

## Chapter 1

# Integrative Thinking 2.0

In *The LEGO Movie*, there is a joke that always makes Jørgen Vig Knudstorp laugh. The hero of the movie, a workaday minifig named Emmett, is admiring Batman’s awesome plane. “Could you make one of these in orange?” Emmett asks. “I only work in black,” Batman growls back. “And sometimes, very, very dark gray.”<sup>1</sup>

Given Batman’s well-known penchant for all things dark, it’s a funny line to comic book fans. But for Knudstorp, the lanky, bearded, bespectacled CEO of the LEGO Group, it’s funny for a whole other reason. “When I became CEO, I was this young, former McKinsey consultant—you know, Mister Business,” Knudstorp says.<sup>2</sup> He was the first outsider, and the first person outside the family, to run the Danish toy company in its eighty-year history. His daunting job was to turn around a beloved organization that was losing money. He began by cutting jobs and rationalizing the company’s product line. “We had thirteen thousand different colors and shape variations,” he recalls. “With that level of variation, we never had inventory and often struggled to replenish our customers.”

One of the colors slated to be cut was Old Gray. It was a very, very dark gray that seemed redundant, given that the company would continue to sell black bricks and the lighter Standard Gray. The brand's fans—found online on the LUGNET, an early LEGO product users group network—were furious. It turns out these adult master builders used Old Gray as a shadow element when building castles, statues, and skyscrapers. Knudstorp spent a good deal of time online defending his decision, coming to understand LEGO's most passionate fans in the process. ("I was connecting with the fans for the first time. I was having that dialogue, which I probably did not win," he says with a laugh.)

Knudstorp sees Batman's quip, at least in part, as a nod to his own early fight over very, very dark gray. To him, it shows how much the filmmakers came to understand the essence of the LEGO brand: the joy of building as embodied in those master builders. It was a journey of great personal importance to Knudstorp in his role as a key guardian of the LEGO brand.

Now a little background. LEGO Group's core business is its little stackable plastic bricks. But it has also had, since 1999, a highly profitable licensing business. At first, licensing meant deals that enabled LEGO Group to make constructor kits and minifigures based on beloved franchises like the *Star Wars* films and the Harry Potter series. Beyond the bricks, the company soon began extending these partnerships into original entertainment, partnering to produce films, TV shows, and video games. By about 2005, some of the short films, such as *LEGO Star Wars: Revenge of the Brick*, had become massively successful. Eventually the idea of an original LEGO feature film made its way to the company's brand and innovation board. Knudstorp recalls, "I think we all sort of thought, 'This is a little crazy. Why would anybody do that?'" Nonetheless, the group gave the go-ahead to explore the idea and signed an option deal with a Hollywood studio.

But board members remained wary. The company had had great success with branded entertainment, partnering with many of the

most powerful entertainment brands in the world. But its own early foray in feature-length films, 2010's direct-to-DVD film *LEGO: The Adventures of Clutch Powers*, had been disappointing. "It was so brand true," Knudstorp explains. "It was so loyal to LEGO. The good guy was called Kjeld [after LEGO Group chairman Kjeld Kirk Kristiansen]. But, really, it was boring. It was so true, it had no edge."

## MAKING A GREAT FILM

From this experience, Knudstorp learned that LEGO Group might not be in the best position to tell its own story. He likens the situation to the task of a screenwriter adapting a book: what works on the page doesn't always work on the screen. "If you want somebody to write a great movie script, and then direct a great movie that is based on the book, one of the first things they will do is violate the book," he says. "Maybe there's an uncle that plays a main role in a novel that's three hundred pages long. But when you make the movie, it's one-and-a-half hours, and there's no room for the uncle. So he disappears." The essence of the book remains, but it is recrafted for its new context. "Normally you would never have the book's author script a movie or a video game," he says. The author is too close to the book, too tied to her own words and vision to effectively adapt the book to a new context.

The same held true for the LEGO brand. "It does not work that LEGO Group says what the movie should be all about, because we become too dogmatic," Knudstorp says. "We become too clinical about it. Because we're not good at writing movies. That's not our business."

### Two Extreme Models

The problem, then, is how to make a great film based on the LEGO brand. There are many possible models for proceeding in partnership, but for the moment let's consider two extremes. On the one hand,

LEGO Group could maintain total creative control, hiring screenwriters and directors to execute based on a corporate vision for the film. Although this approach would ensure that the LEGO brand was protected, it would also mean that no top-tier talent would come near the project. With no freedom to play, the film would be an unappealing gig for the best screenwriters and directors, who struggle with the idea of being beholden to producers and studios, let alone to a big corporation. Moreover, this was essentially the strategy that had produced the lackluster *Clutch Powers* film.

On the other hand, LEGO Group could cede all control to the filmmakers, letting the Hollywood team have full creative rights over the characters and story, including how the brand was depicted. This approach could attract great talent and produce a successful film. But it would also put the brand at risk, giving outsiders the opportunity to do lasting damage to the equity of the LEGO brand, depending on how it was depicted.

Neither choice filled Knudstorp and his board with confidence. As they weighed the possibilities, they came to recognize that they needed a new choice. What they really wanted was a movie that was a creative triumph and one that would elevate the LEGO brand. The key to a great movie is great talent, so ceding creative control was essential. How, then, might Knudstorp and his senior team ensure that the creative outsiders would treat the brand with the right amount of love and just enough irreverence? It would be a tricky balance, to be sure.

### A Tricky Balance

Knudstorp needed to turn the outsiders into insiders, but in a way that did not compromise the quality of the work. He explains how it was done: “We actually gave the producer and the screenwriters

at Warner Bros. complete degrees of freedom in coming up with a script. We had every opportunity to read it and comment, but we had no rights over it.” LEGO Group leaders had to trust that it was in the team’s best interest to make a film that captured the essence of the LEGO brand. After all, if it failed to do so, the movie would ultimately fail with fans. So Knudstorp decided to make it easy for the filmmaker to do right by the brand, to embrace the LEGO brand the way a fan does.

To achieve that, he insisted that Phil Lord and Christopher Miller, the creative team, spend time with LEGO’s superfans—kids, yes, but also the adults who had given Knudstorp so much trouble over *Old Gray*. Knudstorp remembers.

*I said to them, “You need to see these guys. You need to talk to them. You need to attend the conventions with me. You need to read the letters”—we get thousands of letters from children of all ages—“and you need to come to our consumer contact centers and sit next to the LEGO employees. You need to go to the LEGO stores, talk to the staff and understand how real LEGO product fans talk.” [The filmmakers] willingly did that and, of course, spent a lot of time with our designers. I think they were genuinely surprised about how powerful the brand is and how meaningful it is.*

By connecting Lord and Miller with real LEGO customers, Knudstorp helped them not only to understand the brand but also to fall in love with it themselves.

Even better, the stories from customers helped inform the plot of the film (and not only when it comes to Batman’s joke). The filmmakers learned, for instance, that “one of the things that is very important

in the fan community is that you never use glue,” Knudstorp explains. “That’s an absolute no-go for a true LEGO fan.” A true LEGO fan never uses glue because the essence of LEGO products is the ability to build and rebuild, to imagine and make new. Lord and Miller picked up on the theme and (spoiler alert) made glue a central part of the film.

*The LEGO Movie* was a smash success. It made more than \$450 million at the global box office and boosted LEGO Group sales by double digits on the strength of movie-themed merchandise, including minifigs of Emmett and Batman. By the end of 2014, LEGO Group was the most profitable toy company in the world.

### A New Answer

The path to the success of *The LEGO Movie* included a different kind of problem-solving process, one focused on opposing ideas and opportunities rather than on right answers and hard choices. As Knudstorp told CNN in 2014, “When you’re a CEO, you’re sort of forced all the time to have a simple hypothesis. You know, there’s one answer . . . [But] instead of reducing everything to one hypothesis, you may actually get wiser if you can contain multiple hypotheses. You notice trade-offs, and you notice opportunities.”<sup>3</sup> You give yourself a chance, as Knudstorp observes, to use dueling hypotheses to create a superior answer.

This is the heart of integrative thinking, an idea Roger first explored in his 2007 book *The Opposable Mind: How Successful Leaders Win Through Integrative Thinking*. In it, he describes integrative thinking as a way of thinking that enables the creation of new answers to our toughest problems, a process that uses the tension of opposing ideas to help create transformative new answers.

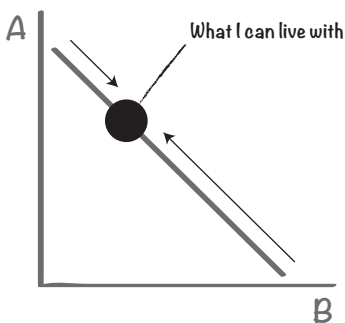
In Knudstorp’s case, he used the tension of opposing choices to create an answer that far more effectively solved his problem than either

of his initial alternatives did. The choices in tension were that, on the one hand, he could insist on creative control to protect the LEGO brand but meaningfully diminish the likelihood that serious artists would be willing to take part; on the other hand, he could cede all control of the film to ensure that it would have the great talent needed to make it creatively successful, but in the process put his firm's reputation at risk.

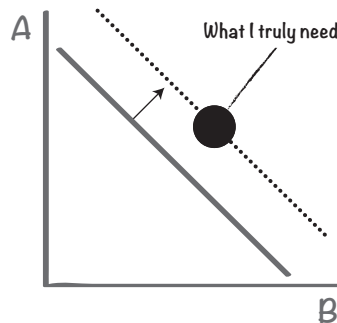
Many leaders would see this is an optimization problem: How much control do I have to give up to attract just enough talent to make the film a good one? Knudstorp rejected that way of thinking. He wanted an outstanding film, and he wanted one that not only supported but grew the LEGO brand. He framed his challenge as one of integration rather than optimization. He wanted an answer that would give him the best of both worlds rather than a weak compromise between the two (see figure 1-1). In other words, he saw it as his job to create a new, superior answer rather than to choose between suboptimal options.

## Figure 1-1. Optimizing and Integrating

**Optimizing:**  
Trading off to find the point between choices A and B that I can live with



**Integrating:**  
Taking the best of choices A and B and creatively reconfiguring them to create new value



## MAKING CHOICES OR CREATING CHOICES

How often do you make choices? Really *make* them? Or how often do you instead accept one of the choices handed to you? Most of us settle, most of the time. When faced with a tough decision, we choose one of the options in front of us instead of creating an answer that solves the problem in a new, more successful way. Typically, we look at our options, assess their pros and cons, and choose the one that comes out a little bit ahead in the analysis.

It is natural to accept trade-offs. It fits with our understanding of the world and with the decision-making tools that derive from that understanding. We are taught early that life is hard. In the immortal words of the Rolling Stones, you can't always get what you want. So we learn to pick and choose. We analyze the options rather than generate new possibilities. We develop decision-making tools that are evaluative rather than creative. This is how the world works, and it becomes how we work within it.

Sometimes, if we're lucky, there is an obvious right answer—a solution that solves the problem and that all of us can agree on. But often, there is no obvious right answer and no single solution that will thrill everyone. Perhaps the options on the table solve only one part of the problem, addressing symptoms rather than causes. Or maybe the folks around the table disagree over which is the best answer, producing warring factions who support vastly different solutions. Or possibly there are multiple good answers, but choosing only one of them means giving up all that is worthwhile about the others.

In these cases, we often find ourselves making unhappy compromises, arguing with our peers, struggling to decide, and delaying meaningful action. We set off in search of a mythical right answer but find only suboptimal choices and compromises.



At LEGO Group, the choice between having a great film or a film that bolstered the LEGO brand was unacceptable. Knudstorp couldn't choose only one of these outcomes; he needed both in order to move ahead. To wind up with a movie that was great creatively and great for LEGO Group, he needed to design an answer that would give him the best of both worlds. So he did. He asked, "How might I design a model of engagement with the filmmakers that gives them the creative control they need, but does so in a way that fills me with confidence they will protect the brand?" Rather than compromise, proposing complex legal agreements and oversight meetings, he leveraged the master builders—the fans—whose infectious love of all things LEGO-related would inevitably transfer over to the filmmakers, making them fans as well. The resulting film has gone on to spread the fan base further than ever before.

## Mindset and Methodology

LEGO Group, of course, had a specific challenge and a particular context. Knudstorp was CEO, and a brilliant one at that. His situation, problem, and solution likely bear little resemblance to the day-to-day challenges you face at work. But the way he thought through the problem—his mindset and the methodology—apply far beyond LEGO Group's headquarters in Denmark. This mindset and methodology, and the tools that underlie them, are the subject of this book.

We begin and end with mindset. Knudstorp has a way of being in the world, a way of thinking through his most difficult choices, that stands in marked contrast to the way most of us think and make decisions. Why is that? And what can we learn from the flawed process most of us follow and the bad decisions most of us make? In chapter 2, you'll explore these questions, taking a look at the way our mental models—the lens through which we see and understand the world—influence our decision making. Through examples of

the biases and heuristics that unhelpfully influence thinking, you'll learn about some of the specific challenges we face when it comes to creating choices: that our thinking is implicit and rarely explicitly questioned; that our models of the world can be influenced by forces of which we are unaware; that once we see the world in one way, it can be hard to see it in any other way; that we default to simplistic models of the world and rely on basic heuristics to get through the day; and that we tend to seek out the single right answer to any given problem.

These limitations easily produce problem-solving approaches that are implicit, narrow, and flawed. They tend to create an insular mindset that discounts other people and their alternative points of view. And they tend to produce bad decisions. But don't lose hope; you'll also explore how the core tenet of integrative thinking—exploring the tension of opposing models—can help mitigate these limitations and improve your decisions.

Then, in chapter 3, we outline three missing components that might overcome the limitations of current decision-making processes and produce better outcomes: metacognition, empathy, and creativity. *Metacognition* is the ability to reflect on and understand our own thinking. To be more effective choice makers, we must be clear with ourselves and with others about our own thinking and what lies beneath the choices we make. *Empathy* is the ability to understand and appreciate the views of others. Other people see what we do not, so they're crucial to our ability to advance our understanding of the world. To overcome the limits of our existing approaches to decision making, we also need to learn to inquire deeply, genuinely, and respectfully into what other people think and why they think it.

Finally, effective decision making demands that we unleash *creativity* in small, repeatable ways. To us, this means generating and prototyping many varied ideas. This approach to creativity takes it from the realm of the mystical—something only for genius artists and entrepreneurs—to

the domain of a skill that can be learned through practice. With these three components as the base ingredients for an effective approach to decision making, you can lay the groundwork for a new way to think and work your way through difficult problems of almost any type.

## Step-by-Step

Part II of the book takes you step-by-step through the process of integrative thinking, explaining in detail how you can use integrative thinking to tackle your own problems and create great choices, rather than settle for weak compromises. First, in chapter 4, we briefly lay out the full methodology using a simple example to illustrate its four stages in action. Then we devote a chapter to each of the stages: articulating opposing models, examining the models, generating possibilities, and assessing prototypes.

Chapter 5 is all about understanding the problem. Here, you define the problem to be solved, identify two extreme and opposing solutions, sketch them to create a shared understanding, and finally delve into the benefits that they confer to your most important stakeholders. In this chapter, and at this stage of integrative thinking, you lay the foundation for all that follows by exploring the thinking behind your opposing answers. You'll also learn why the tension of opposing ideas is important, and you'll discover how to create that tension most effectively. Then you'll learn what to do in order to think differently about the choices in front of you.

Chapter 6 shifts to examining the models. In this stage, you seek to explicitly live in the tension created by the use of opposing answers. Your aim is to find possible leverage points toward a creative resolution of that tension. To help you do that, we provide a series of questions designed to probe ever deeper into the opposing answers and the tension between them. Using the Toronto International Film Festival as the central example, we explore the value of assessing

the true points of tension between the opposing answers, articulating key assumptions beneath them, and understanding the ways in which each produces its most important and valuable outcomes. In particular, we introduce a tool for thinking more deeply about cause-and-effect relationships to help produce insights about the opposing answers and open new possibilities for consideration. That is the next place to go after you examine the models: to generate possibilities that can resolve the tension between your opposing answers, creating great choices to solve your problem.

Generating new possibilities is the focus of chapter 7, which begins with the story of the founding of The Vanguard Group, Jack Bogle's great investment management firm. In this third stage of the process, you're seeking to create new choices. To offer a starting point, we provide three possible pathways toward differing integrative solutions. These approaches are based on consistent patterns we've seen in the ways that successful integrative thinkers go about generating their solutions.

These pathways are intended to serve as search mechanisms. They are three questions, essentially, to help frame your search for answers to the problem you're seeking to solve. Here, the goal is to create a number of possible answers that you can prototype, test, and improve as you move ahead. In this chapter, we include stories to illustrate what each pathway looks like in practice. The goal is not to provide templates to copy but rather to give you a richer understanding of how best to use these three questions to explore the possibilities in your own context.

The final stage of the integrative thinking process is detailed in chapter 8, where we turn to assessing new possibilities through prototyping and testing. This stage has three components: clearly defining your new possibilities (via design-thinking tools such as storytelling, visualization, and modeling); understanding the conditions under which each of your new possibilities would be a winning solution to

the problem you want to solve; and, finally, designing and conducting tests of the possibilities to help you choose among them. In this stage of the process, illustrated primarily with a story from Tennis Canada, you refine and improve the possibilities so that you can clarify the choice between them and begin implementing the great choice you've created.

The book closes with a final chapter on mindset. In it, we explore a way of being in the world that makes integrative thinking more doable, regardless of the specific situations in which you may find yourself. We use the story of Paul Polman, CEO of Unilever, to illustrate the implications of your stance for your ability to create great choices. We explore this foundational notion, discuss why an understanding of stance is important, and talk about the nature of an integrative thinking stance, all in order to provide the context for you to examine your own mindset. We end with mindset, just as we begin with it, to reinforce what we hope is a core theme of our work: that integrative thinking is itself a great choice, a way of being in the world that opens new possibilities where previously none existed.

In the end, this book was designed to be a practical user's guide to integrative thinking. Sprinkled throughout its pages, you will find thought experiments and tasks intended to push you to try out the theory, tools, and process for yourself, along with templates to use when you're working on a real-world problem with your team. Our goal is to share with you all we have learned about creating great choices and to provide you with the tools you need to do so.