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Stanford business Professor Chip Heath discusses how certain moments we all experience - the first day at a new job, finishing a difficult project - don't feel as special as they should, and how we can make them much more memorable with a few simple touches. In conversation with Stanford Professor of the Practice Tina Seelig, Heath shares insights from his new book, "The Power of Moments: Why Certain Experiences Have Extraordinary Impact."



## Transcript

(upbeat electronic music) - Who you are defines how you build.. Today we have a super special guest, I'm so delighted that we have Chip Heath here, I've known him for many years, and I am a big fan of his work, he's written extensively about human behavior in the context of organizations, he's a professor at the business school right across campus, and he's the co-author with his brother of several really interesting books, one is called Decisive, How to Make Better Decisions in Life and Work, Switch, How to Change Things When Change is Hard, Made to Stick, Why Some Ideas Survive and Others Don't, and his newest book, The Power of Moments.. I'll tell you that I love this book, I got an early copy of it, and I started reading and couldn't put it down, it's honestly I think one of the most important books you've written.. - Thank you.. I want to suggest John Grisham though for books that you can't put down.. - Well I really loved it and I thought it was really important.. So I'd love to know what motivated you to write this book with your brother.. - So Dan and I are 10 years apart, this has been a kind of family bonding experience for us to work together, and so we get together at mom and dad's house typically when we're working on a book, and we taught a couple of other concepts, they weren't working very well, and at one point Dan said, "What does it mean when people say "that there is a defining moment, "a defining moment in life, "a defining moment in career?" And we started exploring that, and pretty quickly we became fascinated with this idea that sometimes in our life are more impactful than others, and so there are certain moments in a vacation that stand out in a vacation, but there are also certain moments in your university career that stand out, and it turns out if we ask you five years or 10 years from now those of you that are still undergraduates, what do you remember from your college career? 40 percent of your memories would come from the first six weeks of freshman year, that's what studies show, and why is that an impactful time? Well it's the first time you're on your own, it's the first time you're doing things by yourself, you're going out to a party, and nobody is checking up on you when you're coming home, people remember graduation, but junior year is like a black hole of a memory, nobody remembers anything from junior year, so juniors work on that, try to do something that is memorable, maybe it's a good argument for studying overseas.. And so it occurred to us that some things stick with us and some things don't, and some things matter, why don't we take more control of that, and what could we do as a business to create defining moment for customers, for ourselves and our families.. - I love the fact that you use an acronym and in the book you kind of throw it out because you think it's a little bit gimmicky, but I love the acronym, because it really helps me, the acronym is EPIC, for elevation, insight, pride and connection, can you talk about this, because I think what you're trying to get at is that there are certain moments in our life where we are primed to have a defining moment, and that one can leverage that to actually make them even more valuable..

- So what we found after asking lots of people what are the moments that matter to you most in your career, or what were the moments that matter to you most as a family, what were the moments from your last vacation that stood out, there were certain things that came up again and again, and that's where EPIC came from, and we don't like that because not all of the moments that we're talking about in the framework have to be epic, and we can't resist hearing that surfer dude saying epic, but that's the frame rate.. Elevation is moments of sensory experience, so if you've ever stood in National Park and seen the beautiful views, that's a moment of elevation, if you've ever seen a fireworks show, if you've enjoyed a favorite food, birthday cupcakes are the classic distillation of sensory experience, you got sugar, fat and flame all in one little compact object.. P, Pride, moments of pride are moments when we set out to achieve something and we actually achieve it, and the moment someone actually recognizes you for that, so certain professions like military people are smart enough to wear uniforms that signal their pride in their position, they have a chest full of medals that show you the experiences and the skills that they have acquired, that's a source of pride, but basically whenever somebody says I saw what you did and I really appreciate it, that's a

moment of pride, and those stick out in our mind.. Insight, moments of insight are not always pleasurable, that's one of the mistakes we make in talking about consumer experiences is that they all have to be delightful, there are lots of moment if insight that are oh no moments, and so we might decide this is not the job for us, or I've stretched myself too far on this project.. But moments of insight are powerful because they tell you something different you can do for your life or your business or the game that you're playing, and so those moments are important, and then finally connection, and these are the most profound moments in life, moments with our families with our friends, with work colleagues, and so feeling that bridge that connection with another person is tremendously valuable.. - So this is the entrepreneurial thought leader lecture series, and of course you are a thought leader, but a lot of these folks in the audience are hoping to be thought leaders in the future, leading organizations, leading teams, why is it important for someone in a leadership position to understand this, is this just about birthday cake and candles, or why an organization should be worried about defining moments? - Well I think there are certain moments when you can make a big impact on your employees or your customers, these are the tools you have available to you, so one of the stories I love from the book is John Deere, a classic American company who make tractors, and in this country a lot of people know of John Deere because most of us are only a couple of generations from people that actually farmed the ground, but in China and India is not that history and there's not that connection, so they took something that is an important moment of life that we typically don't honor too much, is the first day on the job, and I don't know about you in your last job, but the typical experience I think of the first day on the job, is that you show up, and the person at the reception desk is really happy to see you but the actually thought you were coming in early next week, so somebody will stop by and rescue you and take you to your cubicle, the monitor is there that the CPU unit isn't hooked up, and the person is late for a meeting and so they drop you off and grab for an employee manual that is sitting in the cubicle from the last owner, and say here why don't you look through this for a while, so you spend your morning reading expense reimbursement policy, and assorted other technical things, finally somebody right before lunch takes pity on you and whisks you around the office to meet 23 people who are themselves late for a meeting or late for lunch and so you feel a little guilty for interrupting them.. It's not an optimum experience for a first day, and so what John Deere said is, let's design this so that it makes an impact on people, and you only have one first day on your job, so what is, they found everybody texting buddy, and so you're texting back and forth to this person, and they tell you how to get to the location, they tell you how to dress for the first day, but you show up and they hand you your favorite beverage, so Caramel Latte or the Cha Latte, whatever it is you've been talking about, cost of work that into the text message, the monitors on the front wall have your name on it, they say welcome Chip Heath, and as the person takes you to your cubicle, There's a banner that stretches up above the cubicle farm, a couple of feet above, so people can look across and see that there are new people on the floor, and then stop by at their leisure during the day, the mantra is set up, it's hooked up, and it's showing beautiful screenshots of tractors, and you wouldn't think that there are beauty shots of tractors, but you get a tractor out in the sunset and plowing the last few rows before the evening, and it's a beautiful thing, and it's scrolling by, and you click the screensaver off, and your first email is there from the CEO of John Deere, and he appears in a little bit, he talks about the 175 year history of this company, this is a company that was founded by John Deere, he had a patent for a plow, that looks pretty innocuous, but it was a plow that was less likely to foul up with roots as you were plowing the ground, and over on the side of the desk there was actually a little toy model of the plow, and so you look at this thing and say 175 years ago John Deere got a patent for this because he saved farmers time, and allow them to plow more, and the CEO talks about the fact that this is a CEO that is devoted to helping the world add more food and more shelter, those are two needs that we desperately need, and he says welcome to the most important work that you'll ever do, and we hope you will have a long history with John Deere.. Your manager stops by right before lunch, and says I'd love to have lunch with you tomorrow, but today I'd like you to go to lunch with a few of your peers, So you meet up with four or five of your peers at lunch, they talk about the projects that they're working on, why they think they are important, and so if you think about the end of that day, with elevation, sensory experience, there's not a lot they are, but you get your favorite beverage in the morning, you get the model of the plow that you can pick up and hold in your hand, you get the beautiful shots of tractors, a lot more on pride and insight, you may not have known the history, the 175 year history of this company, you may not have thought about the fact that I'm doing work that I can be proud of, because I'm helping people eat, I'm helping people have shelter over their head, and connection is just off the charts, you get your texting buddy, You've got the people that you meet at lunch, you've got a first email from the CEO, and that's a good first day, and in fact the reaction was a lot of people who had been in the company before the start of this program, it was like can I quit so that I can go back and have this as my first day.. Now my question to all of us is why isn't every first day kind of like that? And I don't know how good we do orientation for freshmen, but was your freshman orientation like that? Even if it was, was your first orientation towards your major, because at some point you declare a major, and was that as good an overview of the major, was it as a motivating for inspiring you to what kind of career you could inspire to with a math degree or an electrical engineering degree or whatever it is, there are only a few opportunities that we have like that in life, why aren't we seizing all of them, and most people have seven to 10 jobs in life.. - Well I love that story, and I know Stanford does a big deal with the first day of school, they spent a lot of time designing that experience, but that's in the first day, how often do you need to have these to keep you motivated, is it something you should do something every month, a milestone every year, I'm gonna guess after the first day, if a year later you haven't had any more of these defining moments, it sort of dwindles in impact? - Yes and I think the answer to that is there is room for more, and I don't know what the bright limit is, because I don't think anybody is pushing that limit, so think about projects that we have, do we always take the time to celebrate the end of the project, and acknowledge why we did a good job on that, here's what we could have learnt from that, so looking for moments of insight, or looking for moments of connection with people, at the beginning of projects we don't always take the time to have dinner with people that we are about to work with, and exchange stories about what we liked and didn't like about previous projects..

So I think there are small ways and large ways, John Deere first day orientation is a big day, but if you're celebrating a

project that failed, why not have a miniature wake for the project, and drink beers and tell stories about the work that you put in, and celebrate it.. - We actually had a fabulous talk here, and maybe some people have seen it, where Astro Teller was here talking about at Google X, the process that they go through when the end a project, it's quite dramatic, so you might want to find out that story, it's a great, great example of creating quite an experience around ending a project.. I think it's also interesting about the little tiny things that you describe that can be done, my favorite example, and I'm sure that other people remember it also from the book is about the Popsicle phone, can you talk about that, because as a customer often there are things that you can do that dramatically change your experience with the company, with one little tiny thing that they did to really surprise you.. - Yeah at the time we were writing the book, there was a hotel that ranked on Trip Advisor's top three hotels of Los Angeles, and it's called the Magic Castle Hotel, now the number one hotel is the Hotel Bel Air, which is a Hollywood boutique hotel, massive pool, it has its own weather system because it's so large, the rooms have bespoke wood furniture, high thread count sheets you can control everything in the room, the drapes, the 3000 dollars stereo system with an iPad controller, the floor is heated which is absolutely critical in those terrible horrific Hollywood winters, so that's the Hotel Bel Air.. Number three is the Four Seasons, and what's not in the top three, is The W, The Ritz, all kinds of brands that have there own Los Angeles hotel, number two is Magic Castle Hotel, you look at it, and it looks suspiciously like a 1960s apartment building, because it is a 1960s apartment building in canary yellow, the pool is nowhere near the size of the Hotel Bel Air, the rooms are more IKEA than bespoke wood furniture, there is a controller that you can use to control the lights and drapes, you say to your child, Honey could you get up and get the lights for me, voice activated, it works, but the Magic Castle Hotel is not nearly the physical plan you would expect from a number two hotel, but what is true is, if you go to the snack bar in your room, there's a long list of things that you can order from the front office, it has KitKat's, it has cracker jacks, it has grape soda, it has cream soda, it has 30 things that are available all for free, and if you've ever made the mistake of having salt craving at night, and having the cashews, and realizing you wasted up to a sixth of your tuition for that quarter, this is a very different experience, but the things people always remark on, is by the pool, there's a phone, a red phone, it looks like a Cold War era relic that the president of the United States could use to call the premiere of the Soviet Union, and if you walk over and pick up the red phone, well above the red phone is this thing, sign painted it says Popsicle Hotline, so you walk over and you pick up the red phone, and the voice on the other end says we'll be right out.. And a few minutes later somebody walks out of the front office with white gloves carrying a silver tray and they pass popsicles around the pool, and the kids are beaming, the adults are beaming, there is no better recipe for happiness than a cold Popsicle on a warm Los Angeles afternoon, and what's remarkable about that, what's remarkable about the snack foods, is they are less than the Hotel Bel Air spends on chlorine tablets for their massive pool, they are creating happiness, and they do it reliably and systematically, if you check into the Magic Castle Hotel, the desk clerk is primed to ask you is there a special event that you're celebrating here, and occasionally people say, we're here for John's birthday, well in the back, there's a person who's eavesdropping, and if they say something, like you're celebrating John's birthday, there are a set of cakes in the back, and some cake decorating equipment, so they quickly scrawl happy birthday John, they grab some of the balloons are already inflated there, and the practices, they do room dashes, practice getting to the room with the cake and the balloons without spilling anything, you walk into the room, and the couple that has just introduced themselves five minutes earlier to the front desk, they walked in and there are balloons there, there's a cake that says happy birthday John, and they go, how did they do that? That's magic, that's magic, and that's what they're going for, those wild moments, the amazing thing is once you see what they're doing it's so easy, I walk into hotels all the time, the Hilton, the Merriott in San Francisco looks just like the one in New Orleans, it looks just like the one in Boston, why don't we walk into every hotel room and there's a drink and a snack that exemplifies local cuisine that you can only get there, why shouldn't we have a sense of place about things, so Magic Castle is doing stunning work very inexpensively just thinking about moments of elevation.. - I love it, I think those are things we can do every day, we can do for our friends and family right? So can you do it for yourself, can you decide to create your own defining moments, or do someone else has to do it for you? - I think if you're not creating your defining moments, you're missing opportunities, and especially in graduate school, the ability that you have to meet interesting people on a university campus like this, that ought to be a source of lots of defining moments.. The time that we take with friends, and this is not easy, because it's hard to coordinate schedules especially with busy people, but if you don't take a road trip with friends every once in a while, and do something unusual, you're not taking advantage of the time that you have in graduate school, so go see the Northern Lines, go to Iceland and stay in an ice castle, and you may think I don't have enough money to do this, but your credit card is already highly leveraged, and what finance professors will tell you, is that there is this life-cycle of income, that says you are going to be making good salaries in a few years, the amount that you have on your credit card now, you're gonna be able to pay it off eventually, so charge extra.. - [Tina] I'll keep that in mind.. - A business school professor just give you permission to do that..

- I'm thinking going back to organizations, I love that, I'm gonna start creating more moments in my life, but let's say you're running an organization, should you actually have a chief experience officer, somebody, we're now starting to get people who have roles who look at the business from different perspectives, whether it's security or innovation, shouldn't there be a chief defining moments officer.. - I think the chief HR officer ought to be the chief experience officer, because your employees deserve moments in their careers that are celebrated and rewarded, I mean when people become managers, there's a big shift that you make from being an individual contributor to working through others, so you have the whistle, the coach whistle award, that is given to people that says, this is the moment I shift from being on the field to being off the field, and helping others achieving their careers, so the chief human resource officer ought to be chief experience officer.. Chief financial officer ought to be chief experience officer, because the amount available, we put a study in the book, for every person that you can move from neutral about your product to a 10 out of 10, really positive fan, you earn nine dollars for that person, for every person you move from dissatisfied to neutral, if you could solve all their problems you'd earn one buck, as

opposed to earning nine dollars for making the neutral people more satisfied, chief financial officer if they want to be serious about revenues, ought to be thinking about moving all the people that are whelmed by the product, neutral about the product, all the way up to raving fans, the chief operating officer ought to be thinking about routines for this, but look the CEO, the chief experience officer ought to be the CEO, the chief executive officer, because that's what your organization is delivering, and no matter what domain you're in, you are delivering experiences to your customers or clients, and that shouldn't be a separated audience, so I'm gonna get the chief experience officer.. - Well the point is we all should be, I think that's the point, that we all should be looking at that, everything we're doing and saying how could I optimize this experience for myself, for my team, for my customers, are there some things that can't be optimized? Some experiences, that you know what, we've just got to write that off, or can everything be? - I like to run the thought, and I'm an author, and I've been thinking about experiences, so of course I'm gonna believe that everything can be optimized, but let's take one of the most basic moments that we have in our culture, which is happy birthday parties, we do a pretty good job of them, we've got elevation, we've got the cupcakes they are, we've got music there, we sing songs to people, we bring together their friends and family to celebrate the birthday, but imagine if you added one or two other elements of the framework to that moment, so insight, how would you get insight on your birthday? Suppose you had filled out every year of your life on your birthday, a little note to yourself about what you learned that year, I think it would be fascinating to go back and look at what did my eight year old self say was the most important thing I learned that year, or what did my 25 year old self say, I shudder to think what I would have learned in some of those years, but I think that would be a moment that would make a birthday more meaningful, time capsules, if you're a parent, some parents are smart enough to mark the height of their kids on the door sill, so that you can see how much you have grown in the last year, what if you have a time capsule for your kids that you put together every year that had a maths homework, and a list of their friends, and a list of the shows that they watch, and they could look back two years and say, that Math was so easy, and I was still watching My Little Pony, can you believe how much that I've grown.. So I think if we took some of these principles and build them into even good events, we might have potential for creating even better events.. - Great, in a couple of minutes I'm gonna open up for questions, so you can start thinking of your burning questions.. So why do you create defining moments, some of these things are making you more comfortable, but some of them make you uncomfortable, they get you out of your comfort zone, and you're doing something different, is there a trade-off between feeling alive, and feeling comfortable, is a significant part of creating defining moments just getting you off your defined path? - I think that's part of it, so doing something novel is always good to make something memorable and remarkable, and I also like the insight bit, it's not always positive moments, so one of the most popular courses at Harvard, is actually run at the Career Counseling Center, and one of the things that they do with audiences like you, and especially those of you that want to be entrepreneurs, as they say what are your goals for the next five or 10 years, and everybody writes down their goals.. Then they have this exercise where they say, pick up your calendar or your phone, whatever mechanism you use to keep your calendar, look at the last two weeks, shade in the times during those last two weeks when you were pursuing that five year or 10 year goal, and people do that exercise, and it's like, oh no, I had nothing in the last two weeks pursuing that five year goal, that's not a positive moment of delight, but it is a profound moment, because we realize how little, unless we take time, how little we are pursuing the goals that we say that we want to pursue in the course of a normal existence, so I think defining moments are moments that change our trajectory, and lead us towards goodness, but they are not always positive.. - I'm thinking when I was reading the book, I was thinking of an experience I had being in Paris, and being on the big Ferris wheel in Paris, and getting stuck at the top in the middle of a lightning storm, that was a defining moment, so I'm gonna guess, how many people in the room had been on a vacation in the most memorable experience was something like you had a flat tire, or you got lost, or you lost your wallet, these are moments you remember and recount to people, so often those moments are ones that you might not want to believe, but are ones that were very memorable.. - Yeah and I think especially the military knows this for sure, because Boot Camp is filled with negative moments, that binds you with other people who are going through them at the same time, so if you're a manager and you're in charge of a group in the future, taking the time to celebrate those miserable times that you spent together during the last crunch for a deadline, or the late nights, those are the sorts of stories that are going to bond you to your colleagues..

- You know it's interesting, I always in my classes on the team projects I always make them do it at nine in the morning, as opposed to nine the prior night, because it means it's more likely the kids are gonna stay up all night doing it.. - Clever.. - And of course they could have done it at nine at night, and submitted it, but most work all night getting it done, and that changes dramatically their experience of the project, because they did something that felt really hard together.. - And it's good preparation for life in Silicon Valley.. - It's just a little tweak that changed their relationship with the project.. So let's see, the first question from the audience, who's got something yes? - [Woman] Thanks for giving the talk, so I think over the last 150 to 200 years we've seen a progression in value from commodities, goods, services and now experiences, as experiences potentially become more commoditized what's the next stage? - Can you repeat the question? - So the question is, we've had a shift in the economy from what was it products? - [Woman] So commodities, goods, services and now experiences.. - Commodities, goods, services and now experiences, and the question of what's next after experiences, if you'll forgive me because I just finished a book on experiences and published it last fall, I'm not quite ready for experiences to be done yet, and I think there's a long way to go on experiences, I mean we are not celebrating, we are not making moments of most of the things that we should make, so you don't get a note from the bank when you pay down half your mortgage saying congratulations you've paid down half your mortgage.. Teachers and classrooms in elementary school, are probably not celebrating the five hundredth book read by the class in the school year, there are lots of opportunities for experiences that we are not taking advantages of, so I haven't thought about what's next, I love the question, but we have some work to do on experiences first.. - [Woman] We'll talk again.. - Are there ways to make bad experiences less memorable? Let's say somebody is going into the hospital, having some terrible thing happen to them, and they really want to make it less of a defining

moment..

- I think it's a great question and it's one that we largely punted on in the book, because we don't want to systematically create bad experiences for people, but there are some hints, and there's a very interesting literature, you've heard of post-traumatic stress, there's an interesting literature that have studied people that have had awful things happen to them, health problems or natural disasters, accidents, and have rebounded from that, and it's called post-traumatic growth, and the post-traumatic growth literature if you read it through the lens of what makes defining moments, is interesting, because for example they'll say one thing I learned in the hospital, while struggling with cancer radiation and chemotherapy, is that the small comforts, the small pleasures were really meaningful, so a dessert but somebody brought me and it tasted good, or the hot towels the nurses would bring around at night that smelt like lavender, those are sensory experiences that in the midst of that hospital experience are powerful for people.. I don't know if there are dieticians at hospitals, but I think the last time you need a dietician involved in the thing is hospitals, because what you ought to feed people is ice cream, cheese.. - [Tina] Chocolate.. - Whatever feels good, chocolate is wonderful, but if you listen to people who've gone through those truth dramatic growth, they say connection is really important, but I learnt who my friends and people I could count on really were, moments of pride from achieving a course of treatment, so I think some of the same principles will help us get through even bad events that we don't talk a lot about in the book.. - That's a really interesting insight, do we have another question, yes? - [Man] So I think I was wanting to build on another question, but the comments I think from hospitals I've seen there are spirituality and meditation groups and stuff, but to our question, if you keep yourself in the realm of experiences, and not wanting to do the next thing, in experiences, do you think different experiences that are coming up now, classifications, things are changing, types of experiences, could you elaborate on that? - So the question is are there changing types of experiences, I think I've got a vote for what needs to change, and it relates to the conversation we had earlier about all experiences, all defining moments positive, we spent a lot of time in consumer experiences, talking about moments of delight, so that the Magic Castle, the Popsicle hotline, the free snacks from the snack bar, but I think moments of insight, and especially in B2B context are very powerful, so an interesting book came out a couple of years ago called The Challenger Sale, and we typically think of salespeople as managing a relationship, so they are there for you, there they are 24 seven, they are responsive, and there are an important subset of sales people that score high on that dimension, just service orientation, but the salespeople that are most valued by companies, the CEO of the company says this was the most meaningful sales relationship I had, are actually what they call Challenger salespeople, and Challenger salespeople are not there for you 24 seven, they are there challenging you in your picture of your business, in your picture of your industry, and what the ratings say is that these Challenger salespeople are highly valued by customers and clients, they say it's because they change the way that I thought about my business, I thought I was doing this, but they pointed out I'm also doing that, and I need some additional tools for doing that, they showed me some things about the industry that I hadn't known before, so being able to bring that moment of insight, even if that insight is sometimes painful for people who are receiving it, that's a very valuable thing, and I think that's the place I would push us, is think about what are the experiences that matter in all forms, all emotions, so what experience connection, what are the experiences that lead to loyalty, it's not clear that those are always the positive emotion experiences, they are a sensation of people caring for us, so my favorite example of that, is why should I log onto Yelp every time, so I'm a foodie, and every time I'm in a new town, I open up Yelp and I search for restaurants, and every time I have to take their sort, which is some combination of value plus distance plus advertising revenues or whatever it is, and say I want to sort it by rating, because I'm willing to drive an extra mile to eat the finest burrito or the best Thai in the city, even though I'm from Texas, I've never once clicked on a stake place, so why in every town do I have to ignore 10 steak places that show up in the rankings, because I'm never gonna click on them.. Our technology, we spend a lot of time talking about machine learning and artificial intelligence in big data, there are patterns of behavior that we have with our technology that are not being picked up, even though we do them every single time, every single time I log into Expedia, I have to tell it I don't want to see the one-stop flights, I want to see the non-stop flights, and by the way helpfully in the first ranking they show you the two plus stop flights, who takes those? Travel masochists, who want to stop in lots of places on the way to their destination.. - They are creating experiences along the way.. - They are creating experiences, walking up and down that jet bridge is really exciting.. So why should I have to tell Yelp or Expedia every time, non-stop flights, sort them by departure time as opposed to by price, that's ways that technology could benefit from us, and all of those are ways of establishing connection, I understand you, I'm hearing you, it's not a big aha wow moment of delight, like the Popsicle hotline, it's a constant reliable think the technology is either doing or not doing to tell us we are understood and we are valued.. - So this begs the question now how do you know which experiences to amplify and to optimize, we have a thousand experiences during the day, you get up, you brush your teeth, you take a shower, you have your breakfast, you exercise, you commute to work, there are an infinite number of things that happen, how do you choose which ones, whether it's in your work or your personal life, this is the one that I should really focus on? - I don't know the answer to that question in general, but what I will challenge you to do is to spend time experimenting, and luckily there's so much room to experiment, I think you're going to hit something pretty quick, so for example when we talk to companies about how much time they spend solving problems, fixing problems as opposed to creating upside experiences, the typical ratio, the median and the mode, is to say we spend 80 percent of our time fixing problems, and 20 percent of our time thinking about upside..

If your company has only spent 20 percent of its time thinking about upside, there are lots of opportunities, pick one, pick two, and start experimenting, and I think what you'll see is there should be a very fast feedback cycle, because when you get one of these moments with the Popsicle hotline, you're going to see such a dramatic change in the customer's reactions, that you know very quickly if you're onto something.. - Yeah I think of an experience that I've had, that dramatically affected me, I wonder if you've seen it, I've actually now seen at a few other places, a restaurant, you get to the end of the meal, and give

you a little bag of granola, or a little muffin for breakfast, you go wow, they've just created something that costs practically nothing, that I know the next morning I'm going to get up and the meal essentially continues.. - That's beautiful, and your thinking back to the restaurant the previous night.. Yeah I think we miss all kinds of opportunities like that, why doesn't every restaurant present you with boost taste whatever the restaurant is, and I've gone to restaurants a couple of times and that happens, and you just feel warmly about that restaurant from the very start of the meal, just because they brought you a little vegetable appetizer.. - [Tina] Yeah something, a question right here.. - [Man] Why do we need these moments, or to put it differently, did we lose the ability to experience these moments? - Say the last part of your question again.. - Did we lose somewhere in history the ability to experience of these moments, why do we need these moments? - I guess the question is, you're thinking that maybe we have lost our ability, and we need to sort of amplify what we're doing, because people in their everyday life are not experiencing things fully.. Yeah I think what our brains are designed to do is highlight pools of opportunity and pools of pain, so what we tend to remember from any experience, we remember beginnings and ends, because the transitions seem to be important to organisms, when moving from one environment to the other, and remember highlights, but a lot of the stuff in the middle tends to wash away, so for example, I rode Space Mountain at Disney World for the first time when I was in college, and what I know from the records that they keep is that the average wait time for Space Mountain is 60 minutes, and Space Mountain to my surprise, I actually thought it was five minutes, it's actually two and a half minutes, but this is one of the best rollercoasters in the world, because not only is it a good rollercoaster in and of itself, but they put it inside a dome and it's completely black, so when you take off in the rollercoaster, you're going into space, and you lurch out and dodging asteroids, and zooming by the rings of Saturn, and I thought it was one of the best things I had ever done, now in retrospect I don't remember an hour of wait, which is kind of remarkable, because that was a painful hour, I hate waiting in those queues, on a 10 point scale it's probably a three, so it's below neutral, but it's not awful, you can do it, but what I remember is that 10 out of 10 two and a half minutes, that my mind had expanded to four or five minutes, and I think that's one of the paradoxes that Disney understands that most of us don't understand, is that our brains are wired to think about highlights and pits, it's not wired to think about all the emotions in the middle, so the paradox of Disney is that most times, if you ping people at a random time during the day at Disney World, most of the time they're probably less happy than they would have been sitting on their couch at home, because Disney World is built on a swamp, it's 90 degrees, it's 90 degrees humidity, it was no wonder that Walt Disney when he looked around for 51 continuous square miles, found land at Disney World, because it was a swamp, so it's not structurally designed for people as a vacation spot, but it is a set of people that think seriously about peak experiences, and so even if we're kind of vaguely miserable a lot of the day, there's those peak moments that make it one of the best experiences that we and our family have had in the year.. - I'm reminded of some period of my life where I have a lot of learning experiences, a lot of defining moments, I said these are all character building, and I get to thinking, okay I have enough character can we stop, I mean can you get to a point where you're just having too many defining moments? - I think there are stress indices that say, especially of your defining moments are the aha I made a mistake, we can associate on those.. - So let me ask you, can you have an organization so focused on this that it actually becomes, becomes decreased efficiency, can an organization have too many defining moments? - I think it could, but again what I want to argue is we are so far from that perspective, ask people how is your organization celebrated you enough, shown sufficient gratitude for all the work that you put in, and 80 percent of the people in the world, employees say, my manager doesn't recognize my performance very often, and 80 percent of managers say I'm recognizing performance all the time, I'm constantly showing gratitude towards people's performance, and so there's this gap between what the organization thinks it's doing, and what the employees think the organization is doing, I think anything we can do to bring that together is a good thing..

- [Tina] We have another question, back there.. - [Man] The head football coach of Notre Dame, was asked how do you motivate your players, and he said are you kidding, they come in here motivated, my goal is not to demotivate.. And I'm wondering within the context of defining moments, it seems to me that most the demotivation happens with inertia and erosion, rather than some big demotivating event, so is the thinking that you can reinject motivation to people who are kind of losing steam.. - So the question is, in many cases people come into situations, a new job, a football team motivated, is the role of defining moments to essentially maintain that motivation as opposed to increasing it.. - I think it's a great question, and I think if you think about why people are coming into that job motivated, it's because there's a moment there that you are excited about the potential to explore something new, to use your hard-won knowledge, so I agree I think it's a lot of cases just preventing that from seeping away is an important thing, and you have done it in your class, by giving the project to do at 9 AM, it's like I'm motivated enough to stay up all night, and you've given them an opportunity to do that.. - I love some of the examples in your book about using these defining moments to actually create new learning experiences, you telling a story about, I can't remember what country it was in where they were trying to influence people's behavior related to hygiene, and that they created these experiences that were aha learning experiences, can you talk a little bit about that? - I don't think I can talk about that to a family audience, how much do you bleep this? - [Tina] That's okay, we can mark it as explicit if you need to.. - Right so for those of you listening with your family, you want to turn off in fast forward past this anecdote, so the story that Tina is referencing is a story about open defecation, so there are a lot of communities in the world that don't have closed off toilets, and it causes a lot of health problems, but these communities have spent years with open defecation.. And so the manipulation that they do is an insight manipulation, and there will be an observer that goes in and starts walking around the village just making notes, and the kids suddenly see this stranger, and they start following him around, and the stranger is carefully coached to be asking questions, not making statements, but they also phrase the questions in the most visceral provocative way, so they start saying, do people always shit here? And the kids are saying yeah.. Interesting, do dogs ever come in this area and sniff the shit? Yeah they do.. Do the chickens ever come and eat here with the shit? And so eventually there will be a crowd that forms around this person, and the person is trained to keep asking questions, and say for

example, they'll pluck out a hair and dip it in a pile of shit and swish it in a glass of water and say would you drink this? No no..

Well how big is this compared to the legs of the fly? Smaller.. How many legs are there on a fly? - Six.. - Do flies ever visit the shit and then fly in and land on food in your house? - So this tension start building as the community start being confronted about the fact that they have for years been eating and drinking shit, and eventually someone will say that, and they question the person in the meantime, are you saying that we are eating shit? No I'm just here asking questions, I'm just recording this for the study that we are doing.. And what's powerful about that moment, is it's not like the community doesn't know at some level that these problems are there, they've seen the dogs playing in the shit, they've seen the chickens pecking in the shit, the seen the flies going back and forth, but having that crystallized short duration experience with that is a powerful moment, and what this group has successfully done is converted thousands of communities to taking seriously the notion of closed toilet systems, it has profound health impacts, but without that intervention, the communities probably would still be going on that decades later.. - I think, it was certainly a memorable story in the book, and you told it beautifully.. - For those of you tuning back in, that is the last of the visceral language, but they use that language because what they're trying to do is shock people, and are constantly trying to give people motivation, in this case they hadn't had motivation to change, and the visceral language really helped.. - Okay but shouldn't all educators be experienced designers, because what percentage of the material that we learn in school do we just totally forget, because we haven't been given an experience that makes it memorable? - Yeah and I think that's the challenge for all of us as professors and teachers at other levels, I mean think back to your history, how many of you can name three defining moments, as a kid going through school, you remember an exercise of a lesson or a topic that a teacher tackled because it stands out in your mind, how many of you remember three of those from your previous experience? - I'm hoping some of my students raise their hands.. - For those of you tuning in from outside, we're in a distinguished audience of 150 people, and about 20 percent of the people are holding up their hands, these are people who have had access to the best educational experiences that we can deliver, and my question is, why don't we have 30 percent, why don't we have 40 percent.. - [Tina] Or hundred percent.. - People were saying, what happens when we get too many of these things, I think we're so far from too many of these things, all of us deserve at least three defining moments in our trajectory, up until undergrad at Stanford..

- What can we do right here in this class, to create more defining moments in this class? - Here's one suggestion, and the projects that you're assigning, you need to assign harder and more rigorous projects, and make them do it at 6 AM in the morning, now I'm extrapolating, but one of the tools that we found in connection, is there is a very interesting social psychologist named Art Erin, and he went through a procedure, he created a procedure to bond people and make the best of friends in 45 minutes, so you take two randomly selected undergrads, and they go into a room, and they start answering questions, and the first questions are simple, do you ever sing in the shower? Yeah I do that.. If you have lunch with anybody in the world who would you have lunch with and why? So the questions start out easy, but 15 minutes later there's another envelope of questions, and you start drawing from that envelope, and the questions are a little bit deeper, and the third 15 minute segments the questions are, you draw a question like, if you were to die today, what would you regret not having said to someone, and why haven't you said it? So these two randomly selected undergrads, are going through this process of gradually revealing more and more of themselves, and if you ask them after 45 minutes in this exercise, how close do you feel to this person that you just met 45 minutes ago, and you compare their responses on the scale to another group of students who were asked to rate the most powerful closest relationship in their lives, and so people in another sample are rating their best friend since high school, their mom, their significant other, people that have just met each other for 45 minutes, scored about a third of the way into the distribution of the most powerful relationships that people have in the other sample, and I find that remarkable, it says we're only 45 minutes away from really close connections with lots of people in our life, but what we never do in most situations, is take that step of getting beyond the weather, getting beyond the sports, getting beyond to something more meaningful, so I think one of the simplest things you could do to make this class more impactful, is start with an interesting question, there's so much focus on entrepreneurship, what worries you about whether you are going to be a good entrepreneur or not, because all of us would aspire to be that, but what is it you feel stands in your way.. And I think if we had that discussion, that would start us out with closer connections with people than what we normally do.. - Wonderful, that's a great suggestion, we'll experiment with that.. Yes? - [Man] You talked about passed years, if you think about past years, after you got dependent what are the chief peak moments in your academic career? - The peak moments in your academic career? - [Man] After tenure.. - [Tina] After tenure.. - After tenure, I started teaching right around tenure time, a class on making ideas stick, and there was one exercise that I do at the beginning of that class, where I hand graduate students a sample of statistics from the Department of Justice, and have them construct a two and a half minute speech, either defending, or contradicting the idea that property crime is an important problem for the United States, so I planned out this exercise because I wanted to create a defining moment for my students, and the first year I ran it, and it was beautiful, so people got together, they spent 12 minutes scripting their pitch, they got together seven people in a group, made a pitch about property crime in the United States, and then I distracted them a few moments by playing them a Monty Python video, and then I ask them to write down everything they remembered about the speeches they just heard, and there was this embarrassed laughter in the crowd, and all of a sudden people realized, I don't remember much of what anybody else said, and the things that they did remember were things like stories, were things like emotional appeals, were things like if the use statistic, it was the form of property crime is going to affect 20 percent of people in the nation, that means in a group our size, you and you might expect that in the next five years you're going to be experiencing a property crime, so it makes it tangible and concrete, so that was a defining moment for me because it was an exercise that led to the eventual publication of my first book, but it was the first time I tried that exercise in class, and it just worked so obviously to people, that they were going

while, I need a course on making ideas stick, because I just tried and I failed, and that was a useful exercise, so that's one defining moment, I'll give you one more, we started doing a course with social entrepreneurs, and Tina and I were talking about this topic, a course for social entrepreneurs, and the final day they had to present their mission to us, and what's amazing is that even people doing really important good work, are talking about it in a very abstract way, and so one group was talking about, in Africa they're trying to solve the problems of uprootedness, orphan behavior, creating community around kids that have been dislocated by, and we listened to that and we said, what are you doing? And they said while we have a place, a lot of kids in our country wound up without parents, because AIDS and war have wiped out the adult population, so there are kids that will hike a hundred kilometers to come be with our group.. And they said, what we believe is every child deserves a family, and a home and a community, and when they said that people eyes got moist, and he said why don't you take that and put it in place of that abstract jargon about dislocation and orphanages, there are ways we miss talking about even the most profound things in the world that are simple and concrete, and that was a defining moment for me, because the reason we had the course was to help people clarify their intentions and their strategy and their mission, and I think that was a good example where we did what we tried to do.. - Yes? - [Man] I'd like you to talk a little bit about the landscape around these peak moments, to what degree do you select or engineer the time and place when you can create these defining moments for people, the anniversary of their birth, or the first day they got strikes for a team, moms already have expectations built into them, I have been an advocate for a while of asking people what the best meal of their life has been, and I discovered that's always just another way of asking the question when were they hungriest, in other words I think it might be, I'm wondering if you can build a mountain more easily on a plane than in a mountain range? - It's a great question, and I suspect there are some people we might not want to work for, who are specialists in turning up the temperature and making things difficult enough that when a breakthrough happens we feel really good about that, so one of the characteristics when people in business goals teach power and politics, and they have feature characters like Lyndon Banes Johnson, or Steve jobs, one of the things that people always say about these individuals is that they can make you feel so awful about yourself and what you've done, but they can make you feel so good about what you've done, and I think that discrepancy, I'm down here, and then all of a sudden I do something right and Steve jobs praises me, I think that discrepancy sometimes makes leaders more powerful, I'm not gonna recommend those tactics, but I like what you're observing, is that the best meal in the world is probably at the time when we were most hungry, do I want to engineer hunger, no, but I do want to say if you're trying to bond a group of people, you may want to create a boot camp type of environment, where people are doing something difficult that is meaningful and important, and if they do the all-nighter in Tina's class I think they're gonna be more happy about the eventual bonding experience of having achieved that.. - [Tina] Yes? - [Man] I'm curious, any insights about the difference between peak moments that your cognizant of as they're happening, versus the things that only in retrospect stand out as really useful? - It's an interesting question, so the question is do you understand peaks of time, or some are only clear in retrospect..

When we survey people it's about 50-50, and we haven't figured out what makes the 50-50, but I think a lot of times insights take a while to percolate, and so we realized in retrospect that was a turning point for us that took us in a particular direction, we didn't realize at the time, but it's a great question.. - So I have an idea, I think we should use the last three minutes of this class to create a defining moment, and what I'm thinking is we will thank you profoundly for your talk and inspiring us in creating this defining moment, but I think what we should do is has everybody stand up to talk to someone they don't know, and to ask them what they are looking forward to, and make a real connection with someone new, what do you think should we do that? - I think I want to up the ante a little bit, ask them what worries themselves the most about being in Silicon Valley.. - Okay maybe you could do both, what are you excited about, and what are you most concerned about.. - Beautiful.. - Okay, great let's thank our wonderful guest, thank you Chip.. (audience applauds) (upbeat electronic music)..