom line is better profits, better products, and happier employees. There is a better day for business (thankfully) when companies are wired to care.”
– **Robyn Waters, former VP of Trend, Target Stores and author of *The Hummer and the Mini***

“Why should you care about *Wired to Care*? Because this book will not only make you better at business—it will make you better at life! Buy it, read it, and then practice what it preaches.”
– **Alan M. Webber, co-founder of *Fast Company* magazine**

“This is a juicy, meaty book, with great stories (useful stories!) on every single page. Well worth a read.”
– **Seth Godin, author of *Purple Cow* and *Tribes***

“Especially in a down economy, empathy can seem like a soft concept. But it's not—it's a powerful source of new growth that has helped fuel my business for more than two decades. As *Wired to Care* convincingly shows, the more an organization can understand and empathize with the key motivators of their employees and customers, the more likely that organization will have sustainable success.”
– **Chip Conley, Founder and CEO of *Joie de Vivre Hospitality* and author of *PEAK***



Chapter 1 Introduction

Early one morning in 1979, Pattie Moore did a peculiar thing. A young designer living in New York, she woke up, got out of bed, and started to make herself frail. She strapped herself into a body brace that made her shoulders hunch forward. She hid her auburn locks under a white wig and painted her eyelashes gray. She plugged up her ears so she couldn't hear. And she put on horn-rimmed glasses that blurred her vision. Transformed into a woman more than three times her actual age, Pattie headed out into the world, a wooden cane guiding her path. Leaving her Gramercy Park walk-up, Pattie stepped out into a land that was unlike any she had ever experienced. Pattie had made herself old, and now even her own neighborhood looked strange to her.

Weeks earlier, Pattie had been involved in a planning discussion for the design of a new refrigerator. She had just landed a job at the offices of Raymond Loewy, an icon of twentieth century industrial design. Sitting in a brainstorming session, Pattie listened as the other designers traded ideas for what the new fridge might look like. After a little while, she raised her hand. Perhaps the team should consider how to accommodate the needs of people with arthritis, poor vision or reduced strength. Pattie had grown up with her grandparents at home. She vividly remembered how her grandmother had been forced to stop cooking when the infirmities of old age made it impossible to peel a potato, open a carton of milk, or even pull a refrigerator door open. Now, given the chance to design a new fridge, she wondered if there wasn't a way to help other people's grandmothers to continue to cook as they got older. The other designers stared at her blankly. "Pattie," one shrugged, "we don't design for those people."

That moment changed the course of Pattie's career. It seemed obvious to her that there were a lot of people in the world who were like her grandmother. And yet, there were clearly more than a few designers who weren't interested in designing for anyone besides themselves. So she decided to change things. At the same time, Pattie realized that she herself had little real empathy for senior citizens, if only because she had never experienced the world as they did. And that's when she started to plan her experiment.

Pattie decided to simulate what it was like to be old so she might figure out what life was like for her elders. With the help of a friend who worked as a television make-up artist, she transformed herself into an eighty-five year old woman. As she quickly found out, when you're old, the world isn't designed for you. Pill bottles demanded too much dexterity. Telephones were too hard to dial. Climbing the steps onto a city bus was a dangerous ordeal. Occasionally, strangers would stop to lend a hand with momentary tasks, but the second they walked away, she was once again left to make it on her own in a world where the deck was stacked against her. To make matters worse, people ignored her or made jokes at her expense. It was if she wasn't a person anymore. Pattie saw, heard, and, more than anything else, felt all of this pain as she went about her business. The experience was agonizing. Everywhere she looked, Pattie saw opportunities to make things better. Everything needed to be fixed.

Pattie continued her experiment for the next three years, going undercover in more than a hundred cities throughout the United States and Canada. Every time, her routine was the same. Wake up, become old, and see the world through new eyes. And over the course of her journeys, Pattie came to see things differently. Getting old wasn't really the problem. It was everything else. If your hand couldn't get a

potato peeler to work, maybe there was something wrong with the peeler. If you weren't strong enough to pull a door open, maybe the problem was the door. Perhaps so-called disabilities were caused by products and architecture, not by age and health.

Pattie's experience would end up pointing the way for an entirely new generation of designers, ones more attuned to the world around them. It also revealed huge business opportunities that had been overlooked for years. Based on her work, companies as diverse as Boeing, Merck, and Toyota developed new offerings that grew their businesses and differentiated their products. It turns out that senior citizens aren't just some niche market – they reflect unarticulated needs that many of us have. When you make doors that are easier for seniors to open, you make life easier for all of us, young and old.

Through her work, Pattie Moore has helped to make life a little bit more livable for people in many parts of the world. In doing so, she also revealed an important but oft-forgotten truism: people discover unseen opportunities when they have a personal and empathic connection with the world around them. For individuals, that means developing the ability to walk in other people's shoes. For companies and other large institutions, that means finding a way to bring the rest of the world inside their walls.

Empathy Equals Growth

This is the story of how companies, and indeed organizations of all kinds, prosper when they tap into a power that every one of us already has: the ability to reach outside ourselves and connect with other people. And it's the story of how institutions can so easily lose their way when their people lose that connection. Human beings are intrinsically social animals. Our brains have developed subtle and sophisticated ways to understand what other people are thinking and feeling. Simply put, we're wired to care. We rely on those instincts to help us make better decisions in situations that affect the folks around us. Unfortunately, that instinct seems to get short circuited when we get together in large groups. We lose our intuition, our gut sense for what's going on outside of that group. Corporations become more insular. Colleges start to feel like ivory towers. Political campaigns take on a "bunker mentality." That sort of isolation can have disastrous effects because these same institutions depend on the outside world for revenues and reputation and votes.

When people in an organization develop a shared and intuitive vibe for what's going on in the world, they're able to see new opportunities faster than their competitors, long before that information becomes explicit enough to read about in the *Wall Street Journal*. They have the courage of their convictions to take a risk on something new. And they have the gut-level intuition to see how their actions impact the people who matter most: the folks who buy their products, interact with their brand, and ultimately fund their 401(k) plans. That intuition transcends what's traditionally referred to as market research. A widespread sense of empathy starts to influence the culture of a place, giving it a sense of clarity and mission. People spend less time arguing about things that ultimately don't matter. Empathy can even start to ensure more ethical behavior in a way that no policies and procedures manual ever could.

Wired to Care is nominally a business book. But it seeks to answer questions that are relevant to businesspeople, educators, designers, marketers, athletes, policymakers, and citizens alike. How can we nurture the instinct that all human beings have to walk in other people's shoes? How can we, in turn, create a wider sense of empathy to connect larger organizations to the world around them? And how can we leverage that widespread empathy to be an engine for growth and change?

In pursuit of the answers, we'll explore how large institutions lose their connection with the outside world, how they can regain their sense of empathy, and what the results look like when they do. We'll visit Zildjian, one of the oldest companies in the world, and see how they've prospered for nearly 400 years by connecting with superstar clientele, from Turkish emperors to Philadelphia hip hop groups. We'll dive deep into the catacombs of the human brain, to find the biological sources of empathy, and discover how mirror neurons and the limbic system enable us to feel what others are feeling. And we'll spend time on both sides of the political aisle, with James Carville, the Ragin' Cajun, and John McCain, a national hero, to show how first-hand life experience can give you the acuity to cut through a morass of otherwise confusing and contradictory information. We'll spend time at big companies like IBM, Target, and Intel. But we'll also go to farmers markets and a conference on world religions. All of this is to reclaim a very old idea, that quantitative data and facts are no substitute for real-world experience and human connection.

This book is divided into three sections. The first seeks to make the case for why empathy matters: how organizations lose sight of the real world and how they might regain that connection. The second section explores the mechanisms that allow human beings to connect with others and how we can create a widespread sense of empathy across a large group of people. The last section describes the payoff. It shows how widespread empathy can help companies to see opportunities faster, prosper for longer, ensure ethical conduct, and instill a personal sense of meaning in each of us as individuals.

As one of the founders of Jump Associates, I work with companies to help them find new opportunities for growth. I have the privilege of working with the leaders of some of the world's most innovative companies, foundations and public institutions. Some of them are people you see profiled in newspapers and magazines. Others are folks you've never heard of but probably should have. I also spend time teaching designers and business school students at Stanford University. In the course of my work, I've received a lot of requests to talk to groups about innovation. And I tell them that the problem with business today isn't a lack of innovation; it's a lack of empathy. As you can imagine, that statement can cause some very different reactions, depending on whether I'm talking to toy designers or oil industry executives. It's amazing how quickly business people write off something that sounds too soft. But empathy is more than a warm and fuzzy notion best suited for annual reports and greeting cards. It's the ability to step outside of yourself and see the world as other people do. For many of the world's greatest companies, it's an ever-present but rarely talked-about engine for growth.

Reflect What You See

The simplest way to have empathy for other people is to be just like them. Studies show that girls have an easier time understanding other girls and boys find it easier to understand other boys. People with common political leanings demonstrate a similar ability to connect. For companies, it's not surprising, then, that the quickest way to gain empathy is to hire your customers. Harley-Davidson is a great example of a company that has generated a widespread sense of empathy based on their employees' own experiences as riders. And that empathy starts in the parking lot.

A parking lot says a lot about a company. It can reflect an organization's hierarchy, its values and how it sees the world. Some companies reserve the first row of parking for their customers. Others designate the best spots for senior management. At Harley-Davidson's headquarters, in Milwaukee, Wisconsin, a posted metal sign clearly states the company's priorities: "No cages. Motorcycle parking only." The

second sentence is a translation for guests who don't speak motorcycle slang. Cages are what riders call automobiles, vehicles that lock people away from the wide, open world. You just drove over in a Ford Taurus that you rented at the airport? Welcome to Harley-Davidson. Parking is in the back.

Visitors to the company's headquarters soon discover that the parking lot rule is a sign of things to come. Harley-Davidson's office is a shrine to the motorcycle culture that the company has helped to create. Walking down an aisle of otherwise ordinary office cubicles, you're confronted by an endless display of photos, signs and exquisitely painted motorcycle gas tanks. On one wall, snapshots capture scenes from one employee's recent bike ride down the Gulf Coast of Florida. Other walls proudly display banners from rallies and other events, including the pilgrimage that hundreds of thousands of riders make every year to Sturgis, South Dakota. Each floor of the building is named for a different Harley engine, from the V-Twin to the Evolution. Tables in the conference rooms are constructed from sheets of glass balanced on top of engine blocks. In some parts of the building, the air itself smells like leather.

Interesting and eclectic, the motorcycle memorabilia at Harley-Davidson isn't just for show. Every picture is a trophy, a placeholder for the larger story that Harley-Davidson's riders write together, customers and employees alike. People walking through the office invariably sport T-shirts and vests emblazoned with logos and place names, their clothing helping to paint a picture of the Harley lifestyle.

What's striking about Harley-Davidson is how people throughout the company, from the engineers in manufacturing to the accountants in finance, have an intuitive understanding of the riders who buy their products. The company cherishes this relationship and goes so far as to mandate that leaders throughout the organization spend measurable amounts of time out with motorcycle riders. It's important to point out that riding a motorcycle isn't a prerequisite to work at Harley-Davidson. Many people at the company don't. Nevertheless, the company is able to instill its values in employees who've never ridden a bike. It's not enough for Harley to simply hire its customers. Riders must have empathy with non-riders and vice versa. Cages are as unwelcome in Harley-Davidson's business philosophy as they are in its parking lot.

Harley's greatest period of success so far occurred between 1986 and 2006. While American car companies lost billions of dollars and laid off employees in ever-greater numbers, Harley enjoyed uninterrupted double-digit growth. Conventional wisdom dictated that U.S. companies entrenched in manufacturing were burdened with high labor costs and excessive benefits packages, but Harley continued to make its motorcycles where it always has, in Wisconsin, while paying top dollar to its unionized workforce. Harley motorcycles commanded a premium over competitors from Japan and Europe, and people snapped up every single unit that the company could produce. A Harley-Davidson motorcycle came to stand in a class by itself, revered for the distinctive growl of its engine and the out-of-bounds lifestyle it evoked. The timeframe of Harley's sustained boom is no coincidence; that's when Harley made widespread empathy a key element of corporate strategy.

Before that, the company was on the verge of bankruptcy as strong Japanese competitors eroded market share and introduced cheaper, lighter models that undercut all of Harley's product line. In response, Harley refocused its attention away from itself and onto the people who rode its motorcycles. They energized the Harley Owners Group into an army of evangelists. Harley transformed itself into an icon of American freedom. The widespread empathy that Harley employees had for riders helped them make a thousand better decisions every day. Harley-Davidson commercialized new opportunities faster than its competitors, entered new

businesses before success was certain, and enjoyed customer loyalty that was the envy of every other organization in the world.

When organizations like Harley are able to create that widespread sense of empathy, something interesting starts to happen. Over time, that implicit connection to the outside world helps blur the line between producers and consumers. Between inside the building and out. Between us and them. Harley likes to call the folks who buy its motorcycles riders, not customers, if only because so many Harley employees are riders themselves. As Lara Lee, Harley-Davidson's former head of services so aptly put it, "We don't spend a lot of time talking about 'what consumers want.' So far as we're concerned, we are them and they are us."

Harley's connection to riders is so strong that it raises an interesting long-term challenge for the company, whose decades of earnings growth began to slow in 2007. How will Harley-Davidson connect to a new generation of young people who don't want to ride what their parents did?

Stepping Outside of Yourself

Harley's imminent challenge is one that many organizations share. It isn't always possible to be your customers (consider, for instance, a pharmaceutical company that makes drugs for terminally ill patients). In those cases, it's necessary to do something more than reflect what you see. To continue to grow and prosper, you have to get outside of yourself and see the world through the eyes of other people.

Gina Beebe does that as much as anyone. She's the head of design at American Girl, a doll maker and book publisher that's beloved by young girls and parents alike. American Girl was founded by Pleasant Rowland, a uniquely imaginative leader who dedicated her life to creating dolls and stories that would help girls learn and grow. Each doll represents a different time and place in America, from Kaya, a Nez Perce Native American from 1764, to Julie, a girl with divorced parents living in 1974 San Francisco. American Girl does more than just make dolls – they make compelling stories that resonate deeply with how girls see the world. That's hard to do year after year. I asked Gina how she does that, given that she herself isn't an eight-year-old girl. She thought about it for a moment and then smiled, "You know...in a way, I kind of am." Gina talked about the joy she gets from seeing little girls flock to the company's newest dolls and books. And how she spends time reading the letters that young girls write to the company. And how the company posts those letters in the hallways for everyone to read and enjoy. Gina and the folks at American Girl are a wonderful example of how you can get yourself into someone else's mindset – and how that person's feelings can, in turn, get into you.

The ability to reach outside of yourself is even more important when you consider situations in which you need empathy for more than one type of person. Doctors, for example, can't have empathy for only other patients their own age. Teachers can't connect only with students who share their gender or ethnicity. For companies who seek to serve many different types of people, merely reflecting a single point of view isn't enough. Indeed, the ability to empathize with *multiple* types of people can be the difference between success and failure over the long term.

The ability of Gina Beebe and her colleagues to step into the mind of an eight-year-old is the real secret behind American Girl's success. It requires them to leave their own agendas behind, and actually care about how other people see the world. That's a powerful concept, but not a particularly new one. In fact, it was Dale Carnegie who first articulated that dynamic nearly a century ago, in his book *How to Win Friends and Influence People*. Carnegie was one of the world's first modern self-help gurus,

and when you're the first, you don't need to be particularly surprising or counter-intuitive. In fact, his point was deceptively simple: If you want people to be interested in you, you should be genuinely interested in other people. That's a pretty straightforward lesson with relatively major implications. It means that if you walk up to me at a party and ask me how I am, how my family is doing, what movies I've seen lately, and how things are going at work, you're bound to get me engaged. In fact, by the time you walk away, I'll be thinking, "Wow, I just met a really interesting person." That's because we talked about something I'm interested in – me! It's just human nature to be interested in people who are interested in you. That little bit of advice can go a long way to making a person more likeable. It's also a profound piece of advice for business. If you want to create products and services that other people care about, you should put aside your problems and start caring about other people's lives.

Creating that sort of empathic connection to other people can have profound effects on a company, beyond increasing its growth rate. In many cases, it can give new meaning to the work that people do. And often in today's world, it's that sense of meaning that we lack most of all. Most companies can offer competitive salaries, vacation packages, health insurance and retirement plans. But too few of them can demonstrate any sort of connection between the work that we do everyday and a positive impact on the wider world. Beyond mere survival and provision for our families, many of us don't have a good reason to go to work in the morning. In addition to its economic impacts, increasing empathy for the people your company serves can help you see how much your job makes a difference in their lives. And that's the greatest reward of all.

From Xbox to Zune

We began this introduction with an example of how empathy can help individuals to see the world in a completely different way. We'll end with an example from one of the largest companies on the planet, and how empathy helped it succeed in a radically new venture.

By the spring of 1999, the game console business had become far too big for Microsoft to ignore. Company executives had watched as pioneers like Atari, and then Nintendo, developed the fledgling industry, built a fan base, and made it financially viable for both console manufacturers and game developers alike. But then, in the mid-1990's, Sony took the business to a whole new level. Sony had leveraged its vast technical capabilities to make PlayStation a worldwide success. Now, Sony was readying the launch of PlayStation 2. The PS2 was much more than the toys that had come before it. The console was a high-powered entertainment engine capable of playing DVD movies, importing digital video, and connecting to the Internet. And it did it all without using a single line of Microsoft programming code. Having successfully fought off rivals like IBM, Apple, and Netscape, Microsoft now faced the prospect of irrelevance as younger people came to spend more time on their video game consoles and less time on their PCs. Microsoft had little choice but to act.

The company was starting at a distinct disadvantage. Sony was the most powerful consumer electronics maker on the planet. It had years of experience to build on and a vast library of games that were hugely popular. Microsoft, by comparison, had relatively little experience in designing and selling hardware. The company wouldn't be able to put out its console until late 2001, by which time PS2 would likely be in 10 million households. More troublingly, Microsoft's experience in operating systems and office applications left it with very little feel for the new business.

To win, Microsoft was prepared to spend billions of dollars from its vast cash reserves without the promise of seeing a profit for many years to come. Recognizing that it was entering unfamiliar territory, the company set about assembling a team of engineers, designers, and marketers, and charged them with creating the ultimate game console.

The developers decided that they shouldn't try to be everything to everyone. And they weren't going to focus on kids. Unlike Nintendo and Sony, Microsoft wouldn't build a console that would let prepubescent moppets play with magic mushrooms and fairy princesses who needed to be rescued. The team envisioned a game system that would serve up playable versions of action movies, with testosterone-fueled experiences that were even more immersive than any summer blockbuster. The new machine would be for hardcore gamers – the kind of guys who loved to kick some ass. Guys who spent hours playing intense, complicated, and sometimes violent computer games that got their blood rushing. Guys like... themselves.

Two years later, Microsoft launched the Xbox. Xbox used the same electronics as a high-end PC, including a built-in hard drive. Its case was huge, knobby, and eye-scorchingly green and black. Xbox's signature game was *Halo*, an intense first-person shooter game that starred a masked hero known as the Master Chief who traveled across galaxies to repel hostile aliens.

Xbox was an overnight sensation in the United States. *Halo* alone sold more than 5 million copies, making it the top-selling title of its generation. More important, *Halo* helped define the Xbox as the must-have console for hardcore gamers. Although Sony was still able to outpace Microsoft on the strength of PS2, Microsoft used Xbox to shift the momentum. Xbox's next version, the Xbox 360, outpaced Sony's new PlayStation 3 in the United States by a margin of two to one. Microsoft had successfully found a way to compete with Sony. Less than a decade after entering the market, Xbox accounted for ten percent of Microsoft's total revenue and an even greater percentage of its top-line growth.

Xbox was so successful that Microsoft turned to the same scrappy team of developers when Apple's iPod became the best-selling portable music player since the Sony Walkman. If the Xbox guys had done so well against Sony, surely they could do the same thing to Apple. On an incredibly tight deadline, the team that worked magic on Xbox threw its collective might behind an iPod-killer. What emerged in Fall 2006, however, barely dented Apple's armor. The Zune was a boxy gadget that looked like a thicker iPod, albeit in a not-so-stylish brown case. The interface was cumbersome and seemed designed for no one in particular. As one acid-tongued reviewer described it, the overall experience of using a Zune was about as pleasant as having an airbag deploy in your face. Not surprisingly, the Zune managed to sell about 2 million units in its first 18 months on the market. Apple sold more than 84 million iPods during that same period. Apple's dominance in the music player market remained untouched.

Why was the Microsoft team able to create such a compelling video game system only to churn out a mediocre portable music player? What makes a team deliver bravura performances one day and a fiasco the next? Here again, empathy played a huge part. As one member of the team confided, "The biggest challenge with Zune was trying to figure out who we were building it for. With Xbox, we knew those guys. Hell, we *were* those guys."

Microsoft succeeded with Xbox because it was able to leverage the empathy of its development team. Unfortunately, that empathy wasn't transferable. A brilliant connection with hardcore gamers didn't prepare Microsoft for the challenges of

understanding Zune's market space. Being a reflection of one type of customer is certainly a quick and easy way to connect with a particular group of people. But to thrive over the long term, organizations need to move beyond their own views and discover what's happening in the rest of the world. They need to step outside themselves to see the world through other people's eyes. People are wired to care. Organizations need to be wired to care, as well. When that happens, the effects of empathy can be profound. Companies prosper. Communities thrive. And we all have a better day at work.