

## 2 We Promote Innovations by Asking Why and Challenging the Status Quo (10 minutes)

Thank you [name]. For the record, if it was me making a decision between reading a home office report and organizing end caps, I would have to choose reports! Not only do I tend to be the kind of person who likes research, I don't think anyone wants me in the stores dabbling in merchandising. The shelves are liable to end up looking like my garage. [image of really messy garage shelves]

It's merchandisers who know how to design end caps, and IT people like me who know how to [deploy software—show image of well-organized shelves]. Each of us is like an undercover spy in our own areas. When we see something not working, we understand better than anyone what's going wrong. We are most qualified to question it and bring more value to our customers. We are more likely than anyone to find the best solutions, opportunities, and innovations, too.

The second NBC Neebo value gives us permission to do just that. Give me a drum roll please!  
Introducing the second NBC Neebo Value: We Promote Innovations by Asking Why and Challenging the Status Quo.

Let me give you a great example of a guy who was a master at challenging the status quo. Glen Bell loved the food business. He created delicious, quickly-served Bell Burgers, right alongside another pioneer restaurant started by two brothers named McDonald. When Mr. Bell realized the fast-food burger industry was becoming saturated, he knew the status quo would not be as profitable for him and his employees as he had hoped. So he looked for a completely new way to delight customers. He decided would serve tacos, a food few people knew about back then. The only tacos you could find were in sit-down restaurants, and made with large, floppy flour tortillas. So he challenged that status quo, too, and came up with the first hard-shell, easy-to-eat tacos. Today you know his company by the name Taco Bell. Look how challenging the status quo paid off for him!

But what if nothing's really wrong? It's STILL very important to challenge the status quo. Even if everything is working great, we can always be better. Besides, it's important to think ahead like Glen did, so we can be ready for changes in the industry including leaps ahead by our competitors. Your knowledge and ideas provide NBC Neebo with raw potential for the future! But if we don't discipline ourselves to use that knowledge regularly, if we don't tell anyone about it or do anything about it, those ideas just become unfulfilled potential. Like an end cap with nothing on the shelves. You're not going to sell any product that way!

The only way to access the potential of those ideas and make them useable for the well-being of our guests and our company is to open the door on the challenging of status quo. Make it okay to question the way we are doing things. Encourage EACH AND EVERY person to challenge what we're doing and find even better ways to bring value to customers. We want people to feel comfortable thinking about this and sharing ideas, because we know it will make our company stronger. Ripples of innovation are some of the strongest and most inspiring ripples of all.

It's easier said than done, isn't it? It's human nature to resist challenging the status quo. For one thing, it means taking a personal risk. What if someone thinks our idea is dumb or we offend the wrong person? It also means going against other forces that strongly support the status quo. Other departments might

have agendas that conflict with ours, for example. It also can be difficult to find the time and energy to innovate. Worse yet, our work environment might directly or indirectly discourage questioning of the status quo.

One reason challenging the status quo is uncomfortable is that it means we are inviting change. And change can be difficult in lots of ways. Again, it takes energy and time to carry out changes. Changing means tackling the unknown, which everyone knows is a bit scary in itself. And change sometimes means losses of different kinds. For all of those reasons, it's human nature to resist change and resist challenging the status quo. That is, unless you are like some people I know who like to rock the boat every chance they get! Right, [name]!

But there's another side to change: opportunity and potential and fulfillment. Disciplining ourselves to challenge the status quo could be the very thing that leads us to greater happiness in our jobs. It also could lead us to the domination of our market, which consequently means job security for all of us, and who can argue with that?

The key is to work through the discomfort of change, with the knowledge that you are doing it for a good reason in the long run. Even though it's uncomfortable, you do it anyway. Just like athletes who work through physical pain to achieve gain. They keep their eye on the ultimate goal and push aside the pain mentally. We can do that, too.

You've heard Steve talk about this many times before. It's never acceptable to keep doing things the way we are doing them just because it's comfortable and just because we've always done it that way. We have to keep stretching forward to stay healthy. As C.S. Lewis pointed out, eggs can't fly until they're hatched. "We must be hatched or go bad," he said.

This is a great metaphor for NBC Neebo and where we are in the life of our company right now. We are leaders in our industry, but if we just sit here and do nothing new, we will soon be passed up by competitors because there is no doubt THEY are hatching new ideas that will allow THEM to fly.

If you are unsure how to challenge the status quo, I can help you with that—all you have to do is refer to our second NBC Neebo value. Begin by asking "Why?". Remember Nate's speech about Why in San Antonio? We were given permission to ask WHY we do what we do and come up with new, better ideas, rather than just complaining and being miserable.

As a leader in your own area, you are the captain of "Why?" You should not only be regularly questioning the status quo, but you should be teaching your team to do it. Anyone in our company has permission to challenge the status quo, and we want to promote that. An administrative assistant in the home office could be questioning the way her boss communicates with other people, whether or not there seems to be a problem. Is there a better way to do it? What if they communicated by text instead of email, since most people now have smart phones? We might be more likely to get feedback. Is there an even better way to communicate?

If you are a store leader, what "Why?" questions could you be asking? Write down what comes to mind right now, so you can share it with your small group later. Maybe you'll ask "Why do we have so many of one sku on the shelf?" If it's only because the item was over-ordered, maybe that shelf space could be used for something more profitable.

What are “Why?” questions your team members could be asking? Teach your cashiers to question point of purchase merchandise based on what they see people responding to. Teach your stockers to question why fixtures are set up the way they are. Teach marketing people to ask why we use certain marketing channels.

And don’t ask why just once. It’s critical to make it a part of every day. You should keep the question “Why?” in your pocket, so you can pull it out anytime and use it to make your branch of NBC Neebo better than ever.

Of course, the most important part of this is taking action. Answers to the question “Why?” will lead us to innovation. Innovation is more than making changes by introducing new products and processes. In business, innovation should have more energy than that. If you look at the synonyms for the word innovation, you start getting the idea: alteration, revolution, upheaval, transformation, metamorphosis, breakthrough. THOSE are the kinds of powerful innovations asking why and challenging the status quo can lead to. Innovation, as it ripples through every department of our company, is the secret ingredient that can take us into the future as the leader in our industry for another century.

Let’s go back to Mr. Bell for a moment. The story goes, when he was in the parking lot of a McDonald’s restaurant one day a thought came to mind—a way to better serve customers by serving them faster. It was his idea to cut a window in the wall of the store and serve food to walk-up customers. There was nothing wrong with his business the way it was. But look what an impact that one idea had on our world. How many of you have ordered food and picked it up from a drive-through window in the past couple of weeks. Can I see a show of hands? That’s the kind of impact one idea can have.

For all these reasons, you and your team hereby have permission from the powers that be to question the way we are doing things and help us find better ways. I challenge you to be an agent of change in your corner of NBC Neebo, and to teach your team members how to be agents of change. What’s your version of the hard-shell taco and the drive-through window? It doesn’t need to be a dramatic change. Any little innovation will ripple through our world just fine.