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INSIDE

Stop Hunting Big Ideas.

Most companies chase breakthrough ideas, but real advantage comes when you ship small, reversible experiments fast, locking in what works and compounding from there.



Stop Hunting Big Ideas.

Ship small, reversible changes, and let them compound; from Learning to Changing to Performance.

- By Dr. Daniel M. Böhi and Raanan Shenhav

We tell ourselves progress is about the next breakthrough. The big idea. The moonshot. Most traditional strategy toolkits tilt towards this. But most of what separates the standouts from the strugglers isn't a once-in-a-decade insight. It's the pace at which small, good-enough ideas are tried, kept, and reused. This echoes Schumpeter's notion of described continual renewal through creative destruction.

Think of a simple scene. You're building a LEGO spaceship with your kid. Today, you find a tidier way to shape the nose cone. If you wait a week to

use it, you'll forget, and the next ship won't be better. The best builders try the new trick today, keep it if it helps, toss it if it doesn't, and carry the win into the next build. Small, quick tries beat big, slow plans.

The real problem isn't learning, it's changing. Most organizations learn plenty. Reports are written. Post-mortems happen. Dashboards glow, and AI is capturing every possible insight and data. But the distance between "we know" and "we changed" is too long. Two quiet forces kill momentum:

- Slow refresh: A lesson or insight takes weeks or quarters to become standard practice.
- Leaking gains: Improvements aren't deliberately carried over into the next run.

When those two forces are present, effort doesn't become advantage. Growth flattens, margins compress, cash arrives late. Not because the strategy is bad, but because the adoption speed is slow.

Business isn't a straight line; quite the opposite, with S-curves kicking in, and slight delays snowballing into significant ones. Nonlinearity makes speed matter more than brilliance; a change that is landed often matters more than how perfect it is. "Pretty good, shipped this cycle" usually beats "excellent, shipped next quarter". The DORA Accelerate report shows that high performers ship with significantly lower lead times compared to low performers. The classical McKinsey study result on delay vs overspend points in the same direction (HBR; The Return Map: Tracking Product Teams; Jan-Feb 1991).

In real life, idea quality is scarce. But time is manageable. In complex systems, most ideas don't win on the first try. That doesn't mean people are sloppy; it means reality is noisy. You can improve idea quality at the margin by generating better hypotheses, being closer to customers, and using sharper measurements, but you can't schedule breakthroughs. You can manage time. You can crunch and shorten the lead time from insight to adopted change. You can raise the share of accepted fixes that are visible in code, procedures, or behavior by the very next cycle. You can make being wrong cheap (small batches, reversible changes), so teams try more without fear. And you can grow the psychological capital that supplies the stamina to keep looping. Adoption speed beats idea hunting in most cases.

This is why we suggest treating and measuring the business as a portfolio of loops, with one metric, CAR (Compounded Advantage Rate). Hence, the board sees velocity turning into profit, cash, and ROIC. Each loop consists of

closure (the output genuinely alters the following input), *cadence* (a named interval, such as weekly, bi-weekly, or monthly), *telemetry* (a numeric signal that decides keep vs. discard), *agency* (the team can act on learning without waiting in line), and *refreshability* (accepted learning shows up by the next cycle).

The Compounder's Law, developed by the authors, resides precisely here: raise gain (the share of improvement reused in the next pass) and shorten the refresh half-life (the time it takes for learning to change behavior at scale). Do both, and the curve that first looks flat begins to bend, quietly, then decisively.

There are two basic scarcities:

- Insight yield: How often a loop produces a valid, decision-worthy change.
- Adoption speed: The rate at which the accepted change becomes the new standard of work.

In discovery-heavy domains (early-stage biotech, fundamental research), insight yield can be the brick wall. In most product, operations, and service organizations, adoption speed is the practical bottleneck. Lessons exist; they don't land on time. Think of this simple mental model: Expected improvement per month \approx (loops per month) \times (win rate) \times (avg gain per win - avg loss per miss). If you keep the win rate constant and double the number of loops per month, outcomes usually surpass trying to squeeze a few extra percentage points out of the win rate, especially if losses are small and reversible. That's why speed of adoption so often beats the hunt for a "perfect" idea.

So, what drives adoption? In our view, culture is the engine, not the wallpaper. Adoption speed is cultural mainly, referring to how work actually occurs between people. Do teams feel safe to ship small changes? Are decision rights clear? Are rollbacks easy? Do managers coach the next try or demand perfect slides? This is psychological capital in action: confidence, resilience, optimism, and purpose. Raise it, and loops run more often, with better yield.

A Japanese lens captures the spirit. A shokunin, a craftsman, shows up each day to make one small thing better (*kaizen*), then pauses for honest reflection (*hansei*): what to change next. They follow the form, adapt it, then transcend it (*shu-ha-ri*). Over the years, the same quiet loop - learn, try, refine, share - turns craft into excellence and mastery.

The key question: Is your company ready to compound? Two questions that expose the truth. You don't need a giant program to know where you stand. Ask:

- Did accepted fixes go live this cycle?
- Did wins get reused next cycle?

If either answer is "no," you're leak-/latency-bound. The specifics will differ by team, but the prescription won't: shorten the distance between knowing and changing; make the win visible now.

You can start without waiting for a reorg or a new tool. A simple 30-day habit can drive change:

- Week 1 - Name the loops: List the 3–5 loops that create value. Define cadence, owner, and signal. Decide what "live by next cycle" means in each.
- Week 2 - Make being wrong cheap: Smaller batches. Feature flags. Pilot lanes. Pre-approved guardrails so teams can ship changes without begging permission.
- Week 3 - Install the ritual: A weekly 60–90 minute loop review: what did we learn? What is accepted? What leaked? What blocked adoption?
- Week 4 - Lock the gains: Update the runbook, template, checklist, and code path so the win is the new default. Celebrate adoption, not just insight.

Keep the cycle tight. Protect the time. Praise speed and integrity of learning, not theatrics.

"Stop hunting big ideas" doesn't mean stop thinking. Strategy still matters. So does taste, craft, and courage. But in a fast, non-linear world, execution speed is a strategy. If your lead time from insight to adopted change is longer than your operating cadence, you're donating advantage to the market, no matter how good the slide looks.

Excellence isn't a mystery of talent; it's the visible result of fast, faithful learning loops. Most companies don't lack ideas; they lack **adoption speed**. The killers are simple: (1) refresh is too slow (the time from "we learned" to "we changed" exceeds the operating cadence) and (2) gains leak (improvements aren't baked into the next run). Culture, psychological safety, purpose, and standards are the **engine** that shortens refresh time and raises adoption. Because most ideas don't win on the first try, the only rational play is **more loops, faster**: small, reversible changes shipped this cycle, kept if they help, replaced if they don't. So, try this as a rule of "The Compounder's Law" for the business: Learn something today. Use it this cycle. Bake the win into the next one. Repeat. Let it compound.

Genius ideas are welcome when they arrive. But you don't have to wait for them; devotion, kept in motion, compounds.

We are just a coffee away from sharing more information and discussing how you can engage with our experienced executive managers:

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To find out more about "The Compounder's Law": Böhi, Daniel and Shenhav, Raanan (2025): Compounder's Law: Engineering Competitive Advantage with Endogenous Loops and Psychological Capital; <https://www.researchgate.net/publication/395442105> Practitioner Manuscript

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