

January 2018 Newsletter

Spend a little to learn a lot - Theme for 2018

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Dear Colleagues,

By now, most of us are back to work with the holiday glow in the distant past and thoughts turned to this new year. Before plunging forward, I want to take a moment to reflect on 2017 which was a fascinating year. As a result, this issue of the newsletter is a bit long, but I hope you are able to take away at least a few nuggets of information and perhaps gain a new perspective on 2018!

Thought leadership is alive and well

Thinkers50 began in 2001 with their global ranking of management thinkers and the mission of "providing innovative access to powerful business and management ideas – ideas that will make the world a better place."



This mission is based on three core beliefs:

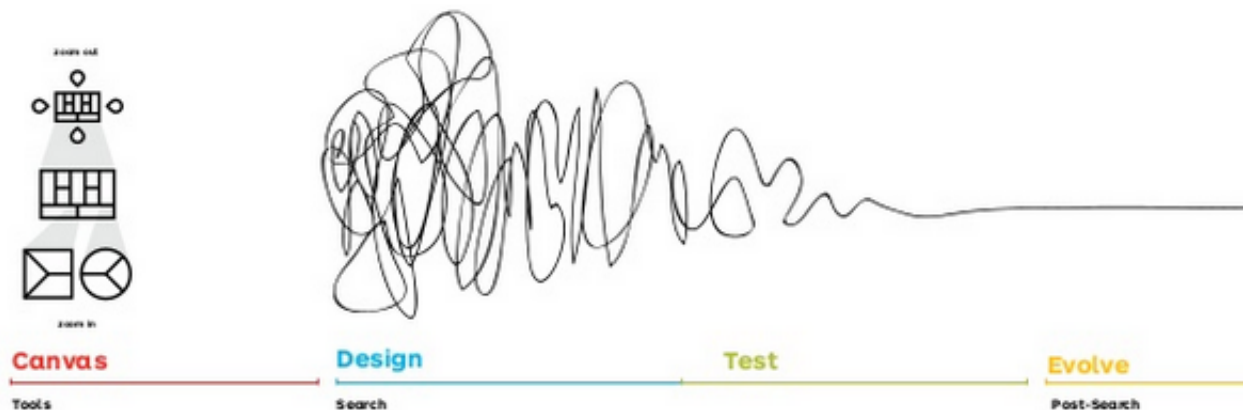
1. Ideas have the power to change the world.
2. Management is essential to human affairs.



3. New thinking can create a better future.

Aside from the great honor of being on **the list**, the T50 events are notable for the caliber of the debate, discussion and networking that happens while attending.

For the London event, I participated in a thought provoking panel discussion with Alexander Osterwalder and Liz Wiseman, called Ideas@Work. Mainly, we were trying to help people understand the difference between managing innovation and managing a repeatable process. And, of course, it wouldn't be an Alex panel if it didn't feature us depicting our ideas visually! You can see some footage from that panel **here**.



Earlier in 2017, I participated in the Thinkers50 European Business Forum event by serving on a panel discussion that dug into why so many organizations simply *get growth wrong*. One reason that became clear is that, among other things, leaders often don't realize that when you innovate, you're making assumptions all the time! **In this video**, I chatted with Des Dearlove (one of the co-founders) about strategic inflection points.

Below is an excerpt from a recent T50 article on the "New Realities of Strategy."

These are troubled times for the study and practice of strategy. Old truths are being relentlessly questioned. Neat divides are coming tumbling down.

As Columbia Business School's Rita McGrath told us: "Strategy is really struggling both in the field and in the real world. You are seeing a bit of a gap. Porter's Five Forces, the BCG Matrix, SWOT analysis, a lot of those tools came from an era when competition was much less vigorous. They are great tools in the context in which they were developed. If

you've got a stable industry structure and you've got things that you can actually measure they still work. But, today we're seeing industries competing with industries, different arenas where competition manifests itself. Strategy, entrepreneurship and innovation are all bleeding into each other." There is functional blood on the ground.

[Here is the link](#) to the complete article.

[Here's a link to a video](#) with a a quick tip for CEOs.

World Economic Forum - Maximum Return on Digital

I was invited to participate in a discussion to review the results of the World Economic Forum's exploration of how to put a value on digital transformation. One of the ideas I proposed is that such investments can be thought of in terms of Option Value. **Option Value thinking means making small investments today, that may open doors to future opportunity, even if they can't be assessed in conventional financial terms.** These and other ideas were shared by a group of digital evangelists in their global organizations.



The CEO Initiative: Doing well by doing good

The editors at *Fortune* magazine convened a group of CEO's with the goal of addressing pressing social issues. Rather than trying to boil the ocean of significant social and political shifts, **the event** is dedicated to making changes that are within the control of the those in the room. The panel I participated in was dedicated to addressing the skills and opportunity gaps that emerge through technological development and rapid change. An example of a powerful idea that could immediately be implemented was to eliminate the requirement of a Bachelor's degree for entry-level jobs. It turns out that requiring this credential rules out 83% of Latino candidates and 80% of African Americans. It's not that these candidates don't have some education, but finding the resources to obtain a full degree can be elusive. Instead, the group agreed to push past the standard hiring manager formula to identify hidden talent among potential applicants and broaden their reach.

Innovation Leaders Roundtable

Innovation Leaders Roundtable

Intent on moving beyond the ‘innovation theater’ discussions that are often part of many innovation related events, my colleague, David Dabscheck of **GIANT Innovation**, holds intimate gatherings of innovation professionals. The participants have the opportunity to learn from experts in innovation and also share their ideas around specific innovation related challenges. In a recent meeting, the question of how to manage expectations around experimentation and failure, was raised. I suggested that one needs to think of failures as the necessary cost of learning. It is helpful to think of the question in terms of “would it be worth spending \$\$ to learn XXX”. As you well know, I like to spend a little and learn a lot.

Human Centric Innovation - Digital Co-Creation

It was an amazing experience to present the keynote to about 8,000 of Fujitsu’s extended European clients and ecosystem partners. I spoke about how the rise of digital has fundamentally shifted how we think about competition, to competing in arenas rather than within industries. I also discussed how customer expectations have radically changed, and how their changes in spending patterns have upended conventional expectations. Amazon and Netflix, for instance, are spending over \$10 billion to create original content – more than many media companies can afford. I closed with a framework for thinking proactively about ecosystem partner roles, with implications for whether you embrace this partnership or whether you enter into it grudgingly.

[Here is the link](#) to an interview for I-CIO Magazine on the subject of creating a business culture for co-creation and innovation for the Forum.

So Long Innovation Theater: A Seminar with Steve Blank and Brian Murray

In 2017, many organizations came to terms with the futility of what my colleague Steve Blank and I call “Innovation Theater.” You know the syndrome. High level teams go off to Silicon Valley and get their pictures taken next to the Google sign. Or, maybe in your organization, it’s ‘innovation boot camps’ where thousands of post-it notes give the comforting impression that the Next Big Thing is right there on the poster board in your hip conference room. Hackathons? Innovation contests? Not that there is anything wrong with these things, but as Steve, Brian Murray of HarperCollins and I discussed, that for innovation to drive corporate renewal it has to go **way beyond theater**. The fact that you need great ideas goes without saying. But honestly, I’ve seen very few ideas on a post-it note that survived first contact with an actual customer.

My Recommendation? Spend a little and learn a lot in your incubation process.

To bring ideas to fruition, you need an incubation process in which the idea goes from something you think a customer might actually pay for, to a validated case of offering/market fit. This might include some experimentation, such as A/B testing. **The key notion during incubation is to keep costs as low as possible while you learn as much as you can.**

One of my favorite stories that illustrates this is the **case of Varo Money**. Varo is a branchless, mobile-centric bank that targets younger people seeking to create a solid financial footing for themselves. Clearly, a great user interface is necessary for this venture to succeed. But, should the communications be friendly, informal and emoji-laden, or serious and businesslike? Hard to say. In typical companies, the decision would be made by the ‘gut feel’ of the person with the highest pay grade. Instead, the folks at Varo ran an experiment – overwhelmingly, and to the surprise of some, the formal style resonated much better with their target audience. When it comes to money, it turns out, sounding like that dude you pay on Venmo is not what we’re into.



Once you've gone through incubation and are ready to raise the curtain, you need the acceleration process

This. Is. Hard.

During acceleration, your fun and funky startup team needs to grow up. You'll need to make friends with legal, accounting, compliance and even HR. You need to pay off technical debt, because, once your business is ready for prime time it needs to be industrial strength and reliable. Even harder, you need to deal with what Steve calls ‘**organizational debt**’. What organizational debt refers to are all those quick-and-dirty decisions you made when your venture was a teenager about people, roles, reporting structures and talent. Now they need to become orderly. You may need different skills. And, some of the folks who were with you on the ride so far either can’t make the transition or don’t want to. The old gang may need to be broken up. And, if you’re not prepared for this process, it can be heartbreaking.

Fail to anticipate the need for all three processes – ideation, incubation and acceleration – pretty much leaves you at the stage door.

Our Columbia online course, [Mastering Corporate Entrepreneurship](#), can help you figure out the challenges before you start.

Women's Advancement - A subject dear to my heart

2017 proved to be the year that women's voices were to be heard. I feel that I contributed by helping women to better navigate their career journeys.

At Kent State, I gave a keynote presentation for the [Spirit of Women in Business](#) Conference that focused on how women can use strategic insight to differentiate themselves.

For a Columbia custom client program, we spent time working on how this global organization can create a culture of inclusion, and, quite delightfully, many participants have made significant career jumps since participating in the program.

Later in the year, I spoke at the [Aspire Conference](#) to an audience of college-aged women helping them think through the choices they face. I was feeling a little past my college aged years, I must confess, but oh so invigorating to be in the presence of such aspiring women!

I'm pleased to be the faculty director for the Women in Leadership program at Columbia. This [high impact program](#) is a 3-day offering in New York and focuses on women with about 10 years of experience who are beginning to face the substantial challenges of going beyond being an individual contributor to managing others, leading teams and taking ownership of results. The program covers actions women can take on their own – developing a personal brand, learning to ask, great storytelling, executive presence, building influence – as well as things they can do to influence and change their organizations. It's time-effective, timely and now time-tested. I'll be there for the whole course, there will be coaching and also words of wisdom from successful women who can share their stories, such as [Cindy Pace](#). And, men are welcome, too!

For more information, contact Jennifer Goetz at +1 212-854-1445 or at jg3701@gsb.columbia.edu.

Speaking of Amazing Women - Helge Liane Gunther

This summer, we said farewell to one amazing woman – my mother, [Helge Liane Gunther](#). As a third-generation professional woman, I owe so much to her sense of endless possibility and encouragement. A little known fact about her was that she was part of the research group at Yale that eventually went on to win a [Nobel Prize for discovering self-repairing DNA](#). As family lore has it, her original work was so challenging to the orthodoxies, at the time, that she was discouraged from publishing it. She left lab work when our family moved (and she felt an obnoxious 8-year old needed a firmer hand than was being wielded by babysitters), and began a long career as a [sophisticated translator of scientific documents](#). It seems only fitting to acknowledge her here.



Planning for the Drucker Forum's 10th Annual Meeting

Performing, responsible management is the alternative to tyranny and our only protection against it.—Peter Drucker

Held in Vienna in November, the [Global Drucker Forum](#), is an event I always look forward to. Next year marks the 10th anniversary of this meeting, and it promises to be a stimulating and thought provoking event. The conference theme will be “Management; The Human Dimension.” If past events are any gauge, the speakers will be world-reknowned management thinkers and scholars. We’ve never needed Drucker’s wisdom more than now!

To get a flavor of the discussions at this year’s Forum, see this [excellent overview by Steve Denning](#).

Here is the list of prior forums. Many of the past plenary sessions are available on video on the [Drucker Forum](#) website.

2016: The Entrepreneurial Society

2015: Claiming Our Humanity – Managing in the Digital Age

2014: The Great Transformation – Managing Our Way to Prosperity

2013: Managing Complexity

2012: Capitalism 2.0 New Horizons for Managers

2011: A Quest for Legitimacy – How Managers Can Shape the Future

2010: Towards the Next Society

2009: The Inaugural Event - Perspectives on Peter Drucker

Recent Articles and Press Coverage

Bots are about to get better at customer support than humans

Each year, I participate in a project sponsored by [Wired magazine](#) that asks experts to take a peek into their crystal balls and describe a phenomenon that they think will have an impact in the following year. Michael Sikorsky, CEO of our partner Robots & Pencils, and I put together a piece that suggested how chatbots and artificial intelligence may improve the customer service experience. Because machines are more predictable, reliable and patient than human beings, they can actually deliver a more consistent, curated experience that gets better as the machines do their work. Hopefully, that leaves the more creative and unpredictable activity for human beings!



These are the 3 industries hiring the most female CEOs

Meanwhile, the aerospace, defense, electronics and telecommunications industries have few women at the top.

When the facts changed they changed their minds. What do you do?

A discussion around Discovery Driven Planning.

Delighted to be on [MIT Sloan Management Review list](#) of top contributors who are also on the Thinkers50 list

Leading Strategic Growth and Change

Discovering new sources of growth and transforming organizations to stay competitive are two of the biggest challenges I find my clients face. This course, covers the latest thinking on these topics, including how to manage the entire cycle of competitive advantage, how to manage growth portfolios, design thinking and inspiration from unusual places, platform (2 sided) strategies and managing organizational politics. It runs in New York City during the day for 5 days.

One of the greatest compliments I receive is when someone enrolls in the course and they tell me - "well, I was looking for executive ed programs and a colleague told me that if I didn't mind spending a week in New York City and wanted to learn a tremendous amount about strategy that could immediately be used at the office - then I must take Rita's course."

Participants bring a real organizational challenge to the program and work on it throughout the week. [Click here](#) for more information. Or drop me a line at rdm20@gsb.columbia.edu.

Here are the 2018 dates

May 7–11, 2018

October 1–5, 2018

Women's Business Leadership in Tech: From Talk to Action

Convene, 237 Park Avenue, New York, NY - Friday, February 9, 2018 - 8:30 a.m. – 2:00 p.m.

To advance the recruitment, retention, and promotion of women in the tech sector, Columbia Business School will host—along with Vista Equity Partners and other sponsors—a conference engaging C-suite executives, industry experts, scholars, and students in a solutions and action focused dialogue on the advancement of women's business leadership in tech. Participants will leave the conference with actionable techniques, skills, and strategies that will have a measurable impact on personal career trajectories and organizations as a whole. The conference will be hosted in New York City, which has emerged as the sector's newest sphere of influence and growth.

The School has been consistently focused on advancing women's business leadership, including through developing curricula and extensive programming for current students, as well

as executive training and continuing engagement with industry leaders.

Einstein's Alley - Future of Work Part 4

Leading Your Workforce in Uncertain Times

Featuring Rita McGrath and Ron Boire

Rita's Talk - Talent Deployment in a Tour of Duty World

Ron's Talk - The Human Touch in Executive Leadership

Monday, March 5, 2018 from 3:00-6:00PM

Location in the Princeton, New Jersey, USA region. Exact location to be announced.

[Click here for more information and to register.](#)



Other Columbia Programs

My revamped Executive Education courses at Columbia Business School -

Mastering Corporate Entrepreneurship - OnLine

Spring 2018 date to be announced

Advanced Management Program - New York, New York

April 29 - May 25, 2018

October 14 - November 9, 2018

Women in Leadership - New York, New York

June 5 - 7, 2018

November 13 -15, 2018

As before, where there is uncertainty, there is also opportunity

In the coming months, I'll continue to look at different economic sectors and what is going on with them, as well as building new tools that can help companies make innovation a systematic proficiency. We'll also be announcing some new ideas and members of the Valize team. Keep an eye out!

Here's to your next advantage!

Rita

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