

RGGM NEWSLETTER

RITA GUNTHER | MCGRATH

Navigating Through Inflection Points

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Dear colleagues,

I was recently at a conference with Curt Carlson, a brilliant leader of innovation who for many years ran SRI, the research organization responsible for the invention of Apple's Siri and many other multi-billion dollar products. The SRI story is one of an astonishing turnaround—when he took over as CEO in 1998, the organization had been losing money for years and was on the brink of having to close its doors. Worse yet, the culture he inherited was described by many as toxic.

Carlson described the situation as going from a company (GE in this case) where he was given tens of millions of dollars to create new things, such as high definition television, to a situation in which, as he puts it, "We were going to be expected to earn

tens of millions.” His best friend at the time, Norman Winarsky, summed up the challenge: “Like everything else we’ve ever done, we have to learn this.”

His inspiration for what became a fabled turnaround came from an unlikely place. At age 15, he was a professional violinist. While basic skills and practice mattered, gaining mastery involved being coached by a master teacher in an intensive class setting. As he says, “Everybody learns from each other, they watch each other play, and they share ideas. It’s a positive thing, a demanding thing, but it’s a powerful way to learn.” These master classes became the model for his system of driving innovation.

The approach was to hold a meeting from 5 p.m. to 9 p.m. every other Monday with the core leadership team, representing the teams working on important projects at SRI. At the meeting, each team had five minutes to discuss their projects, focusing on four questions: What is the important customer and market need? What is your approach to addressing this need? What are the benefits per costs of your approach? How do those benefits per costs compare with the competition and the alternatives?

Carlson came to call this “NABC” for Need, Approach, Benefits per costs, and Competition. In the meetings, each presenter used the same framework and reported what they had learned for the benefit and critique of the other members. This allowed each of them to compare one project with another, and to watch the same project evolve over time. This proved a powerful accelerant to the learning process, because it stripped the cognitive load on individual learners to the minimum necessary.

Carlson also makes the point that making the successful transition through any inflection also requires excellent partners. Norman Winarsky was one, who helped design the innovation methodology that not only saved SRI but led it to thrive. Another was Bill Wilmot, at the time a professor at the University of Montana, who had literally written the book on communications challenges. He was of utmost importance to what Carlson calls “the human stuff.”

One thing that is notable to me is that at SRI, innovation was not the result of a single creative genius, as many would say was the case at Apple during the Steve Jobs era. Nor was it a result of an entrepreneur breaking through barriers and bringing everyone along with him or her, as we might perhaps think of someone like Oprah Winfrey. Nor was it just one big hit—while Siri is SRI’s best-known innovation, there were many others during the Carlson years. From a personal point of view, his approach to being a change agent has valuable lessons for all of us.

[Read more](#)

My new book, *Seeing Around Corners: How To Spot Inflection Points in Business Before They Happen*, will be released in September. To be added to the early alert list, email info@valize.com.

Reading List

A curated roundup of interesting articles to get you thinking:

- **Why influencer marketing is not all it's cracked up to be.** A study finds that it's sometimes more efficient—and cheaper—to spread information randomly rather than through targeted seeding. ([Fast Company](#))
 - **Rewards cards gained a fanatic following—now banks are pulling back.** Consumers have figured out how to game the system. ([Wall Street Journal](#))
 - **This house costs just \$20,000—but it's nicer than yours.** Rural Studio's innovative design is changing the entire housing system. ([Fast Company](#))
 - **Whether with email, text, or Slack, the keyboard is now the prominent podium of leadership—and requires a completely new set of capabilities.** Here are five techniques to overcome this digital handicap. ([LinkedIn](#))
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Upcoming Events

- January 22-31: [Career Mastery Kickstart](#) (Virtual Summit)
- February 4-5: [HR Directors Summit](#) (Birmingham, UK)
- April 3: [Innovation Roundtable](#) (Newark, DE)
- April 24-26: [Penrose Lectures](#) (London, UK)
- April 28 - May 24: [Advanced Management Program](#) (Columbia Business School)
- May 6-10: [Leading Strategic Growth and Change](#) (Columbia Business School)

Interested in having Rita speak at your organization or event?

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In the Press

- Hu-manity.co Announces Data-Focused Magna Carta ([BusinessWire](#))
- Optimise Research When Going Global ([Financial Chronicle](#))
- The New Strategic Logic That Every Company Should Embrace ([Rotman Management Magazine](#))
- The End of Competitive Advantage ([Columbia Bizcast](#))

Where there is uncertainty, there is also opportunity.



Here's to your next advantage! - Rita

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