

What Greek Mythology, Bill Gates and Blockbuster Can Teach Entrepreneurs About Turning Unknowns into Opportunities

"Unknown unknowns" are costly to entrepreneurs. Broad-focused advisors open doors conceptually, make advantageous introductions and provide alternatives, so the unknowns are transformed into opportunities.

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Procrustes had a really nasty habit of forcing things to fit.

The Greek mythological character would compel people to lie in an iron bed. This is when his compulsion to make them fit came in. If the bed was longer than the individual lying in it, Procrustes would hammer or rack the body until it filled the bed's space. Those too tall didn't escape a gruesome fate—Procrustes would cut off their limbs to make them the right size for the bed.

It's fair to say no one would want to find themselves in a Procrustean bed. Unfortunately, many businesses are caught in a Procrustean bed of sorts when they seek the advice of tunnel-visioned specialists who contort them unnaturally to fit a certain scheme or pattern. These [business advisors](#) have strictly one focus,

whether that's M&A, bankruptcy, management consulting or something else. The modern-day tragedy is that business owners don't even realize they are in a Procrustean bed until it is much too late.

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Ignorance is not bliss

Some people may believe that “ignorance is bliss,” but there is often a hefty price to pay when placed in the care of a Procrustean professional. For example, if your lender is pressuring you, these advisors might lead you into a damaging restructuring or, worse, a bankruptcy filing, when an M&A transaction might be the optimal solution. On the other hand, an M&A specialist might peddle a sale of your business when you could vastly increase your return by preceding, or obviating, such a step with an infusion of additional capital, a performance improvement engagement, a judicious acquisition or a balance-sheet fix. Tunnel-visioned specialists don't necessarily advocate these approaches with bad intentions—even if they don't consciously skew their advice out of self-interest, they might just be unconsciously biased.

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Put another way: If you were considering a medical course of action, would you confer only with a surgeon? Of course not! A surgeon is likely to recommend an operation even if there are better options. It might be beneficial to have surgery, it might not. You could end up healthy or disemboweled. Now, consider why you would seek more balanced medical advice and then apply that reasoning to your business decision-making. The surgeon and the Procrustean professional just naturally turn to what they know.

The worst part of all this: A Procrustean professional might guide a business owner to a satisfactory result, but the fact will always remain that better results

could have been achieved had the owner just known where to look. Business owners will never know how much money they left on the table had they had pursued a different path. They won't even know what was possible.

“Unknown unknowns” are transformed into opportunities

Former secretary of defense Donald Rumsfeld popularized the psychological insight that “there are unknown unknowns”: We don't know what we don't know. So how can clients make themselves aware of “unknown unknowns”? This is the true role of an advisor. An advisor who has broad experience, a varied toolkit and a track-record of success makes clients aware of what was previously unknown.

As broad-focused advisors are not limited to providing a single service, there is a greater likelihood they will be committed to the client's mission rather than their own self-interest. The broad-focused advisor opens doors conceptually, makes advantageous introductions and provides alternatives ranging from a deal with foreign [investors](#), an M&A transaction, a performance “tune-up” to a host of other options. “Unknown unknowns” are transformed into opportunities.

Money left on the table

You just need to look to recent business history to see the dangers of inadequately exploring options and the advantages of transforming “unknown unknowns” into opportunities.

[Microsoft](#) dominated the software world starting in the 1980s, and today it has healthy businesses in many segments. But in the 2000s, the behemoth corporation failed to become a major competitor to Apple's [iPhone](#), a “mismanagement” mistake “that caused Microsoft not to be what [Google] Android is,” company co-founder [Bill Gates](#) said. He estimates Microsoft lost out on \$400 billion of potential revenues as a result of the company [not seeing the potential](#) of touch screen mobile devices. That's a lot of money left on the table.

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Microsoft weathered this failure, but another former giant fell with its decision to stick with only one direction. [Blockbuster](#) had been the reigning champion of the home video market, but it [failed](#) to see how the internet could change the home video experience. Even after building a video-on-demand business with Enron, Blockbuster stayed so focused on its retail locations that it failed to develop it further. Eventually, Netflix and other competitors devoured the company.

On the other side of the coin, Ecolab was founded in the 1920s as a dishwashing detergent developer and eventually expanded further into cleaning and sanitation. Douglas Baker, Ecolab's CEO, wasn't content with the old strategy.

"Our strategic plan was to sell more of what we had," Baker told [Harvard Business Review](#).

That wasn't bold enough, he said, so he embarked on a listening initiative, determined to learn what his customers needed. This inquiry led to Ecolab's largest acquisition ever, an \$8 billion merger with water management company Nalco, which the company [said](#) "instantly transformed Ecolab into the global leader in water management in the industrial, institutional and energy sectors."

The company would probably still be healthy serving the same customers it had prior to this acquisition, but because it explored what was possible, Ecolab saw its market capitalization grow by more than eight times and its value increase by \$50 billion.

"We broadened our vision and our purpose changed," Baker said.

That's the key to not only surviving, but thriving, especially in a disruptive [economy](#). These three companies appear to have had one major difference: Microsoft

and Blockbuster were content with the options in front of them; Ecolab explored new ones.

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A world of opportunity

Even businesses that do not have a “CEO of the Year” like Douglas Baker can expand their options. There’s a whole world of opportunity just waiting to be taken advantage of—if only business owners knew where to look.

Fortunately, entrepreneurs can perceive the “unknown unknowns” and transform them into opportunities by accessing vital insight and guidance. Just as Ecolab’s CEO engaged the company’s customers to find out what they need, businesses should seek out broad-focused advisors who are committed to the client’s mission and can help them recognize and explore the vast array of options available. Entrepreneurial opportunities will be vastly increased in the current disruptive economy if business owners are open to creative advice. Broad-focused professionals free entrepreneurs from the Procrustean bed of narrow advice, expand their vision and guide them through the maze of possibilities to success.

If you don’t broaden your vision, you dim your prospects.

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