

Best Idea Wins

Tim Whatley was always one of my favorite recurring characters on Seinfeld. Whatley was Jerry's dentist and was played masterfully by Bryan Cranston, who later went onto Breaking Bad fame.

There was one episode where Jerry goes to get some dental work done by Dr. Whatley. Before giving Jerry the gas to put him out, Whatley takes a hit of the nitrous oxide himself and says, "It's good."

When they rehearsed this scene back in the 90s, Cranston remained on set after everyone had left to practice his lines and make himself comfortable using the instruments. As he was practicing he heard a voice say, "Hey, you know what would be funny?"

He had no idea where the voice was coming from. It turned out to be a lighting worker up on a ladder working on the set. Cranston gave the guy some attitude because he was the actor and this was just a guy on a ladder.

But the guy said, "What if you took a hit of the laughing gas first before you gave it to Jerry?"

Cranston realized this was a genius piece of comedy. He didn't tell Seinfeld or fellow creator Larry David ahead of time and simply improvised this act when it came time to shoot. Here's the clip:

Seinfeld absolutely lost it when Cranston did this and couldn't stop laughing. Apparently it's tough to get Larry David to laugh but he also thought it was hilarious. They had to do something like 15 takes because Seinfeld was laughing so hard and couldn't contain himself.

Afterwards they all praised his improvisation but Cranston rightly deflected and told everyone it was the lighting guy's idea.

Cranston recounted this story in a recent podcast with Bill Simmons. I liked his takeaway on how this relates to his business career:

I think a very smart CEO of any company, big or small, has a policy where they listen to every suggestion and idea -- best idea wins. That's how it should be. Best idea wins. And you never know where it's gonna come from.

That's the way to create goodwill and keep your colleagues happy and involved and engaged.

This doesn't work just for comedy either.

In Steven Johnson's book, [*Where Good Ideas Come From: The Natural History of Innovation*](#), he

discusses the fact that innovation is not the proverbial light bulb going off in someone's head but instead a collection of ideas that came before it, often from a number of different sources.

Johnson tells the story of Chad Hurley, Steve Chen, and Jawed Karim, three former Paypal employees who decided to venture out on their own to start a business. This group wanted to upgrade the way video was presented on the Internet. With less than \$10 million from investors these three started YouTube in early 2005. YouTube was streaming 30 million videos a day within 16 months of the company's founding and it's estimated that 300 hours of video are now uploaded to the site every minute or every day.

But none of this would have been possible without the Internet, which began roughly 15-20 years prior to YouTube's founding as a way for academics to share text with one another. A number of years later programs such as Flash, Quick-Time, and the Windows Media Player allowed videos to be viewed online but most were too challenging for users to work with. So YouTube was built on top of all these ideas and, although the founders of the service executed flawlessly, without their predecessors or the technology underlying it all, it never would have happened.

Johnson says:

Good ideas are not conjured out of thin air; they are built out of a collection of existing parts, the composition of which expands (and, occasionally, contracts) over time.

The trick to having good ideas is not to sit around in glorious isolation and try to think big thoughts. The trick is to get more parts on the table.

As Charlie Munger once said, "I believe in the discipline of mastering the best that other people have figured out. I don't believe in just sitting down and trying to dream it all up yourself. Nobody's that smart."

You need the right filters in place, but it's never been easier to stand on the shoulders of giants to use what people have already figured out to your own benefit. This is why it's important for investors and businesses alike to diversify their idea generation through a diversity of opinions.

You never know where the best ideas will come from.

Sources:

[Bryan Cranston on The Bill Simmons Podcast](#)

[Where Good Ideas Come From: The Natural History of Innovation](#)

Further Reading:

[The Network Effect of Ideas & Innovation](#)

Now here's what I've been reading this week:

- Solving hard problems with simple ideas ([Collaborative Fund](#))
- How emerging markets have evolved as an asset class ([Morningstar](#))
- 8 ideas for financial planning in a low-return environment ([Newfound](#))
- Stories from the dot-com bubble ([Joe Fahmy](#))
- Small gains and large risks is not a great combination ([A Teachable Moment](#))
- Lessons from the general ([Irrelevant Investor](#))
- Diversification always mattered ([Abnormal Returns](#))
- "Behavioral economics has been an attempt to introduce humans to the economics literature." ([AAII](#))