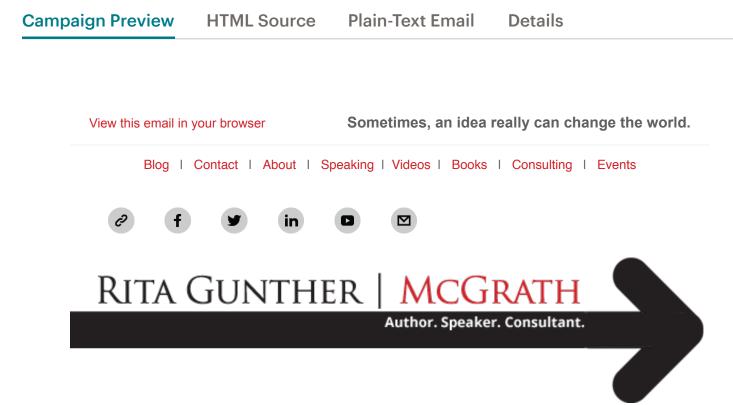
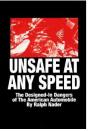
December 2015 Newsletter



Dear Colleagues,

2015 marks the 50th anniversary of Ralph Nader's book, *Unsafe at Any Speed: The Designed-In Dangers of the American Automobile.* This article in the New York Times got me thinking about ideas, specifically about ideas in books. What, I wondered, causes certain books to have an enormous impact, while others end up on the remainder tables and eventually sink from consciousness?



One way of looking at this is to consider the purpose of a book in light of its intended impact. Is it to create dissatisfaction with the way some things currently work? Is it to articulate a compelling vision? Or, perhaps, it's to provide a framework for making progress, like a 'how to' book.



At Columbia, we use three potential mechanisms that link to a formula (of sorts) for provoking large-scale organizational transformation.



Drawing on the work of Harvard's Michael Beer, we suggest that the likelihood of a successful major change is a function of the extent to which there is dissatisfaction with the current state, times the power of a vision for the future state, times the existence of a process for

removing obstacles to the change. To me, high-impact ideas seem to fall into one of these three categories.

Creating Dissatisfaction:

When the status quo is simply no longer acceptable

Books in this category take a searingly intense look at something people are taking for granted and point out its flaws. Certainly Nader's book falls into that category, beginning with its take-no-prisoners opening sentence: "For over half a century the automobile has brought death, injury and the most inestimable sorrow and deprivation to millions of people."

Upton Sinclair's *The Jungle*, a social critique that described the daily horrors of working-class life in Chicago, is credited with sparking major improvement in worker's rights and placed limitations on the power of employers to abuse them. Ironically, for Sinclair, it was his descriptions of conditions in meatpacking plants that attracted the most attention. He's famously reported to have said, "I aimed at the public's heart, and by accident I hit it in the stomach." The book nonetheless proved to be a tipping point.





Rachel Carson's book *Silent Spring* likewise sparked the modern environmental movement. While the data she presented was known, she surrounded the clinical facts with stories and images that led readers to question the extent to which humanity was destroying the world. In particular, she made clever use of the era's paranoia about nuclear fallout to draw an analogy to the way

in which pesticides had their own fallout. She used an example of how chemicals, such as DDT, created unintended consequences (bird's weakened eggshells) when used in large quantities in the environment.

Articulating a Vision. What things could be like

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Other books that have a big impact don't necessarily critique the way things are, rather they try to paint a portrait of how great things could be if the author's ideas were adopted. Many social and political books fall into this category, such as *The Communist Manifesto* with its encouragement "Workers of the world, unite! You have nothing to lose but your chains!".

Henry David Thoreau's *Walden*, likewise illustrated what a simpler, more peaceful life, one that was at one with nature, might be like. Its meditative descriptions of living with only what was essential and necessary have been described as "the ultimate self-help". Among its more memorable lines was "the mass of men lead lives of quiet desperation" which became a rallying cry for many who wanted to find more meaning in their lives.

Business books often try to persuade the reader that the ideas in them will help realize a high-performance vision for companies. Credit for the success of this genre

would have to be traced to the father of all business best-sellers, Peters and Waterman's *In Search of Excellence*. The book provided a comforting simplicity to business readers in the 1980's, at a time when many were uneasy about the emerging impact of globalization, digitization and the rise of services on the economy. Entertainingly written, and featuring 'inside stories' of companies

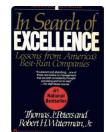
that were household names, it promised readers that they, too, could find excellence if they followed a simple set of principles. This tradition is still alive and well and living in the business section (cue *Good to Great* and *Built to Last,* for instance).

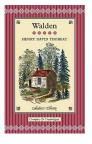
How To Get There: Understanding and overcoming obstacles

A final reason why an idea can have impact is that it offers a new theory or approach that illuminates a practice or system that before was poorly understood. Books in this category become popular because they either help people better understand the way the world works, or because they offer a useful set of tools or frameworks.

Books that outline a new theory that helps people understand the way things work honors the principle from the article "That's Interesting" because they challenge previously weakly held assumptions. Darwin's *The Origin of Species*, for example,







offered one of the first cogent accounts of evolutionary processes at work. James Watson's *The Double Helix* wrapped a riveting human story around one of the most significant scientific discoveries ever made.

Many influential business books fall into this category. Christensen's *The Innovator's Dilemma* created an "aha" moment for business-people by outlining the conditions under which doing what Management 101 suggests (such as listening to your best customers) can get an organization into real trouble. Eliyahu M. Goldratt's novel *The Goal* turned the explanation of basic principles of operations into a page-turning mystery story. It's still required reading at the business school.

It seems to me that these high-impact books focus on one of these elements. They challenge the status quo. Paint a vision of an attractive future. Provide a framework to help people to actually get there.

Women in Leadership Course

It's something I've wanted to do for over twenty years: partner with my alma mater, Barnard College. So I am absolutely delighted to let you know that we are going to be launching our inaugural Women in Leadership course this

June in New York City. It will feature both myself and my co-faculty director, Elana Weinstein for the entire program. We are also thrilled to have Nancy McKinstry, a CBS alumna and CEO of publishing giant Wolters Kluwer and Sharon John (also a CBS Alum) the CEO of Build-A-Bear Workshop joining us.

In the News

Draper's Hall in London was at its gilded loveliness again in November for the Thinkers50 daytime panel sessions and the evening gala award dinner. As I mentioned in the last newsletter, it's great to see so many folks from the "discovery driven" and "lean startup" lines of thought represented. You'll find a description of the Thinkers50 top awards here at Forbes. To get a feel for what the event was like, have a look at this highlight video (you'll catch a glimpse of me coming up the stairs at about counter 25).

Speaking of Thinkers50 honorees, Alexander Osterwalder and I had a great chat for the Strategyzer podcast



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This **article** from The Modern Team examines the implications of managing in an age of empathy and draws on some of the ideas I discussed at last year's Drucker Forum.

This interview from "In the Black" offers suggestions for coping with uncertainty.

More links to recent press mentions can be found on the Press section of my website.

Speaking of books...

Just in time for the holidays, Strategy+Business offers their readers a selection of my suggested must-reads for the transient advantage economy. As will surprise nobody who knows me, all four of my picks fall into the third category – how do we actually make these things happen? I particularly enjoyed including the stories of two amazing leaders – Alan Mulally and the turnaround he led at Ford and Ben Horowitz on the topic of becoming a CEO.

CORRECTION: In the last newsletter, I mistakenly stated that the Thinkers50 panel discussion was facilitated by Julia Kirby of Harvard Business Review. It was Sarah Greenwald of Harvard Business Review who facilitated the panel. My apologies for this error.

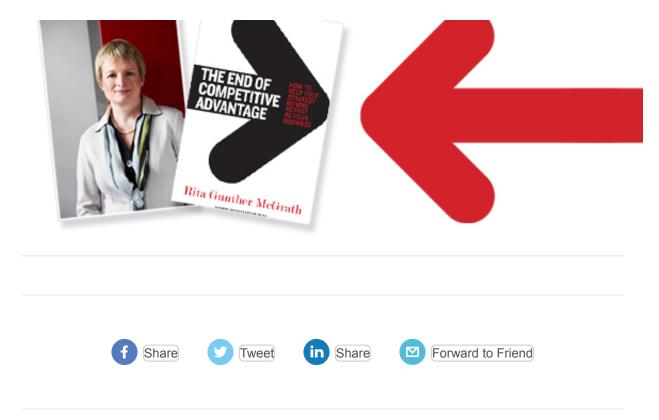
Password for the "Tools" Section of My Website

To access the tools part of the web site (downloadable diagnostics, quizzes, spreadsheets and other cool stuff) go to the RitaMcGrath.com website and use the password - mcgr8th! (*the exclamation point is part of the password*).

Hoping you have delightful and relaxing holidays. On to 2016!

All the best,

Rita



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