

PART TWO

THE MODEL

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valbury.school@gmail.com

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CHAPTER SIX

The Seven Guiding Principles

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.

— Charles Darwin

IN THE 1990s, a herd of Cape buffalo and a subspecies of lions became stranded on a small island that had become detached from mainland Africa.* The lions had no other food source, and Cape buffalo, with their large stature, incredible strength, and deadly hooves and horns, are not easy prey. The lions should not have survived, but they did because the lions adapted.

The lions were forced to develop sophisticated hunting techniques so they could catch and eat the only food source they had available to them. They began to develop ways of coordinating their hunting efforts to increase their odds of surviving. They learned the daily habits of the buffalo, and so became able to predict when the herd would need to stop moving to get water.

The lions separated into three groups. One pride of lions would stalk the herd of buffalo, corralling them and taking down weak or injured members. Another pride became strong swimmers and learned to hunt from

* Zoe Brennan, "The Superlions Marooned on an Island," *Daily Mail*, June 24, 2006, <http://www.dailymail.co.uk/news/article-392292/The-superlions-marooned-island.html>.

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deep waters, which lions normally don't do. When a buffalo went to the water's edge for a drink, a lion would be waiting underwater, ready to take a deadly swipe with a paw. Another pride of aggressive lions would simply tackle a buffalo in a fight to the death.

This physical activity and steady diet of buffalo meat led to these lions developing huge muscles. The cats adapted to become larger and stronger, becoming what some have called "superlions."

In order to increase their chances of survival, the buffalo also adapted. They began travelling in large mega-herds of 1,200 or more, and when one of the herd was sick, weak, and had to rest, the entire group would cluster, horns facing outwards, to protect themselves from the lions.

Interestingly, the lions continued to prey on the weak and vulnerable buffalo, effectively purging the herd of the least fit. Overall, it was a win for both sides. Not good news if you happen to be a weak or sick buffalo, of course, but nature is both imaginatively resourceful and coldly unsentimental.

* * *

In nature, animals who cannot adapt, die. And it's no different in business. Companies need to adapt themselves to changes in the marketplace, in technology, and to increasing competition.

Adapt or die? Is it really that serious? Well, you wouldn't be reading this book if you didn't already know the answer.

Companies today must be able to adapt to times of change. To pivot, learn to do new things, and remain relevant in order to survive. It is the same truth in nature and in business. It is the intrapreneurs within your companies that will enable your companies to become more adaptable. These people have the talents, traits, and conviction to help you sustain and anticipate changes in the market.

The business world is a jungle, an environment in which only those who can adapt fast enough can survive.

ADAPTATION THEORY FOR BUSINESS

Individuals and companies must be able to adapt in order to succeed in a rapidly changing environment. But, having an ability to adapt is not

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enough. Businesses and companies must be able to see what is ahead, look for trends, and anticipate what is coming next based on the changing behaviour of consumers and the marketplace. In a best-case scenario, they should be able to drive change themselves, taking the lead and forcing others to adapt to the new reality that they have created.

To anticipate change so that you are proactive rather than reactive, you need to do three things.

1. **Be aware of the current situation within your company.** What is the current state of the business? What is the purpose of the company? What is the status of your customers? Are they satisfied? Are their needs being met, or are they changing? The answers to these questions can easily change as demographics change and new markets and audiences form. Are there new markets that your business could capture? The world has changed; new markets have emerged, including millennials, single parents, DINKs (double income, no kids), LGBTQ2 individuals, as well as all sorts of new socio-economic classes. Different ethnic groups now form important parts of the cultural mosaic. Do they apply to you? Has your customer base changed? Have their needs evolved? Do they buy differently? Do they interact and communicate differently? What is going on with new entrants to the market? How are they competing and what are they offering your customer base that you are not? Asking these questions is crucial, and it is your intrapreneurs, the thinkers, the researchers in your company, who will take the lead on this.

All of these variables could impact your current infrastructure and how you support and service your customers. You must understand and embrace change, equipping your companies with the tools, skills, and knowledge needed to adapt.

2. **Look at your products and services.** Have you become complacent? Are your services still resonating with your customers? Have their needs and desires changed? Are there new entrants to the market that have better products? Should you be concerned?

We are often selective about what we see and hear, reluctant to expose ourselves to what may not be working, in fear of change. Knowing that we have to change and having the awareness of all of

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the work that will come along with that is daunting. Inertia obviously is dangerous, so you must shift your mindset to embrace change. To succeed, you need to anticipate the new and stay ahead of the curve, constantly researching, observing, and forecasting what is coming next ... if not creating it.

You must cultivate an outside-in view, not just taking in information but also using it in a meaningful way. This will enable companies to have a clear competitive advantage over those who suffer from insularity.

3. **Re-imagine change.** Change is inevitable. Instead of fighting change, embrace it and ride the wave. You need to realize that the wave is coming and learn how to ride it rather than drown in it.

This means you must know and understand which parts of your company will be impacted by those waves. Are these changes going to impact your workforce? Will they impact parts of your operations and how you support your customers? Will change impact how work gets done? If you can identify which elements of your business will be impacted by change, it will be easier for you to get your head around it all. If you think of change as a new mode of operation, it will make it easier to pivot and switch directions, and to do it with grace and confidence, staying focused on the desired outcomes.

It is important to understand that in this fast-changing environment and marketplace, skills and knowledge become old very quickly. It is therefore essential to be a constant learner. Bill Gates has said that he will always be a life learner. Why? Because he believes that learning is the single best investment of time that we can make.

Benjamin Franklin said, "An investment in knowledge pays the best interest." The fact of the matter is that we are in a knowledge economy. People who have intellect, if leveraged properly, can turn that knowledge into financial capital.

Learning opens your mind to adaptability. You must develop a learning mindset. Many companies are shifting their cultures in this way, to encourage this in their employees, and to set themselves up for adaptability. Remember the quote from Warren Buffett about reading? He

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said reading was like compounding interest. But he also predicted that while anyone could read, most wouldn't. Here's one of the world's savviest and most successful investors predicting that most aspiring business people won't do what they need to do to be successful: *remain curious and keep learning.*

Satya Nadella, CEO of Microsoft, has been working to transform the culture of the company. He famously said that we must shift from “a know-it-all to be a learn-it-all.” What this means essentially is that everyone should be a student, in constant learning mode. If you proclaim that you know it all already, you are limiting your capability to learn more. You need to be constantly accessing new information and ideas. We are in an information age, access to information is a new form of value currency.

CULTURE, LEARNING, AND CAPITAL

Futurist Peter Diamandis has written about something he calls rapid demonetization.*

With the rise of technology, automation, and mass production, many things that were once expensive to produce are now cheap, thanks to technological advances. While goods and services may decrease in monetary value, knowledge is becoming more and more valuable. This will continue to happen, with new technology being introduced to the world, such as artificial intelligence and quantum computing.

What will be left for humans, if everything is going to be automated and outsourced to AI (artificial intelligence)? If machines can think for us, what will be the value that humans bring to the world? What makes us human — what makes us different — is our capacity for creativity, compassion, intuition, and heart. We can't teach a robot how to be creative, or how to solve problems creatively. Intellectual capital — knowledge — is what will become the most valuable commodity in the world of business, and everything else will be taken over by technology.

A debate is raging about which skills artificial intelligence will replace and how technology will eliminate millions of jobs worldwide in the years

* Vanessa Bates Ramirez, “The 6 Ds of Tech Disruption: A Guide to the Digital Economy,” (Singularity University: 2016), singularityhub.com/2016/11/22/the-6-ds-of-tech-disruption-a-guide-to-the-digital-economy/#sm.0000a8htqk9fvelfznh2mx6isdtrr.

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ahead. We know that robots and AI already are taking over jobs like data collection and processing, and are moving into the types of tasks geared toward doing a mass amount of computation and synthesization.

Skills that technology will not be able to replace are creative thinking, judgment, and problem solving. With a creative mind and imagination, you can invent something totally new. You can blend your own personal experiences, emotions, and knowledge to devise something — a product, a service, an idea — that has never existed before. Robots don't have personal experiences or emotions; these are what set us apart, what define us as human beings. Creating associations of ideas, concepts, and information leads to creativity.

Of course, imagination and creativity are not the only elements necessary to create and run a successful program or business. Practical matters also need to be considered. To find the right balance between these elements requires judgment. To exercise good judgment is to make a sound decision or to draw sensible conclusions. Some may argue that robots are able to do this; I would argue, however, that is untrue. Part of what makes humans good decision-makers is our ability to see the facts while at the same time leveraging our intuition, our imagination. Some people refer to it as a feeling or your gut. In the interviews that I conducted in my research, one CEO spoke about the role of intuition in leading. He told me that at times, even if the data showed one thing, his intuition told him to do the polar opposite and, well, his gut was right. This kind of quality or trait is innate to humans.

* * *

I have developed a problem-solving methodology that incorporates both creativity and practical concerns. I've spent twenty years in the corporate world, and every project or initiative I've worked on has been problem-led. I believe that regardless of what industry or discipline that we are in, we are all in the business of solving problems.

Through my research, reading, observations, and interviews, consistent themes and ideas have emerged. These are the guiding principles that inform my model for problem solving, a model that harnesses judgment and creativity, the twin elements of intrapreneurship, to foster change and,

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ultimately, success. These guiding principles will give you the context and rationale for my model.

The seven guiding principles are:

1. Relevance
2. Creativity
3. Speed
4. Clarity
5. Accountability
6. Experimentation
7. Execution

In the next chapter, we will explore the seven guiding principles in deeper detail. Each principle represents the rationale for why we need intrapreneurs.

CHAPTER SEVEN

Relevance

SONY ONCE OWNED the music industry. It had its own music label. It made its own music players. In the 1980s and 90s, it seemed like every teenager either had or coveted a Sony Walkman (later, a Sony Discman). Sony had what seemed like a huge advantage heading into the digital music age, but when cassettes and CDs fell out of favour, when devices such as iPhones and services such as online streaming took over the market, Sony completely missed the boat.

Why did it fail to remain relevant? Was it too big to move quickly? Did it lose its connection to its customers?

In a desperate Hail Mary to retain dwindling market share, Sony launched a music subscription service as a challenge to upstart rival iTunes. It flopped. Customers greeted Sony's offering with a thunderous yawn. What happened? Sony not only occupied the top of the mountain — it *was* the mountain.

The company lost its connection; it suddenly had turned deaf to the market's desires. The music giant waited so long to embrace change that by the time it recovered its mojo it was too late. Sony was obsolete, like eight-track, cassettes, and Blu-ray. And to anyone watching, the scariest thing was how fast it all happened. Sure, Sony is still a very successful company, with interests in many areas, but it no longer has any meaningful presence in the music player market. One thing you can say about companies like Apple: they aren't afraid of innovation.