

Rita Gunther McGrath – Keynote Talks Descriptions

Contents

Catch a Wave: The New Strategy Playbook.....	2
Discovery Driven Planning: Conquering Death By Spreadsheet.....	3
Beyond Innovation Theater	4
Failing By Design	5
70-20-10 or Bust	6
Customers Should Not Be A Mystery.....	7
Beware the mal-adjusted organization.....	8
Other topics	9
Set Your Future Free: The Risk-reducing logic of real options.....	9
Learning to Live with Complexity.....	9
Speed, stealth and selective attack: Using guerrilla strategies against your entrenched competitors... 9	
Too important to be left to HR: Talent strategies today.....	9
The necessary art of disengagement: When you know that it’s all over.....	9
Managing the mothership: Because someone has to do it	9

Catch a Wave: The New Strategy Playbook

Why you need to rethink your strategy in a post-advantage world.

We've all seen the story play out. A company experiences phenomenal success, their CEO makes the cover of notable business publications, and business writers use them as examples for the rest of us. Then, somehow, the firm gets into trouble. Competitors capture their customers, margins shrink, investors grumble, activists turn up, the CEO, or a succession of CEO's, are shown the door, and, eventually the company disappears or becomes irrelevant. A root cause, McGrath argues, is the pervasive belief that a competitive advantage, once established, is enduring. This belief leads to complacency, inward focus, loss of customer engagement and a stifling of innovation. Instead, smart strategists leave old assumptions at the door and pursue opportunities to establish and exploit transient advantages.

You will learn:

- Why too much stability can be your enemy – and how to embrace continuous reconfiguration
- Why existing metrics will lead you astray – and what you should be measuring instead;
- Why healthy disengagement from a fading business is one of the most important practices to get right
- Why believing your most important competitors are others in your industry is a trap
- Why innovation is not optional
- How to lead when command-and-control doesn't work
- How to manage talent in a 'tour of duty' context

Endorsements

"If competitive advantage was ever sustainable, that time has passed. McGrath...lays out the tools that fuel leading performance...it will give you an entirely new perspective on how to think about strategy"
Francisco D'Souza, CEO, Cognizant

"McGrath's groundbreaking work is aptly timed for today's dynamic markets, where winning requires continuous reconfiguration."
Nancy McKinstry, CEO and Chairman, Executive Board, Wolters Kluwer NV

Discovery Driven Planning: Conquering Death By Spreadsheet

How to find the fastest, cheapest way to get the insights you need

You have what you think is a great idea to pursue an attractive new opportunity. Before you can make progress, though, you are hit with a barrage of questions that you have no way of answering. “What will the ROI of this venture be?”; “how long will it take to launch”; “how will it affect our existing product lines?”. If you’re like people in many organizations, you will dutifully put together a conventional business plan, with details about the idea, spreadsheets that project what the financials could look like and GANTT or similar charts laying out the project timeline. And even as you are doing all this, you know in your heart of hearts that this is more a quantification of fantasy than it is likely to bring your idea to life. There is a better way.

In the seminal work that formed the basis for the *Lean Startup* movement, McGrath describes how to create a plan for a new venture that gets you to early answers fast, by focusing on the most critical assumptions that you need to convert to facts. It’s disciplined, but it’s a discipline that comes straight out of the entrepreneurial mindset.

You will learn:

- Why people make so many costly mistakes in high-uncertainty situations
- How to define success so that you can specify what must be true to achieve it
- How to avoid being unrealistic about what your venture might be able to achieve
- How to break a large, complex, project down into manageable checkpoints
- How to compare different potential business models
- How to think in terms of cost to learn rather than total project budgeting

Endorsements

“...some of the most important tools of management and strategy that have ever been developed. Managers who use these methods will be able to navigate the uncertainties of growth ventures with confidence.”

Clayton Christensen, Robert and Jane Cizik Professor of Business Administration, Harvard Business School and author of *The Innovator’s Dilemma*.

“...an inspiration for the customer discovery process.”

Steve Blank, famed entrepreneur and educator

Beyond Innovation Theater

How to move up the innovation maturity scale

Talking about innovation is all the rage. Unfortunately, successfully innovating at scale is rare. Indeed, a recent McKinsey study reported that only about 6% of companies in a survey they conducted were satisfied with their innovation efforts, and many did not understand why. In this eye-opening and entertaining talk, McGrath, author of *Discovery Driven Growth* and *The Entrepreneurial Mindset* explains the most common ways in which organizations sabotage their growth efforts and how they can move toward the creation of a genuine innovation proficiency. The processes of ideation (getting great ideas), incubation (finding product/market fit) and acceleration (ramping up to join the corporate parent) are all essential, yet most organizations focus only on the first. McGrath can also share the Innovation Maturity Scale assessment, a diagnostic tool which interested companies can use to assess where they are and develop a roadmap for how to improve.

You will learn:

- What are the five practices guaranteed to ensure that your innovation process is dysfunctional and how to fix them;
- Why three distinct leadership roles are essential for driving innovation;
- How to stop letting conventional business metrics interfere with the innovation process;
- How to create the right incentives to promote innovation;
- How to structure the innovation governance process;
- How to create a common language for talking about innovation

Endorsements

“Before attending this session, I thought I was well aware of the change needed in our organization; after Rita’s talk, I realized I was looking in the wrong place all along. The tools that were provided are applicable to any organization in any industry.

Attendee at Columbia’s *Leading Strategic Growth and Change* in which this material is featured

Video: Steve Blank, Rita McGrath and Brian Murray, CEO of HarperCollins

https://www.youtube.com/watch?v=i2bvNB5G_eQ&feature=youtu.be

Failing By Design

Making the most of intelligent failures

Most organizations suffer from a pervasive anti-failure bias. When things don't work out as planned, those seen as responsible are branded as having failed. Here's the problem: in fundamentally unpredictable environments, it is a fool's game to make bold predictions, because you simply don't have the information you need. Getting the information when you really don't know requires some kind of experimentation. Some experiments don't work out, but that doesn't mean they failed. It simply means that particular path forward isn't going to work. Failure is essential if your organization is to take the controlled risks to engage in the innovations crucial to effective competition. To gain these benefits, follow six principles: 1) Plan to convert assumptions to knowledge; 2) be quick about it; 3) contain the downside risk; 4) make sure uncertainty is genuine, but not overwhelming; 5) intelligent failures are celebrated; and 6) Learning is codified and transferred.

You will learn:

- How being tolerant of failure can expand the range of possibilities an organization is willing to try
- How failure can help you attract resources and attention
- Why failure and intuition are inextricably linked
- How failure helps you learn what doesn't work so that you can focus on learning what does
- How to make the distinction between bad management and bad luck
- How to write a contract for intelligent failure
- How failure can accelerate organizational learning

Video: Intelligent Failure

<https://www8.gsb.columbia.edu/video/videos/intelligent-failure>

70-20-10 or Bust

How to manage a portfolio of opportunities for growth

No matter what your strategy documents say, no matter what your Board thinks, and no matter what you have told your stock market analysts, your actual strategy is reflected in the portfolio of projects and initiatives that you are investing in. This talk, based on years of research and consulting work with companies, describes the opportunity portfolio, which visualizes how an organization is investing across different levels of uncertainty. When uncertainty is low, investments typically support the core business. They may be innovative indeed, but uncertainty is fairly low. When uncertainty is in the medium range, investments are intended to provide a boost that could bring those projects into the core in the near-term future. With high uncertainty, investments are both the most uncertain, but have the highest potential for outsize returns. The dilemma most firms face is that they don't manage their portfolios in a strategically coherent way. This talk describes the most common reasons that portfolios are poorly managed, and offers a simple, practical way to begin to tackle the mess. And the 70-20-10 rule is only an example – the encouragement is to have some kind of proactive allocation.

You will learn:

- How to set different performance expectations for projects with low uncertainty vs. high uncertainty
- How to align strategy with budgets, project approval processes and people
- How to use options-style investments to learn about critical new capabilities
- How to use options-style investments to learn about potential new markets
- How to approach very high uncertainty investments by taking a stepping-stone approach
- How to set target budget allocations to different parts of the portfolio

Customers Should Not Be A Mystery

Surprisingly simple ways to create unique customer insights

Peter Drucker once famously said that customers rarely buy what companies think they are selling. He also said that the only true purpose for a business was to create a customer. Ironically, many businesses appear to be failing at that one true purpose. This talk, based on research into hundreds of strategic moves that led to significant growth, describes how organizations can improve. Three core concepts are covered: insightful segmentation of customers into behavioral sets; understanding the complete customer consumption chain; and seeing the tradeoffs customers make between different attributes or features in an offering. I also touches on how to do a customer interview (hint: don't lead with a solution!) and how to use insights from social media and on-line customer interactions.

What you will learn:

- Why traditional demographic segmentation is almost always pretty useless;
- How to do a customer interview;
- Why attributes that were once highly exciting to customers become commoditized
- How to map your customer's complete consumption chain
- How to identify possible sources of differentiation, even if they have nothing to do with product features
- Why customer's needs (or jobs to be done) are remarkably stable over time and how that can give you an advantage
- How to use the strategic segmentation, consumption chain and attribute mapping tools

Beware the mal-adjusted organization

How having a framework for organizational alignment lets you use all the levers at your disposal

Have you ever been part of a big, bold, strategic change intended to shift the trajectory of the organization, but that eventually just petered out? A common culprit in this scenario is a lack of alignment between elements of an organization's operating model. This can happen for several reasons. One is sheer exhaustion – it was so much effort to get buy in for the big, new idea, that there is little appetite for changing the incentive/comp system. The result: a new strategy offering rewards for executing against the old strategy. Or, executives fall in love with one particular change lever – you know, it's all about the boxes and lines in the organization chart, but deal with resource allocation processes? Not of interest. In this talk, McGrath presents a simple, but surprisingly powerful framework for implementing change, the "kite" model, in which she describes how to bring the key elements that determine organizational behavior into alignment.

What you will learn:

- Why taking charge of your own agenda as a leader is the most powerful way to influence the behavior of others;
- How to identify and promote a high-performing culture;
- What criteria you should use when deciding how to physically locate individuals and teams;
- How to make critical decisions about your organization's history and legacy;
- What three questions you can use to measure the effectiveness of a communication;
- Why symbols are the most potent mechanism for galvanizing human action that most of us will ever have access to

Other topics

Set Your Future Free: The Risk-reducing logic of real options

Most commonplace financial tools, such as the net present value rule for investment, are innovation-hostile. This energizing talk shows how you can harness the power of small bets and the right to stop investing to give you access to amazing opportunities.

Learning to Live with Complexity

Complex systems are different than complicated ones because you can't make predictions about what they will do. So you need different ways to manage them, including increasing variety, investing in resilience and learning from possible futures.

Speed, stealth and selective attack: Using guerrilla strategies against your entrenched competitors

The logic of guerrilla warfare can be effectively applied to small businesses seeking to compete against larger and better financed rivals. The core idea is to turn your rival's strengths against them by selectively serving niche businesses and wearing down your opponents over time.

Too important to be left to HR: Talent strategies today

A more turbulent competitive environment has huge implications for your talent strategy. Increasingly, talented people are more interested in signing up for a 'tour of duty' than they are in clambering up a lifelong career ladder. This talk addresses how our taken for granted expectations for HR need to be challenged and what new realities are replacing them.

The necessary art of disengagement: When you know that it's all over

Although people understand that letting businesses with few growth prospects linger on, consuming talent and resources, is a bad idea, that doesn't mean they go away. Without the courage and commitment to handle disengagement gracefully, organizations are forever held back by their worst-performing units.

Managing the mothership: Because someone has to do it

A key difference between corporate entrepreneurship and startup entrepreneurship is that corporate entrepreneurs have the luxury and the legacy of an established business that exists to execute against a well understood business model. The success of a venture often depends on how well politics, change and resistance are handled. Tips here.