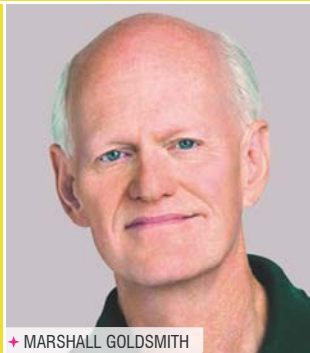


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+ MARSHALL GOLDSMITH



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+ STEW FRIEDMAN

FUTURE OF MANAGEMENT



+ ROGER MARTIN



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INSIGHTS FROM AWARD-WINNERS OF 2015 THINKERS50, GLOBAL RANKING OF MANAGEMENT THINKERS

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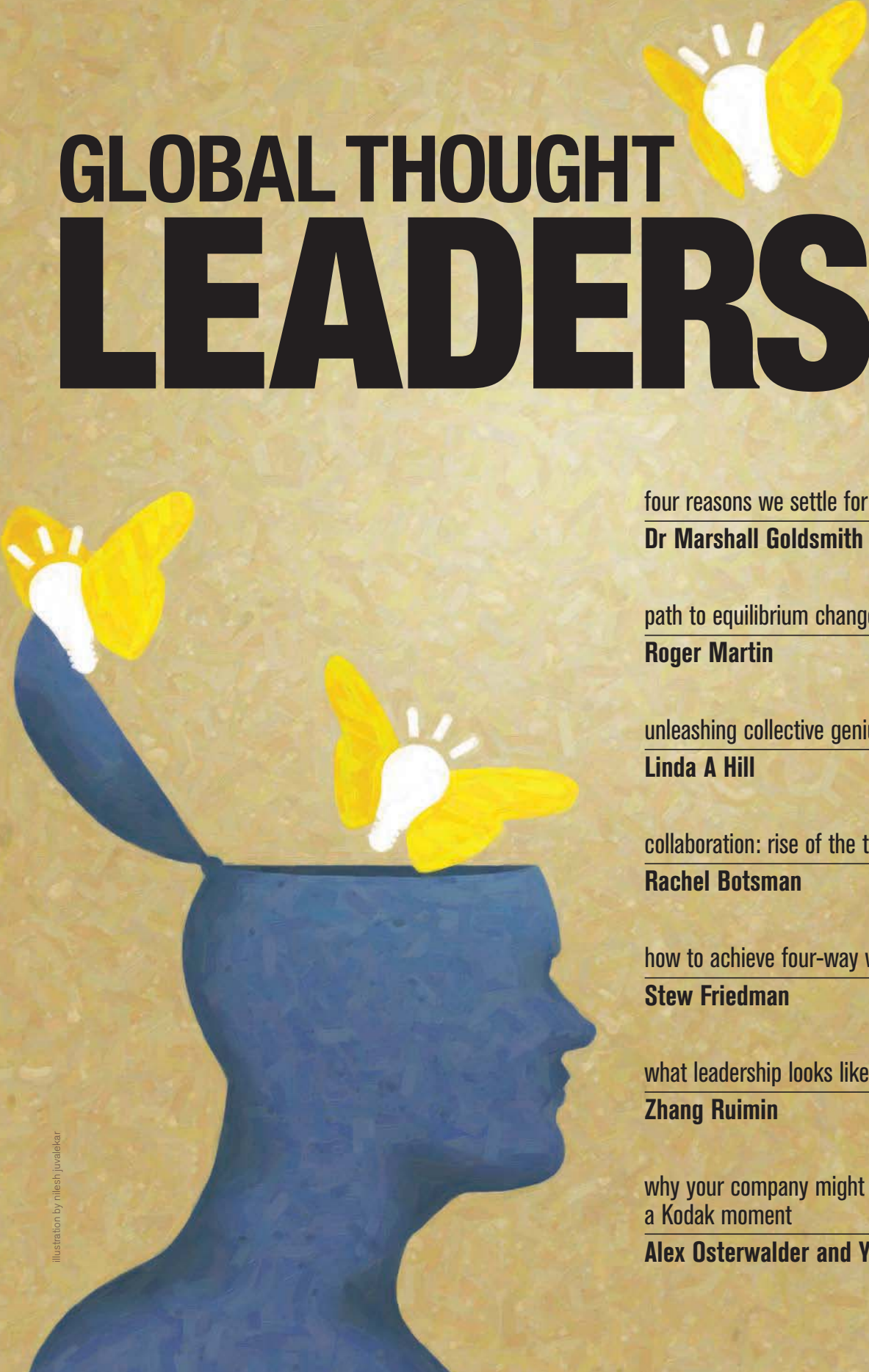


+ ZHANG RUIMIN



SCAN THIS TO STAY CONNECTED

GLOBAL THOUGHT LEADERS



four reasons we settle for 'good enough'
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path to equilibrium change
Roger Martin

unleashing collective genius
Linda A Hill

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back to the future

HAVING COMPILED THE THINKERS50 SINCE 2001, STUART CRAINER AND DES DEARLOVE HIGHLIGHT HOW THE 2015 RANKING WAS PERHAPS THE MOST INTRIGUING AND SIGNIFICANT. ACCORDING TO THEM, IT MARKS SIGNIFICANT CHANGES IN THE WAY ORGANIZATIONS ARE MANAGED AND LED—AND HOW WE THINK ABOUT ORGANIZATIONS.

On the surface the ranking is not surprising. It is topped by renowned strategy and competitiveness expert Professor Michael Porter of Harvard Business School. Regarded as the father of modern business strategy, Porter, who has consulted dozens of corporations and a number of national governments, returns to the number one slot after previously topping the list in 2007. His ‘five forces’ framework was the definitive approach for decades and is still taught in business schools around the world. Since the financial crisis of 2008, his theory of ‘shared value’ has led the way in a re-evaluation of the role and expectations of capitalism. Most recently, Porter has applied his ideas to show how smart, connected products are creating a technological revolution that will transform competition and have profound implications for society. What is admirable about Porter is that his thinking has stood the test of time, but perhaps more importantly, that his ideas have evolved with time. His curiosity remains intact and there is a real sense that he is leading the next management agenda. We were recently visiting a major Turkish company who told us about their commitment to Porter’s ideas on social value and how they had informed the development of the company.

like great artists, the best thinkers are open to ideas throughout their careers

The other headline message from the latest ranking is that today’s management thinkers have a broad canvas. When we started the ranking in 2001, thinkers tended to focus on improving organizational performance. They looked at how companies could grow quicker, come

What is admirable about Porter is that his thinking has stood the test of time, but perhaps more importantly, that his ideas have evolved with time. His curiosity remains intact and there is a real sense that he is leading the next management agenda.



Stuart Crainer and Des Dearlove are the founders of the Thinkers50. They are internationally recognized experts and commentators on management thinking. For a decade and a half they have championed the very best new management ideas through Thinkers50.

up with better strategies, and manage people more effectively. All of these issues are important, but increasingly we are seeing management thinkers wrestling with the biggest issues of our times. They recognize that management and leadership are critical in solving inequalities, developing healthcare for the future, dealing with climate change, etc.

management thinkers are thinking big

The new ranking signals a passing of the baton to a new generation of gurus: 14 newcomers were part of this year's ranking. The guru industry used to be pale, male, and stale, but that is no longer the case. Today it is eclectic, energetic, and truly diverse. No fewer than ten different nationalities feature in the top 50—including thinkers from the US, Canada, Bangladesh, Denmark, Holland, Korea, China, the UK, India, and Cuba. Among the newcomers is Zhang Ruimin, CEO of the Chinese white goods giant Haier. At number 38, Ruimin is the highest-ever ranked Chinese thinker (and the third Chinese thinker ever to make into the top 50). Ruimin also picked up the

As boundaries between disciplines blur, it is also getting harder to pigeonhole thinkers into traditional disciplines like strategy, marketing, or innovation.

Thinkers50 award for Ideas into Practice, for applying a distinctively Chinese and progressive business philosophy. The message is that management thinking is no longer the preserve of the West. The last few rankings saw an Asian invasion with the emergence of Indian thinkers. In 2015, we are seeing the arrival of Chinese management thinkers on the world stage. Expect more.

The new ranking also features the best-ever showing for women thinkers—capturing 14 places out of the top 50 (up from 13 in 2013, 11 in 2011, and just five in 2009). Women thinkers claim no fewer than four of the top ten places in the new ranking. At number three in the ranking (with writing partner Chan Kim), INSEAD's Renée Mauborgne is the highest-placed woman. In addition, Rachel Botsman picks up the Thinkers50 Breakthrough Idea Award for her championing of the idea of 'collaborative consumption' and the 'sharing economy', which includes exciting new business models such as AirBnB. The Future Thinker Award also went to a woman for the third consecutive time, with Erin Meyer the winner.

When you consider that women constitute half the world's population, they are still under-represented in the Thinkers50, but they are making impressive progress. It is great to see them coming up with some of the most exciting new ideas. What is particularly interesting is that many of the up-and-coming women thinkers are championing ideas that involve collaboration rather than old-fashioned competition.

As a final point, it is interesting to note that as boundaries between disciplines blur, it is also getting harder to pigeonhole thinkers into traditional disciplines like strategy, marketing, or innovation. Thinkers like Wharton's Adam Grant or Harvard Business School's Amy Cuddy do not fit into traditional tidy functional boxes. They defy categorization and for this we should be thankful because that is the reality of the world—and that of the world of business. ♦



four reasons we settle for 'good enough'



LEADERSHIP AWARD

The moment we stop striving and begin to coast on our good reputation—this is the perilous moment when we settle for ‘good enough.’ And this is the moment that, at best, change stops and, at worst, we revert to our old ways.

In behavioral change, there are no absolutes. We never achieve perfect patience or generosity, empathy or humility. This is nothing to be ashamed of. The best we can hope for is a consistency in our effort—a persistence of striving. What is worrisome is when the striving stops, our lapses become more frequent, and we begin to coast on our reputation. This is the perilous moment when we start to settle for ‘good enough.’

why do we settle for ‘good enough’?

Let us look at four environments that trigger ‘good enough’ behavior.

01 Our motivation is marginal. If your motivation for a task or goal is in any way compromised—because you lack the skill, or do not take the task seriously, or think what you have done so far

Dr Marshall Goldsmith is one of the world’s leading executive educators, coaches, and authors. He is a pioneer in helping successful leaders achieve positive, lasting change in behavior. His success is built upon a very practical, no-nonsense approach to leadership.

He was selected as one of the 10 Most Influential Management Thinkers in the World in both 2011 and 2013, and as the World’s Most Influential Leadership Thinker in 2011, by Thinkers50. He is the author of What Got You Here Won’t Get You There, MOJO, and Triggers, among many others.

is good enough—do not take it on. Find something else to show the world how much you care, not how little.

02 We are working pro bono.

Pro bono is an adjective, not an excuse. If you think doing folks a favor justifies doing less than your best, you are not doing anyone any favors. People forget your promise, but remember your performance. It is like a restaurant donating food to a homeless shelter, but delivering shelf-dated leftovers and scraps that hungry people can barely swallow. The restaurant owner thinks she is being generous, that any donation is better than nothing. Better than nothing is not even close to good enough—and good enough, after we make a promise, is never good enough.

03 We behave like ‘amateurs’.

We segregate the parts we are



Illustration by svegnill redkar

good at from the parts we are not—and treat our strengths as the real us. The weaknesses are an aberration; they belong to a stranger, someone we refuse to acknowledge as us. This is how we confer amateur status on ourselves and secure our license for good enough. We are professionals at what we do, amateurs at what we want to become. We need to erase this devious distinction—or at least close the gap between professional and amateur—to become the person we want to be. Being good over here does not excuse being not so good over there.

04 We have compliance issues. We all have compliance issues, admitted or not. We all resist being told how to behave—even when it is for our own good or we know our failure to comply will hurt someone. When we engage in non-compliance, we are not just being sloppy and lazy. It is more aggressive and rude than that. We are thumbing our noses at the world, announcing, “The rules don’t apply to us. Don’t rely on us. We don’t care.” We are drawing a line at good enough and refusing to budge beyond it.

Good enough is not necessarily a bad thing. In many areas of life, chasing perfection is a fool’s errand, or at least a poor use of our time. We do not need to spend hours taste-testing every mustard on the gourmet shelf to find the absolute best; a good enough brand will often suffice for our sandwich. The problem begins when this good enough attitude

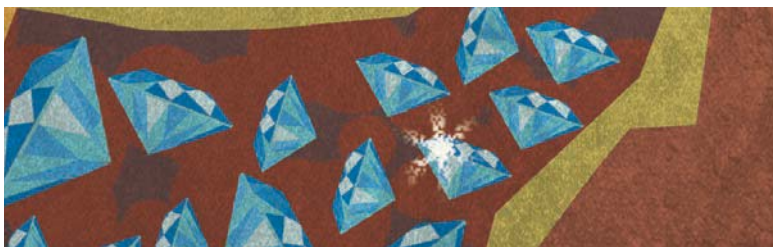
When we dive all the way into adult behavioral change—with 100% focus and energy—we become an irresistible force rather than the proverbial immovable object. We begin to change our environment rather than be changed by it.

spills beyond our marketplace choices and into the things we say and do. In the interpersonal realm—we are talking about how a husband treats his wife, or a daughter deals with an aging parent, or a trusted friend responds when people are counting on her—good enough is setting the bar too low. It disappoints people, creates distress where there should be harmony, and, taken to extremes, ends up destroying relationships.

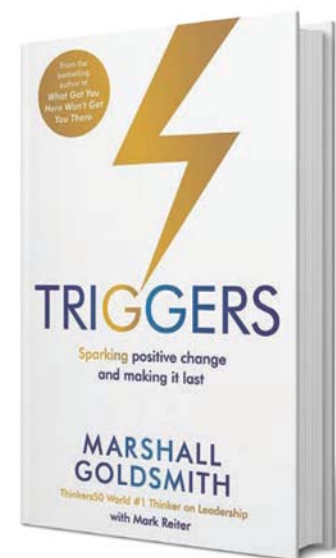
the great payoff for not settling for ‘good enough’

We immediately recognize high motivation in the extraordinary effort of others—say, an assistant staying late while we are heading home or our child going straight to his room to tackle homework rather than plop in front of the TV. We note it and admire it—because it is inspiring to see people spurning the seductive pull of good enough.

And, for the person (and those around him or her) who does not succumb to the ‘good enough’ trap, the payoff for not settling is immense! When we dive all the way into adult behavioral change—with 100% focus and energy—we become an irresistible force rather than the proverbial immovable object. We begin to change our environment rather than be changed by it. The people around us sense this. And, funnily enough, through our efforts to be better, we become a trigger for others to achieve their own positive change! ♦



IN HIS MOST POWERFUL AND INSIGHTFUL BOOK YET, GOLDSMITH SHOWS HOW WE CAN OVERCOME THE TRIGGER POINTS IN OUR LIVES, AND ENACT MEANINGFUL AND LASTING CHANGE.



path to equilibrium change



SOCIAL ENTERPRISE AWARD

How would you define the role of a ‘social entrepreneur’ as opposed to a social service provider or social advocate?

There are two dimensions we think about when we make these distinctions. First is whether the actor is attempting to ameliorate a bad situation or transform it. And second is whether the actor creates the solution himself/herself or convinces another party to do so. Social service providers—for example, Mother Teresa—attempt to ameliorate the pain and suffering caused by an unpleasant equilibrium—e.g., abject poverty in the slums of Calcutta. Social advocates attempt to convince another party—typically government—to transform an unpleasant equilibrium. Martin Luther King Jr. is an example of a great social advocate. A social entrepreneur seeks to transform an unpleasant equilibrium by way of direct action. Nobel Laureate Kailash Satyarthi created the branding standard Rugmark (now known as GoodWeave) to produce a transformation in eliminating child labor in rug making in the Middle East and South Asia.

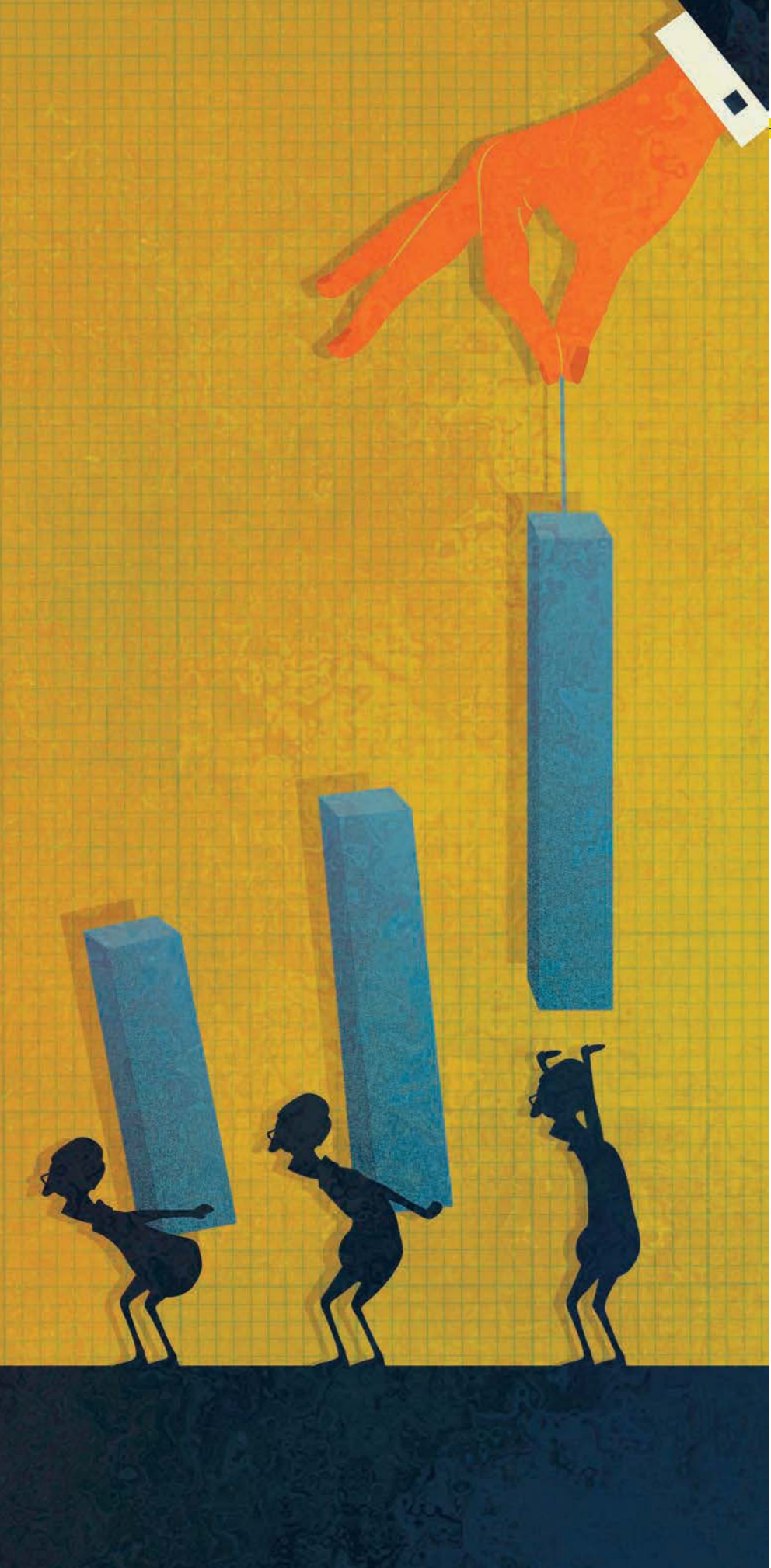
Roger Martin is Institute Director of the Martin Prosperity Institute at the Rotman School of Management, University of Toronto, and also the author of ten books. In this exclusive interview with *The Smart Manager*, the strategy guru captures the sheer power of social entrepreneurship to transform a stable, but unjust equilibrium into an entirely new, superior, and sustainable one—a glimpse into the persuasive narrative in *Getting Beyond Better*, which he has co-authored with Sally Osberg, President and CEO of the Skoll Foundation.

What is the relevance of ‘reflective practice’ in the context of social entrepreneurship?

Social entrepreneurs are reflective practitioners. They appreciate, apprentice, and experiment—learning from their practice over time—in order to be able to commit expertly to solutions. They do not just think deep thoughts and put them directly into action.

Social entrepreneurship offers a distinctive approach towards equilibrium change, navigating the territory between government-led and business-led transformation. Could you elucidate this?

Government-led transformation utilizes the power of government mandate to ubiquitously transform an equilibrium for all citizens with a purpose of increasing the social good. Business-led transformation



uses a product or service to enable a certain segment of customers to voluntarily adopt the innovation to produce a transformation—and in the process earn a superior economic return. Social entrepreneurship borrows from the two approaches to create a solution. An interesting example is India's Unique Identification Authority of India (UIDAI). Even though a Cabinet-level bureaucrat with a mandate from his government, Nandan Nilekani chose not to employ mandate to drive transformational change. He created a voluntary system that he worked—as if engaging in a business-led transformation—to make as attractive as possible to consumers in order to drive adoption. The goal was not profit but rather a social good. In this way, he mixed aspects of government-led and business-led transformation.

“The dispassionate inquiry that comes from appreciation and the passionate conviction that comes from abhorrence”—how does one negotiate the relationship between the two?

It might be the single hardest thing that social entrepreneurs have to do. Their motivation is abhorrence. They would not dedicate their lives the way they do if they did not abhor a terrible existing equilibrium. That makes it hard to appreciate why the existing equilibrium has such a tenacious hold. But understanding that holds the absolute key to changing it.

Illustration by Keeki Jadhav

The key to scaling the impact is to create an economic model in which unit costs fall as scale rises. For many social service providers, costs remain consistent as scale rises.

This was the reason for Molly Melching's success in eliminating female genital mutilation when all before her had failed. She took years to understand why the practice made sense to the families and villages of the young woman on whom the practice was imposed. And in that understanding came the keys to a transformational village-based approach. It took years and years of appreciation—while suppressing her abhorrence—for Molly to make the transformation happen.

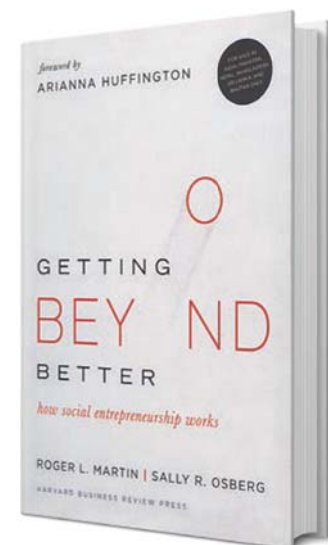
As you say, the imperative of ensuring a winning value equation applies to social entrepreneurship too. How difficult is it to factor in this cost and value aspect while setting out on a journey towards equilibrium change?

It is a challenge but the social entrepreneurs who succeed are able to think through a way to forge a value equation that drives the equilibrium change. The willingness and desire to understand the current value equation is a key part of the solution. It is hard to transform an economic system that you do not understand. Understanding the current costs and the current value will always give clues on what big cost items need to be transformed and what pieces of value could be brought to bear.

What are the imperatives to ensure scale of impact?

The key to scaling the impact is to create an economic model in which unit costs fall as scale rises. For many social service providers, costs remain consistent as scale rises. For example, a center for battered women needs almost exactly double the resources to serve double the women. That is hard to scale. In contrast, Kiva spent the resources to build a platform for connecting micro-lenders with micro-borrowers. The bad news was that it had to incur a substantial up-front cost to build the platform. The good news is that the incremental cost

THE BOOK SHOWS HOW SOCIAL ENTREPRENEURS TARGET SYSTEMS THAT EXIST IN A STABLE BUT UNJUST EQUILIBRIUM AND TRANSFORM THEM INTO ENTIRELY NEW, SUPERIOR, AND SUSTAINABLE EQUILIBRIA.



Social entrepreneurs are not born or made a class apart. But by their actions and their learning while building their venture, they become a class apart—a lovely and exalted class apart.

of serving an additional lender or borrower is close to zero, so that as it gets bigger, the average cost of facilitating a micro-loan drops continuously as Kiva scales. As a consequence, it is successfully scaling.

How do you build the case for balancing adaptation and adherence?

It is not so much a situation in which a case needs to be built. Social entrepreneurs know that they need to achieve that balance. The world changes and they need to be willing and able to change with it. However, if they never commit to anything, they will never scale. So they know they need to balance.

To what extent is innovation crucial to social entrepreneurship?

It is essential. Entrepreneurs are innovators. Not surprisingly, so are social entrepreneurs. Essentially they must battle ‘the way things are done.’ That means coming up with a new way with a new economic formula. All of that requires innovation. However, much innovation in the world involves the application of a solution that works in a different—but not entirely different— context elsewhere. That is one of the purposes of our book *Getting Beyond Better*—to provide patterns of thinking and models that can be applied in different contexts.

Are there any personality traits characteristic of social entrepreneurs?

We did not study this question formally, but I have some thoughts. There are enough personality differences among the 100+ social entrepreneurs in the Skoll Foundation portfolio that I do not think that there will be classically-defined personality traits in common. My observation is that a wide variety of folks come face to face with an unpleasant equilibrium that bothers them at a deep level and they get motivated to work long and hard on transforming it. They all seem to have a well-functioning moral compass—but so do many people who never become social entrepreneurs. They all seem to have a combination of patience and resoluteness—but so do many people who never become social entrepreneurs. I could go on...My net view is that anybody could end up being a social entrepreneur. They are not born or made a class apart. But by their actions and their learning while building their venture, they become a class apart—a lovely and exalted class apart. ♦

As told to Anitha Moosath

unleashing collective genius

INNOVATION AWARD



What many of us consider ‘great leadership’ does not work when it comes to leading innovation.

Although there is a great deal of research on leadership and on innovation, very little looks at the connection between the two. Along with three collaborators, I have spent over a decade studying exceptional leaders of innovation from diverse countries and industries. Some led teams, others led vast enterprises or global networks. All built organizations able to innovate not once, but time and again.

After observing these leaders up close and personal, we found that building organizations able to innovate routinely requires ‘unlearning’ conventional notions about leadership. Leading innovation is not about creating and selling a vision to people, and then inspiring them to execute that vision. Instead, leading innovation is about creating the context in which others are ‘willing’ and able to innovate.

What is innovation? We define it as something both new and useful. It can be a product, service, process, or way of

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organizing. It can be incremental; it can be breakthrough. While many believe the myth that innovation results from an individual flash of genius like Einstein having an ‘ah-ha’ moment, we know innovations rarely develop that way. Instead, innovations emerge from collaborative problem-solving processes—most often among people with diverse perspectives and expertise. Innovation is not about solo genius; it is about ‘collective genius’. Leaders of innovation find ways to unleash people’s individual genius and harness it all together time and again.

While all the leaders we studied are, in fact, visionaries, that is not how they define their leadership role. Instead, their mindset and priorities reflect their understanding of how innovation really happens. As one leader



Illustration by Swapnil Redkar

said, “My job is to set the stage; not perform on it.” They focus their attention on building innovative communities with three key critical capabilities: creative abrasion, creative agility, and creative resolution.

Creative abrasion is the ability to generate a marketplace of ideas through discourse and debate. Innovative organizations know how to amplify, rather than minimize differences. This is not about brainstorming, suspending one’s judgment, and sharing ideas no matter how ‘off-the-wall’ or ‘half-baked’. Rather, creative abrasion entails having heated, yet healthy arguments to generate a portfolio of alternatives. People in innovative organizations actively listen, inquire, and advocate their point of view. They understand that you rarely get innovation without diversity of thought and conflict.

Creative agility is the ability to test and refine ideas through quick pursuit, reflection, and adjustment. Typically associated with design thinking, this discovery-driven learning is a mix of the scientific method and the artistic process in which you act, not plan, your way to the future. It is about running a series of experiments, not pilots. Ideas tested in pilots are supposed to work, and when they do not, something or someone is to blame. Experiments, by contrast, are about learning; either positive or negative outcomes can provide insights.

The third capability, creative resolution, is the ability to do

People will face the personal challenges of innovation when they feel part of a community engaged in tackling something larger than anyone could accomplish alone. This sense of belonging and purpose is what animates a community. This is what enables people to withstand the inevitable conflict and tension that happens when people innovate together.

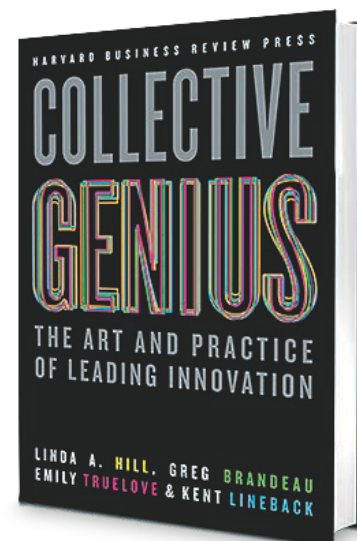
integrative decision-making so that diverse ideas, even opposable ones, can be combined or reconfigured to create new solutions. No one individual or group is allowed to dominate—neither bosses, nor experts. Nor is it about compromising or taking the path of least resistance. Creative resolution requires a patient and inclusive decision-making approach that allows for ‘both-and’ versus ‘either-or’ solutions to be embraced.

Many of us do not live in organizations that are capable of creative abrasion, creative agility, and creative resolution. These capabilities are tremendously demanding, and not just for leaders. It is hard work and emotionally taxing for everyone involved.

So how do innovation leaders convince others to undertake what can be exhilarating, but challenging work? First, they understand that a strong sense of community is the foundation for innovative organizations. They know innovation is voluntary. No one can be compelled to make a contribution or to care about a problem. Unless people freely open their minds and hearts, they are unlikely to contribute their best ideas or endure the sense of vulnerability that innovating creates. People will face the personal challenges of innovation when they feel part of a community engaged in tackling something larger than anyone could accomplish alone. This sense of belonging and purpose is what animates a community. This is what enables people to withstand the inevitable conflict and tension that happens when people innovate together.

Beyond purpose, two other organizational elements foster employees’ willingness to innovate: ‘values and rules of engagement’. In order to form a community, members have to agree on what is important. By shaping the group’s priorities and choices, values influence individual and collective action. We found four values that innovative organizations embrace: bold ambition, collaboration,

THE AUTHORS, LED BY HARVARD LEADERSHIP SCHOLAR LINDA HILL, SPENT A DECADE STUDYING LEADERS OF INNOVATIVE FIRMS IN THE US, EUROPE, INDIA, AND ASIA, INCLUDING SUCH COMPANIES AS PIXAR, GOOGLE, VOLKSWAGEN, HCL TECHNOLOGIES, IBM, AND THE SUNGJOO GROUP. IN CHAPTERS THAT TAKE YOU DEEP INTO THE WORLDS OF THESE EXTRAORDINARY INDIVIDUALS, THE BOOK REVEALS HOW THEY THINK, AND WHAT THEY DO TO UNLEASH AND THEN HARNESS THE ‘COLLECTIVE GENIUS’ OF THOSE THEY LEAD.



Innovation is a problem-solving process, and leaders must instill mindsets throughout their organization of trying, learning, adjusting, and then trying again. This means not punishing people for mistakes made when trying new things.

learning, and responsibility. We also found that specific rules of engagement are necessary for strong, innovative communities to flourish. Leaders attend carefully to how people in the group ‘interact’, the essence of collaboration. To ensure people feel safe to contribute ideas, there must be mutual trust, respect, and influence (words easier to say than practice). Leaders also pay attention to how people in the group ‘think’. Successful innovation depends on a group agreeing on basic ground rules for how to approach problem solving. These rules call for everyone to question everything, be data-driven, and take a holistic view. This is a very brief summary of deep and complicated work.

Innovation is a journey, a collaborative problem-solving process, where discoveries happen through a process of trial and error, false starts, and even mistakes. The process can be exhilarating. But as many of us know all too well, it can also be downright scary. Leading an organization whose appetite is much bigger than its current capabilities is not for the faint-hearted.

Leaders must understand that an unavoidable paradox lies at the heart of innovation: the need to unleash the talents of individuals and, meanwhile, harness those talents to address a problem or opportunity of importance to their organization. Our definition of innovation—something new and useful—reflects this paradox: it is relatively easy to think of many new ideas, but it is much more difficult to convert those ideas into something new that actually solves a problem for the collective good.

To recap, leaders of innovation do three essential things:

- **They create collaborative organizations.** Research shows that innovation is almost always a group effort that requires the interplay of ideas that occur during the interactions of people with diverse experience and points of view. Collaboration is the backbone of the process.
- **They foster discovery-driven learning.** Innovation is a problem-solving process, and leaders must instill mindsets throughout their organization of trying, learning, adjusting, and then trying again. This means not punishing people for mistakes made when trying new things.
- **They encourage integrative decision-making.** This requires leaders to actively keep opposing options on the table as long as possible, explore every aspect of the option, and then combine the best version of each.

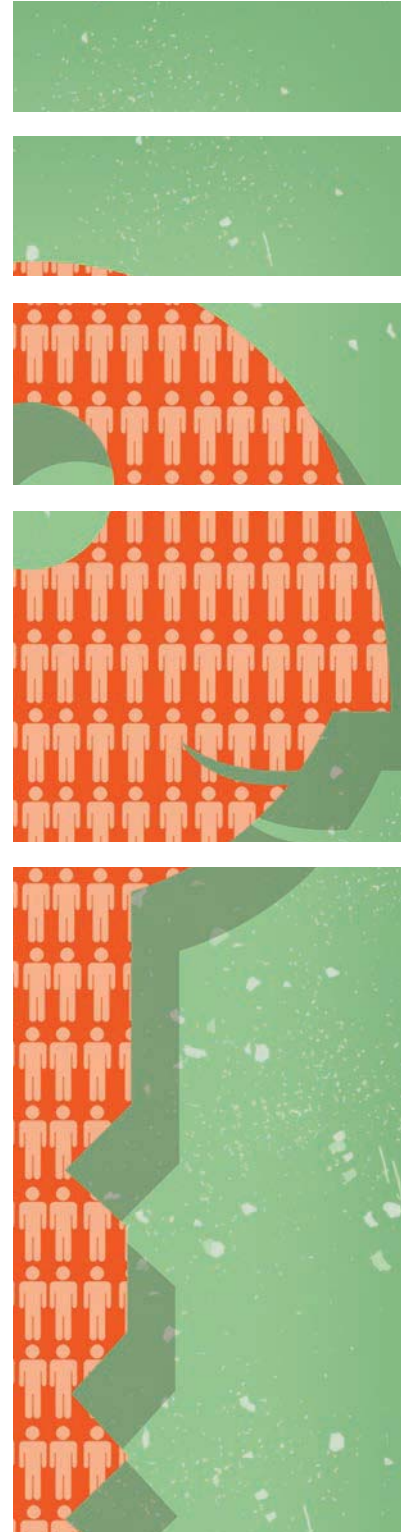
The leaders we studied understand that innovation ‘takes a village.’ One leader told us, “The art of leadership is creating a world to which people want to belong.” Another leader’s goal was “inverting

the pyramid to unleash the power of the many and loosen the stranglehold of the few to increase the speed and quality of innovation every day.” “Talented people do not want to follow you to the future; they want to co-create that future with you,” another told us. The challenge is to nurture the bottom up, yet not degenerate into chaos.

Managing this paradox—unleashing passions and talents on the one side, while on the other side, harnessing them for the power of the collective—is what makes leading innovation so hard. In the midst of shifting priorities, effective leaders of innovation must constantly recalibrate their approach to suit the context. They encourage team members to support one another ‘while simultaneously’ challenging and provoking each other through robust debate. They also foster experimentation, continuous learning, and high performance. This is no small task.

You can see this radically recasts the role of the leader. Instead of developing a vision and pushing an innovation agenda personally, leaders of innovation create a place—an environment—where people are willing and able to do collaborative problem solving. While many situations call for visionary leadership, leading innovation is different: it charges the leader to welcome contributions from everyone in an organization.

So why do some teams flourish, while so many others—even star-studded teams—fail to innovate? We can sum up our belief in one word: leadership. To thrive in today’s competitive environment, leaders must reimagine their roles. Too many leaders today seek followers who execute and believe their key leadership task is to set direction. They minimize differences, while focusing on ‘where we are going.’ But leaders of communities that innovate see their key leadership task differently: They believe that their task is more that of a social architect, shaping the context. They amplify differences and demonstrate a relentless focus on ‘who we are,’ to ensure that diverse ‘slices of genius’ are unleashed and leveraged into works of ‘collective genius.’ ♦



collaboration: rise of the third wave

BREAKTHROUGH IDEA AWARD



The transformative power of collaborative consumption...

It changes the way we live by transforming our relationship to ownership. We do not have to individually own things such as cars that sit idle in our garage or specialized equipment that have limited use, but can pay for shared access. Indeed, an interesting question is emerging: what does it mean to own something in the digital age?

Our smartphones are like remote controls to the physical world, enabling us to unlock the 'idling capacity' of assets redistributing usage through networks and marketplaces, and getting what we need almost on demand. Secondly, it changes our relationship to trust. The rise of peer-to-peer lending platforms, such as Zopa or ridesharing platforms such as BlaBlaCar, signal a massive shift in how people view trust. The idea of lending money to someone you do not know or getting in a car with a total stranger seemed risky, even absurd a few years ago but they are quickly becoming mainstream behaviors.

Rachel Botsman *is an author and a visiting lecturer at Saïd Business School, Oxford University. She originated the theory of 'collaborative consumption' with her book What's Mine is Yours: How Collaborative Consumption is Changing the Way We Live. In 2015, she designed the world's first MBA course on the collaborative economy, which she teaches at Saïd Business School.*

Collaborative consumption amounts to a reverse journey of sorts, from hyper consumption to the primate instincts hard-wired in us. Please elaborate.

Sharing is a core part of human nature. Think back to villages and markets—sharing, bartering, swapping, renting, lending, and trading directly with one another is what we did for thousands of years. Back in the day, a neighbor used to be able to get a cup of sugar from another neighbor, or borrow the lawn mower. This kind of neighborly sharing faded out as a 'me' system of consumerism encouraged each and every one of us to own things. The irony is that technology is taking us back to old market behaviors that are innate to us but they are reinvented in ways relevant for the Facebook age.

New systems are rapidly emerging that are creating efficiency and trust to share and



collaborate in ways and on a scale never possible before. In the first wave, we experienced how this interconnectivity made it easy to share information via email. We then entered the second wave whereby the emergence of social networks enabled the exchange of photos, video, and music. What is happening today is the rise of the third wave, where it is now possible to share everything—spaces, skills, stuff—with a wide network of people.

What are the drivers powering this collaborative revolution?

The evolution of collaborative consumption is the perfect storm of four key drivers: the global financial crisis, increasing pressures on the environment, resurgence in the need to be a part of community, which has largely been enabled through new technologies. While the combination of these drivers is critical to the sudden explosion of the movement, it is not reliant on any particular one, and even in more stable economic times, the motivation for being involved in collaborative consumption is still strong, albeit different.

How would you define reputation capital as the new social currency?

We are in the new era where our reputation is captured not just by traditional metrics such as marks on a report card, credit scores, or the absence of criminal records. Our reputation data comes from different sources, both offline and online, and this makes up our

Illustration by swagphill redkar

'reputation capital'. Whether it be what kind of passenger we are on an Uber ride or what kind of seller we are on Gumtree, information is captured and stored that will be used by other people to assess our identity and our capabilities. Reputation capital will not only transform how we trade but how we perceive our identity and our trustworthiness in the 21st century.

The power of technology in building trust between strangers...

Technology has enabled new kinds of accountability and trust. It not just changes the way we buy goods on marketplaces like Etsy and Ebay but also how we travel, bank, work, and even love. It makes ideas that might have seemed weird, risky, or even dangerous now normal to people, and this is largely because of new mechanisms for building trust. By the time we get into someone else's car or lend them money, by the time we hire them to build our IKEA shelves, or go out with them for a drink, we have a real-time sense of who they are. With a click of a button, we have unveiled vital information about them which allows us to be more open to trying an activity we otherwise would not have considered.

Implications of a collaborative economy vis-à-vis the labor market...

The collaborative economy is part of a reinvention of the notion of a 'job'. Providers on platforms have the freedom to choose which kinds of jobs they do and in some instances who they work with. They also have the flexibility to choose how many hours to spend in a particular job. It is part of the rise of the 'micro-entrepreneur', the realisation that we can all in some way make money from the skills and time we have.

To give some examples, a person can have a full-time job at an accounting firm and also sell painted planter pots on Etsy. Or a former McKinsey employee who now stays-at-home with her kids can choose to do some freelance consulting through the platform Skillbridge. There are lots of stories like these I have encountered and the common reason I hear for them joining these platforms is 'control' and 'choice'. On the other hand, employers can tap into a large pool of talent that goes beyond the walls of their offices when needed. For example, an IT company can hire a new fleet of freelancers to work on a big new project without having to hire new full-time employees.

For people who seek services of workers in the collaborative economy, they can expect more transparent services, and a closer and more collaborative relationship with whom they hire. ♦

As told to Anitha Moosath

THE BOOK ADDRESSES THREE GROWING MODELS OF COLLABORATIVE CONSUMPTION: PRODUCT SERVICE SYSTEMS; COMMUNAL ECONOMIES; AND REDISTRIBUTION MARKETS, AND HOW THESE THREE MODELS COME TOGETHER TO FORM A NEW ECONOMY OF MORE SUSTAINABLE CONSUMERISM.



how to achieve four-way wins



TALENT AWARD

Work-life integration as opposed to work-life balance...

Too many people believe that to achieve great things we must make brutal sacrifices, to succeed in work we must focus single-mindedly, at the expense of everything else in life. Even those who reject the idea of a zero-sum game fall prey to a kind of binary thinking revealed by the term we use to describe the ideal lifestyle: 'work/life balance'. The idea that 'work' competes with 'life' ignores 'life' is actually the intersection and interaction of four major domains: work, home, community, and the private self. Most successful people are those who can harness the passions and powers of the various parts of their lives to achieve 'four-way wins'—actions that result in life being better in all four domains. Thus, integration, not balance, is a better lens to view how one navigates work and the rest of life.

How would you analyze work-life integration vis-à-vis the concept of Total Leadership (TL)?

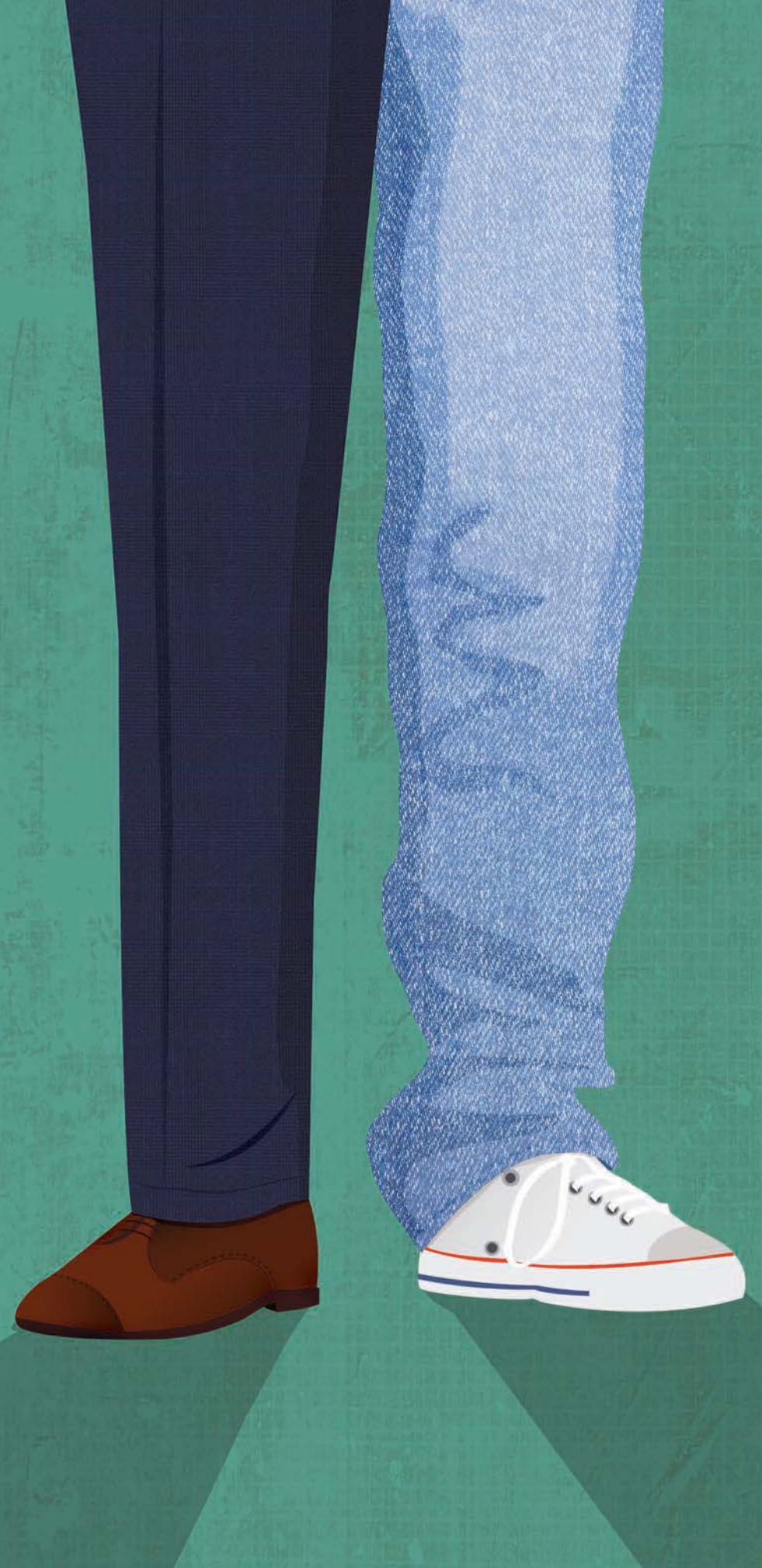
The 'purpose' of TL is to improve performance in all four

Stew Friedman is Practice Professor of Management at the Wharton School of the University of Pennsylvania. He trained as an organizational psychologist, was founding director of the Wharton Leadership Program, and is also founding director of Wharton's Work/Life Integration Project. He is the creator of the concept of Total Leadership and author of *Total Leadership: Be a Better Leader, Have a Richer Life*; *Baby Bust: New Choices for Men and Women in Work and Family*; and *Leading the Life You Want: Skills for Integrating Work and Life*.

domains of life by creating mutual value among them. It is a proven method for creating harmony, or integration, among the different parts of life, based on decades of research. The key principles of this approach are to 'be real', acting with authenticity by clarifying what is important; to 'be whole', acting with integrity by respecting the whole person, and to 'be innovative', acting with creativity by continually experimenting with how things get done.

What are the critical skills needed for integrating work and life?

In my thirty years as a professor, researcher, consultant, and executive, I have found eighteen specific skills that bring these principles to life, and foster greater alignment and harmony among the four life domains. I illustrate them with examples and describe how you can develop them in



Leading the Life You Want: Skills for Integrating Work and Life.

It starts with a focus on being real—how to act with authenticity by clarifying what is important, wherever you are, whatever you are doing. That requires you to:

- Know what matters.
- Embody values consistently.
- Align actions with values.
- Convey values with stories.
- Envision your legacy.
- Hold yourself accountable.

The second principle that Total Leadership addresses is being whole—acting with integrity. What I mean by that is respecting the fact that all the roles you play make up one whole person and encourages others to view you the same way.

To do that you must be able to:

- Clarify expectations.
- Help others.
- Build supportive networks.
- Apply all your resources.
- Manage boundaries intelligently.
- Weave disparate strands.

The third Total Leadership principle is to be innovative—to act with creativity in identifying and pursuing more four-way wins. To do so, you need to:

- Focus on results.
- Resolve conflicts among domains.
- Challenge the status quo.
- See new ways of doing things.
- Embrace change courageously.
- Create cultures of innovation around you.

Illustration by swapnil redkar

How is an approach based on “being real, being whole, and being innovative” linked to success?

By clarifying what is important, respecting the whole person, and continually experimenting, one increases one’s chances of being successful in all of life’s domains. The six exemplary leaders I profile in my book show how truly successful people do not forsake the other parts of their lives to achieve success in their professional and public lives; to the contrary, they find creative ways to embrace their family, community, and personal lives to gain the support and resources they need to accomplish great things—to use their particular talents and passions in the service of contributing to the world.

Definite connect between work-life integration and productivity?

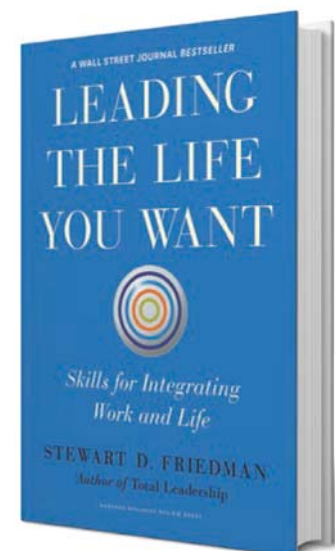
Yes, for example, if you are distracted while you are at work by responsibilities you have at home or to others outside of work (for example, your aging parents, your sports team members), you will be less productive. If you are distracted by work obligations and worries while you are at home with your spouse and children, then you will be less effective as a loving, caring spouse, or parent. But if you are able to manage these boundaries by understanding what is most important to you, finding out from others what they really need from you, and then experimenting with ways of meeting your needs ‘and’ their needs, in years of research, consulting, and teaching, I have found that it is nearly always possible to be more productive.

With more millennials entering the workforce, how can organizations best help employees lead the life they want?

Millennials are keenly interested in and quite outspoken about their desire to have meaningful lives outside of work and also to have meaningful work. Employers can attempt to change the way in which some view this attitude as laziness or a lack of commitment to work. Instead, employers who want to attract and retain millennial talent can recognize that people, and not just millennials, are most productive when they are well-rested, when they are engaged in work that is meaningful to them, when they are not distracted by obligations, responsibilities, and worries from outside of work. We have found that the Total Leadership approach resonates deeply with millennials and helps them feel purposeful, connected, and optimistic about having an impact through their work. ♦

As told to Anitha Moosath

THROUGH THIS BOOK, FRIEDMAN IDENTIFIES THE CRITICAL SKILLS FOR INTEGRATING WORK AND THE REST OF LIFE. HE ILLUSTRATES THEM THROUGH COMPELLING, ORIGINAL STORIES OF SIX REMARKABLE PEOPLE.



what leadership looks like



IDEAS INTO PRACTICE AWARD

Before the Thinkers50 2015 event, myself and Des Dearlove found ourselves in a dining room over a pub in London's Belgravia. Our guests for the evening were Zhang Ruimin of Haier, his interpreter, and two colleagues. Then for three riveting hours, we heard the story of Haier and Zhang Ruimin's amazing work in reinventing management and organizations for the twenty-first century. Along the way what became clear was that we were in the presence of a remarkable man. A leader.

Zhang Ruimin is 67 years old. He has a slightly stooped air of humility, but humility charged with energy. While other business leaders work on emails in airport lounges, he is more likely to be found reading a book. Indeed, Zhang Ruimin is the best-read business executive I have ever encountered. His conversation is sprinkled with references to those whose ideas have influenced him—Don Tapscott, Kevin Kelly, Henry Mintzberg by way of Confucius and Lao Tzu.

How Haier became the world's biggest home appliances maker, the fastest-growing home appliance brand, and one

Zhang Ruimin is chairman and CEO of the Chinese white goods manufacturer, the Haier Group. It was under his stewardship that the company grew to being acknowledged as the world's largest major appliances brand. Its success is founded on innovative management methods which seek to combine the best Chinese thinking with the best Western practices. Haier's change in fortunes began with Zhang Ruimin's bold affirmation that the company would produce high-quality goods rather than the lower quality ones it earlier made. Since then, innovative team-led working and the encouragement of entrepreneurialism internally has fuelled its growth and recognition throughout the world.

of the largest non-state-owned enterprises in China has entered business legend. The development of Haier is an eye-catching corporate story by any standards. It was in 1984 that Zhang Ruimin took over as Director of the Qingdao Refrigerator Factory. The small collectively-owned factory was losing money. Others had tried to turn the venture around and failed. Money had to be borrowed to pay wages and products often had to be repaired before leaving the factory.

Since then, Zhang Ruimin and Haier have cut an impressive swathe through business orthodoxy. Their experiments and innovations in management are unique in their scale.

Usually, management innovations start in smaller organizations and migrate, in slightly diluted form, to their bigger



Illustration by Keeki Jadhav

counterparts over time. Despite all the trumpeting of change programs and the like, large organizations tend not to change the way they operate to any significant extent. Change is often decorative tweaking rather than a radical overhaul. Those that do—think ABB in the 1980s—usually end up in retreat, theoretically and commercially.

That Haier has managed to maintain business growth and groundbreaking organizational innovation over a sustained period is unusual and owes a great deal to the leadership of the company. It has succeeded in well-established markets against strong competition. The fact that it is a Chinese company adds piquancy to an already powerful story.

Haier's success is based on five foundations:

change then change again

Even though the literature on change is enormous, the managerial and organizational appetite for change tends to be limited. In the same way as turkeys are not inclined to vote for Christmas, leaders of successful organizations are disinclined to change things if they are remotely successful. Few individuals or corporations have managed to change successfully, even fewer have done so repeatedly. Haier has done just that.

During the 1980s, Haier dedicated itself to 'brand building.' Its realization was that to compete internationally, it had to raise the

After receiving letters from consumers complaining about quality problems with Haier refrigerators, Zhang joined employees in demolishing 76 of the sub-standard refrigerators with sledgehammers.

standards of its products. Zhang Ruimin proposed the principle of ‘a late starter with a high starting point.’ (To the Western ear, he has an aphoristic and somewhat cryptic turn-of-phrase. Elsewhere, he has observed: ‘When a storm comes, pigs can also fly in the sky—although they don't know why.’)

Famously, in 1985, after receiving letters from consumers complaining about quality problems with Haier refrigerators, Zhang joined employees in demolishing 76 of the sub-standard refrigerators with sledgehammers. The point was made: Haier had to match or exceed the highest quality standards.

In the nineties, the focus shifted to ‘diversification’ with a variety of mergers and restructurings. The Haier refrigerator brand was extended to a range of other home appliances—washing machines, air conditioners, microwave ovens, televisions, computers, and more.

From there, Haier moved to ‘internationalization’ with an emphasis on localized R&D, manufacturing, and marketing. Its international moves were bold—eschewing easier and closer markets it headed to the United States and Europe where markets were highly competitive and quality expectations high. Following on was Haier’s ‘global brand’ stage, its acceptance as a powerful brand presence worldwide.

In December 2012, Haier announced its entrance into a fifth development stage: ‘networking strategy.’ This, Haier explains, aims “to connect the networking market with the networking organization”. “The internet mindset for a business should be a zero distance and networked mindset,” he says. “The internet has eliminated the physical distance and enabled businesses to become networked. The competitive tension among a company, its employees and its partners should be defused with the aim of building a collaborative, win-win ecosystem.”

The challenge of change is to instigate it from a position of strength. Repeatedly, companies attempt to change things as their



Haier talks of moving from 'complete obedience to leaders' to 'complete obedience to users.'

performance deteriorates or their market strength evaporates. Not Haier. Indeed, the more successful it has become, the greater its apparent appetite for change.

small, self-managed teams

The dynamos of constant change at Haier are small, self-managed teams. There is nothing new in this. Management history features a number of organizations which have used such teams successfully. Lockheed Martin's Skunk Works® teams in the 1940s were based on small groups and the principles of 'quick, quiet and quality.' In 1974, Volvo opened its Kalmar car plant which was designed around the idea of small teams rather than endless production lines being used to produce cars. Consulting firms and other professional service firms continue to utilize small teams to work on projects.

The reason why small, self-managed teams are not automatically embraced by the world's great corporations is simple: they create an organizational mess, a chaotic free-for-all of talent and ideas. This, Haier counters, is the point: innovation and leading-edge thinking is not necessarily a tidy business; a ferment of ideas and activity is preferable to rigidity and stagnation. More orderly organizations beg to differ—and have held sway for corporate generations.

At Haier, its 80,000 or so employees have been reorganized into over 2,000 self-organizing units. Within the company, these independent units are labeled as ZZJYTs (standing for *zi zhu jing ying ti*).

The divide between employees and non-employees at Haier is becoming increasingly blurred. Indeed, putting a figure on the actual number of people it employs is becoming ever more difficult. In practice, when there is a new project to be worked on several people bid for it and come together as an independent business unit. The unit dissipates after the project is over and everyone goes back into the marketplace. This effectively creates competition within the organization, but also fuels entrepreneurship. The person who loses the bid becomes part of the ZZJYT, known in the internal jargon as a 'catfish', nipping at the tail of the winner to ensure the best possible performance.

users first

"If, in the past, the mission of a company was to create customers, today the mission should be to engage customers from end to end. In the past, customer participation wasn't an end-to-end experience; now it must become one," Zhang Ruimin has said. Haier talks of moving from 'complete obedience to leaders' to 'complete obedience to users.'

In white goods, the only color is no longer white. Haier makes mass customization work. Order a Haier product on the internet and you can specify the color and features.

Haier's oft-stated belief is that users are more important than managers. "The bosses are not customers, why should the workers listen to them?" asks Zhang Ruimin. Haier aspires to management without bosses. One of Haier's core values is that 'users are always right while we need to constantly improve ourselves' and its professed future priority is to produce products to meet the personalised demands of consumers.

The results of this are already many and varied. In white goods, the only color is no longer white. Haier makes mass customization work. Order a Haier product on the internet and you can specify the color and features. This is then relayed to the factory so that even washing machines are now customized. Zhang Ruimin told us with evident pride of the latest developments in production with the production line being entirely transparent so that customers can watch their machines being made.

Listening to users means that Haier has developed affordable wine fridges and mini fridges built into computer tables for the student market. It has also developed freezers which include ice-cream compartments which are slightly warmer so the ice cream is ready to eat. Products are tailored for individual markets. Users in Pakistani require larger washing machines for their robes rather than the smaller machines preferred by Chinese users. There are even extra durable washing machines with large hoses which can be used for washing vegetables by Chinese farmers.

create a marketplace of ideas

In the 1990s, Tom Peters colorfully observed that "middle managers are cooked geese." Some geese were longer





lived and, as the company developed, a flock of middle managers assembled at Haier. A student of Max Weber, Zhang Ruimin was hardly likely to allow unproductive bureaucracy to flourish. He regularly quotes Lao Tzu's quip that, "The best leader is one whose existence is barely known by the people." The role of managers was imaginatively reconfigured and the company recreated as an open marketplace for ideas and talent. The traditional pyramid structure has been all but flattened.

Crucially, this reinvents the role of managers. Haier regards them as entrepreneurs and 'makers.' "It's better to let employees deal with the market rather than rack our brains to deal with and control them," Zhang Ruimin has observed. Managers are effectively cut loose. Haier talks of its 'win-win model of individual-goal combination,' which means that the objectives of individual employees and the organization are on the same trajectory.

In practice, this means that Haier employees identify an opportunity based on their knowledge of the needs of users and a team is built to develop a product or service to meet the user need. The end result can be a free-standing business. "Haier doesn't offer you a job but offers you the opportunity to create a job," runs the company's slogan.

There have already been some 200 'micro-enterprises' established under the Haier umbrella. So far, only 10% have become fully independent and able to draw all their revenues from market-oriented innovations.

The most fully developed business which has spun out of Haier's entrepreneurialism is Goodaymart, originally its logistics arm. Goodaymart is now ranked among China's leading brands with a brand value of 14,286 billion yuan. Its deliveries cover the home appliance, home furnishings, home improvement, and home decoration industries.

In a total of over 2,800 districts and counties across China, Goodaymart promises delivery within 24 hours in more than 1,500 of them and delivery within 48 hours in 460.

In this way, Haier is effectively acting as a corporate venture capitalist, incubating, and resourcing fledgling business ideas. Once again, there is nothing new in this. Corporate venture capital has a long history but it has usually been at a distance from the core of the company, an indulgent extra.

borrow and adapt

Management is a magpie science, borrowing ideas from psychology, sociology, and elsewhere. Haier has proved adept at borrowing ideas and giving them a fresh and distinctive spin of its own. Japanese-style

Total Quality Management was absorbed and, later, the Six Sigma management model. Self-managed teams and a focus on users are hardly groundbreaking ideas, but wide scale application of the ideas is.

Many of Zhang Ruimin's pronouncements would not be out of place coming from a standard big company CEO. He talks of a free market for talent and executive cream rising to the top. But all come laced with a distinctive Chinese cultural nuance. And they now have a track record of working wherever Haier operates.

For example, after acquiring the Japanese company Sanyo White Goods in 2011, Haier introduced its 'win-win model of individual-goal combination'. The seniority-based compensation system deeply rooted in Japanese firms was broken. Instead, the emphasis was on rewarding people according to how much value they created for users. Managers who generated value found themselves promoted rather than sitting around waiting their turn for elevation. Haier turned the loss-making business around within the year.

The end result is that Haier is reinventing the large corporation so that its role is to be as close as possible to customers and to distribute resources while being effectively without a center.

Inspired by the thinking of the Canadian Don Tapscott, among others, Haier regards the company as a platform for other activities, services, and products. Zhang Ruimin describes a future Haier as a service-oriented platform of innovative groups and creative individuals with an array of Haier teams offering niche services to customers. In this model, the CEO is a coordinator rather than a dictator, working with the consent of the self-managed teams.

The corporate net is widening. Haier taps into the needs and aspirations of users. But it has also spread its R&D network to include widespread collaboration with users, academics, designers, competitors, and anyone who has a useful insight. "The entire world is our R&D department," Zhang Ruimin is fond of saying. Haier talks of communities of interest, creating dynamic hubs of bright ideas to develop new business models, products and services, as well as brand new businesses.

On receiving the Thinkers50 award, Zhang Ruimin was characteristically humble, philosophical, and forward looking. Before thanking Haier employees, he said: "This award gives me lots of courage and confidence. There is no final answer in management, only questions." ♦

Haier talks of communities of interest, creating dynamic hubs of bright ideas to develop new business models, products and services, as well as brand new businesses.

This article is written by Stuart Crainer, co-founder, Thinkers50 and author of *The Management Century*.

why your company might be risking a Kodak moment



STRATEGY AWARD

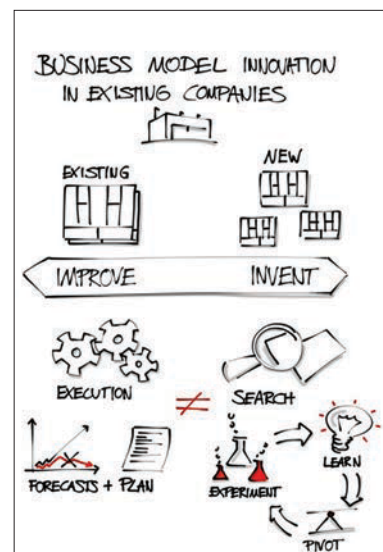
You can be an innovative company and still go bankrupt. Take Kodak for example. They were a pretty innovative company, but that did not prevent them from going bust. Despite inventing the core technology used in digital cameras today, Kodak's technology innovation was not enough for the company to figure out a business model that could be a central piece to their future growth strategy.

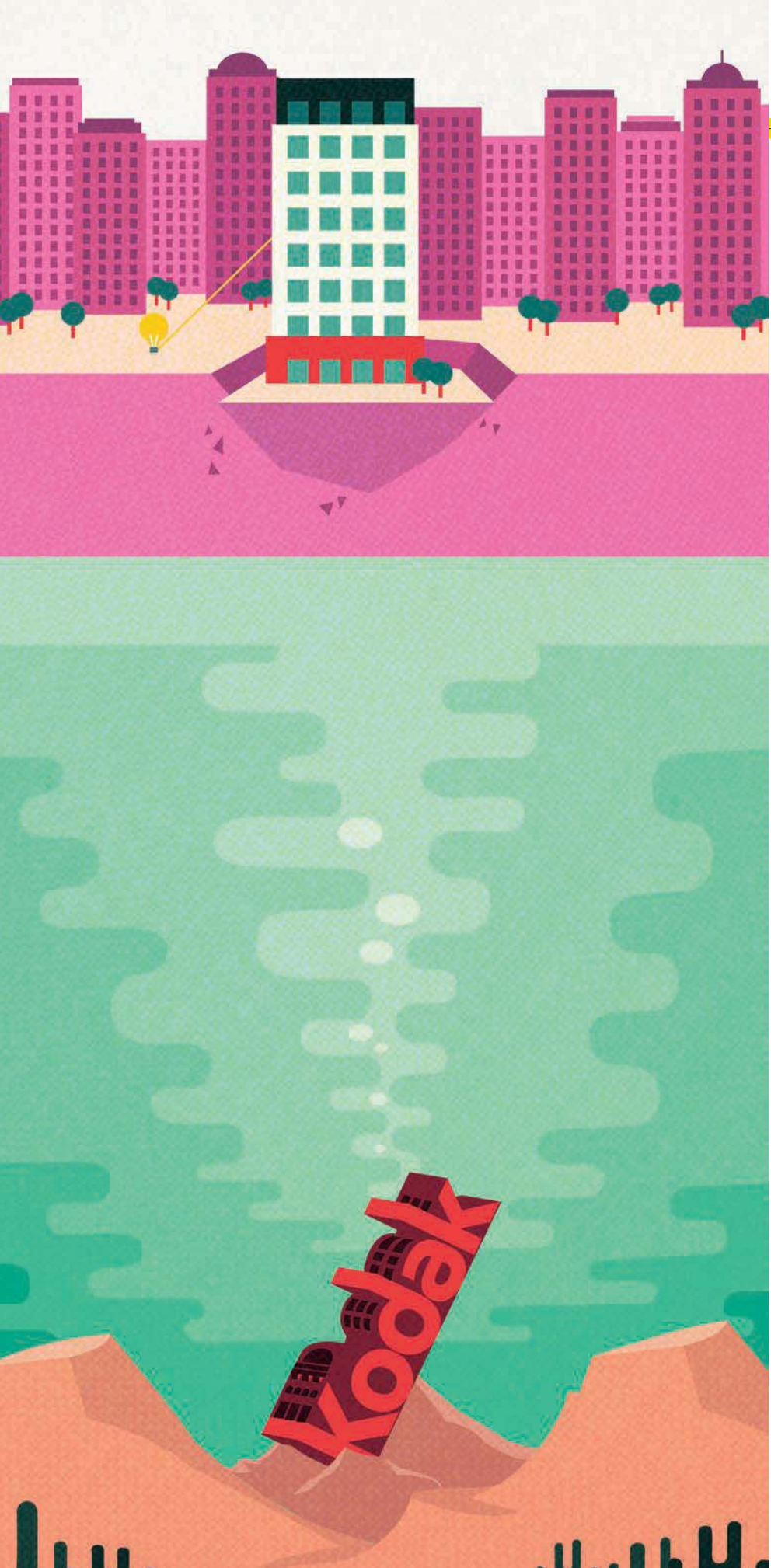
Companies have to execute their existing business model well and simultaneously reinvent themselves constantly in order to stay relevant. Academics call this structure the 'ambidextrous organization'. These organizations 'improve' their existing business model while creating an organizational space to 'invent' future business models at the same time. Kodak focused only on R&D, which was insufficient for reinventing the

future. It is a phenomenon we see often and can firmly say that no leader wants to experience a Kodak moment wherein innovation does not prevent a company from going bankrupt.

Although this is difficult to achieve, we do believe that companies can intentionally design an innovation culture that discovers new growth engines, reduces the risk of experimentation, and increases return on investment on R&D. We do stress that this is an additional culture that lives alongside the execution culture. But to make that happen you have to recognize that your 'invent' culture will have very different skills, processes, and incentives from your 'improve' culture. We encourage companies to allocate a percentage of their R&D budgets for seriously exploring new value propositions and business models.

Alex Osterwalder is co-founder of Strategyzer, a company that builds practical tools for business strategy and innovation. Yves Pigneur is Professor of Management Information Systems at the University of Lausanne. Together, Osterwalder and Pigneur are co-authors of bestsellers *Business Model Generation* and *Value Proposition Design*.





outcomes: what are we trying to achieve?

Start by thinking about the outcomes you want for your company within this innovation culture. What are the concrete results you want to create? Let us say you want your company to reduce innovation risk; get a higher return on any R&D being performed; and build new growth engines. On a managerial level, you will probably want to retain your talented teams and build a company that is designed for the future. Before you go any further, it is important to start by focusing on one outcome at a time. Map out the behaviors, enablers, and blockers that produce the outcome, and then move onto another outcome.

behaviors: what do we have to do?

If you picked 'reducing innovation risk' as the first one to tackle, the next step is to map out some behaviors that people need to perform in order to achieve that outcome. For example, leadership may encourage teams to test the assumptions underlying their ideas, rather than writing refined but unproven business plans. You would want your company to value evidence over opinions, move fast and be agile to change, and provide incentives or rewards for experimentation.

On a managerial level, other behaviors that encourage an innovation culture include celebrating learning from failure.

Illustration by keeki jadhav

Ask the team—what causes and influences our behaviors? What are you as a leader saying or doing to enable these behaviors? How are people rewarded for their behaviors (both positive and negative)? What are the unwritten rules?

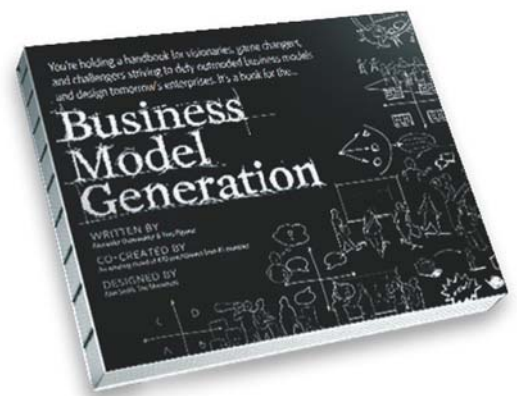
This can also encourage more employees to choose innovation as a career path, and not see experimentation as career suicide. Another good behavior could be that the execution engine of your company collaborates with your innovation engine by sharing resources, knowledge, and even budgets.

enablers and blockers: how do we make this happen?

The behavior of teams and individuals inside your company is the result of certain enablers and blockers. The enablers will allow desired (or undesired) behaviors to take place and the blockers will prevent desired (or undesired) behaviors. Think about the impact leadership, culture and processes, and organizational design has on your company. Ask the team—what causes and influences our behaviors? What are you as a leader saying or doing to enable these behaviors? How are people rewarded for their behaviors (both positive and negative)? What are the unwritten rules? It could be the requirement of business plans well before you are ready to execute; a lack of knowledge or training when designing, running, and managing business experiments; or that your process is linear rather than agile.

Those blockers sound a lot like habits that work in an execution or ‘improve’ culture, do not they? But an ‘invent’ culture needs enablers that encourage invention. For example, leadership can provide support to give legitimacy and power to intrapreneurs responsible for managing the search for new value propositions and business models; and they can allocate sought-after resources. By championing methodologies like design thinking, or tools like the Business Model Canvas and Value Proposition Canvas, leadership can enable the right process and skills development for teams to design, run, and manage agile business experiments. You have to have the right enablers to encourage the right behaviors to expect the right outcomes. We really

IT IS A HANDBOOK FOR VISIONARIES, GAME CHANGERS, AND CHALLENGERS STRIVING TO DEFY OUTDATED BUSINESS MODELS AND DESIGN TOMORROW'S ENTERPRISES. IF YOUR ORGANIZATION NEEDS TO ADAPT TO HARSH NEW REALITIES, BUT YOU DO NOT YET HAVE A STRATEGY THAT WILL GET YOU OUT IN FRONT OF YOUR COMPETITORS, YOU NEED THIS BOOK.



do believe that you cannot just slap a list of phrases on the wall and expect your employees to enact and embrace them as values.

your innovation culture can be intentionally designed

Because companies have such a hard time reinventing themselves, we tried to figure out how we can help them intentionally design an innovation culture. That is why we teamed up with Dave Gray, founder of XPLANE, and helped him develop the Culture Map. The exercise of mapping out the outcomes, behaviors, enablers, and blockers can actually be visualized and recorded within this simple tool. You can use 'the culture map' to map out an existing or desired state. You can use it to communicate your culture internally. And finally, it can be a constant reference point as teams and individuals implement or scale the enablers and behaviors to achieve specific outcomes.

You would want to assess how well your company moves from its improve side to invent side. Ask yourself where you are when it comes to leadership, culture and process, and organizational design.

The Culture Map Beta
A Change Management Tool

Designed for: _____ Designed by: _____ Date: _____ Iteration: _____

Outcomes
Behaviours
Enablers/Blockers

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Has your organizational culture encouraged skills development or improved incentives and rewards for innovation? What is the relationship like between your 'improve' and 'invent' culture?

Has your culture enacted enablers and behaviors that result in the 'invent' culture you desired? Has the company moved from a 'likely to be disrupted' state to a 'constant innovation' state? Has leadership moved the needle to support experimentation and learning from failure? Has the culture and processes resulted in the use of design thinking and strategy tools? And lastly, has your organizational culture encouraged skills development or improved incentives and rewards for innovation? What is the relationship like between your 'improve' and 'invent' culture?

Traditional R&D is what large organizations believe to be a remedy for disruption. But like we pointed out above, simply creating new products and technologies would not save your company from being disrupted. When you look at the greatest companies around today, how much do you think they spend on R&D? Big sums. Now, how much of that money goes into figuring out the right value propositions or business models and bringing them to market the right way? Probably very little or none.

In fact, good innovation does not necessarily have to be tied to a product or technology if the value proposition creates value for your customers and your business model creates value for the company. Good business model innovation starts with your culture. ♦

