Institute for Real Growth

Anticipative Organization

2021

Today's Agenda

05' Introduction

20' Presentation

60' Group work & debrief

05' Close & Next steps

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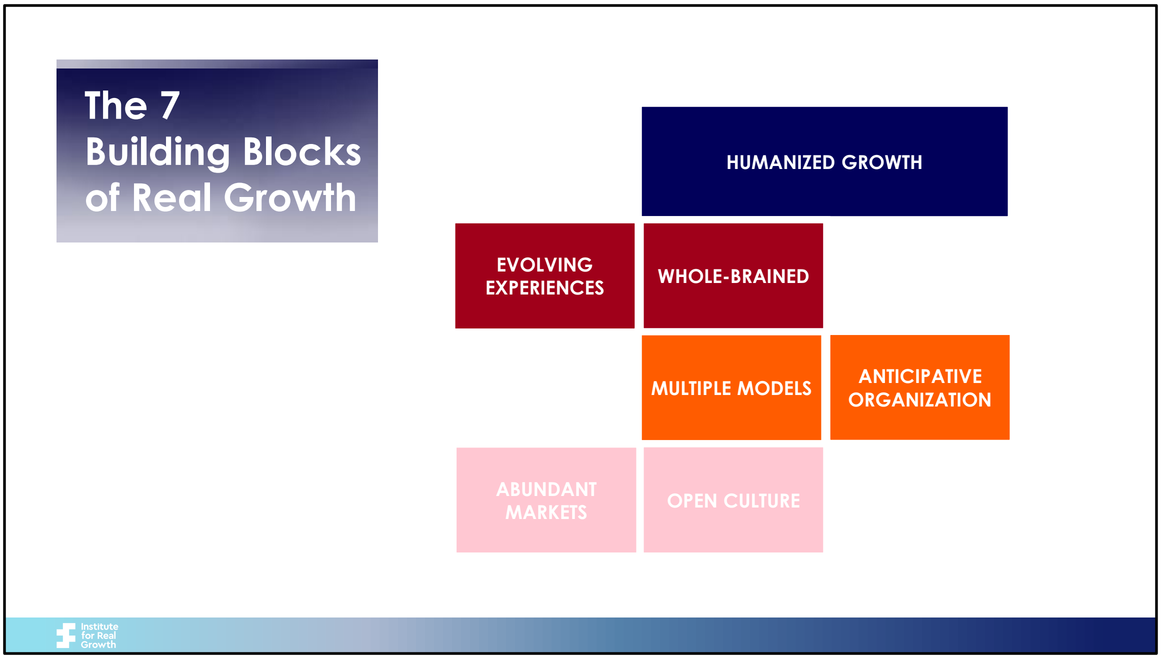

These are the seven building blocks. The ‘What’, the ‘How’, and the ‘Why’.

IRG 100 Roadmap

Why

- 0.1 Personal Introductions
- 0.2 Program and business introductions
- 1.1 Humanized Growth Study
- 1.2 Leading Humanized Growth
- 1.3 Decoding the World
- 1.4 Humanized Growth
- 1.5 Personal Passion & Purpose
- 1.6 Network & Sparring
- Growth Opportunities

What

- 2.1 Abundant Markets
- 2.2 Multiple Business Models
- 2.3 Evolving Experiences
- 2.4 Da Vinci Growth CMO
- 2.5 Da Vinci CMO Attitudes & behaviours
- 2.6 Network & Sparring
- Growth Ambition
- Growth Ambition Feedback

How

- 3.1 Human-Centric Transformation
- 3.2 Open Culture
- 3.3 Anticipative Organisation
- 3.4 Whole-Brained
- 3.5 Diversity for Growth
- 3.6 Network & Sparring
- Growth Plan
- Growth Plan Feedback
- 4.1 The shared growth opportunity
- 4.2 Cannes preparation
- 4.3 Cannes: community & impact

Key

Set-up & Finale	Sparring
Core cirriculum	Milestone
Leadership	Feedback

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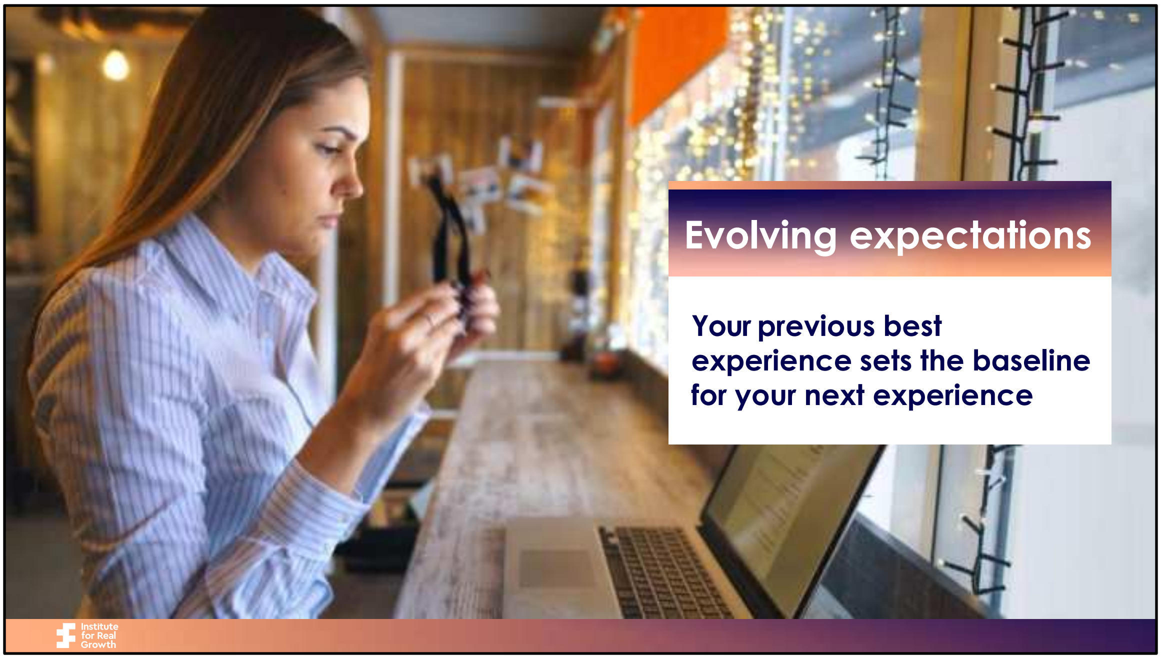
Evolving expectations
Your previous best experience sets the baseline for your next experience
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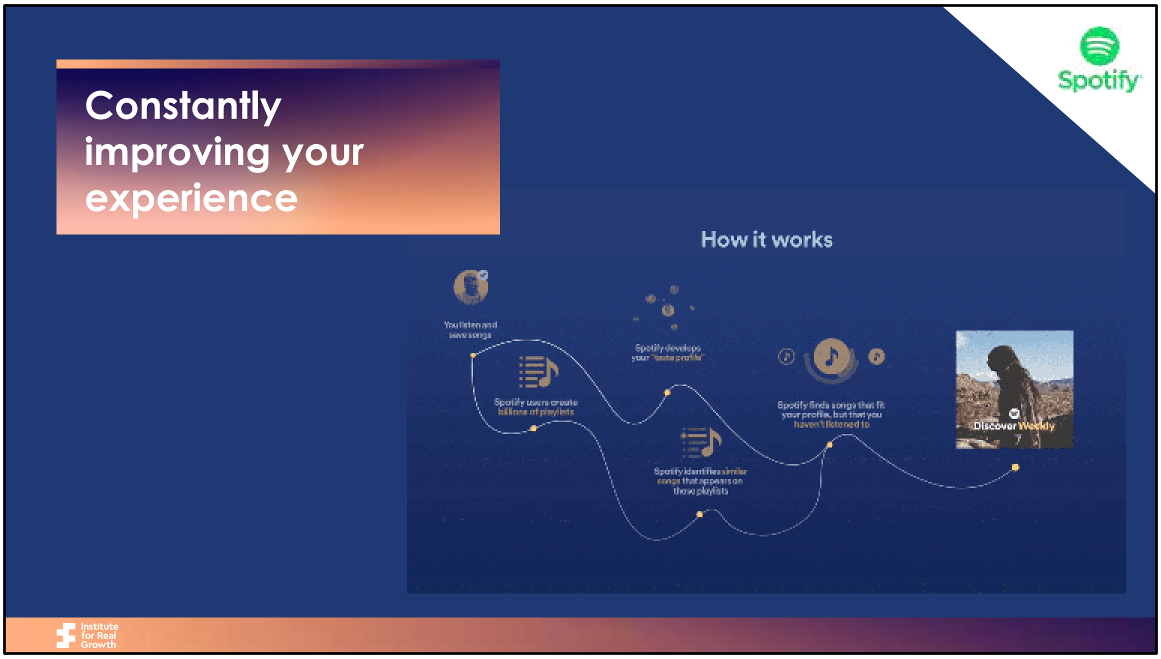

A great example is Spotify, who were the first to bring the complete music library of the music of the world, then they started adding new features. First, by building all kinds of playlists and allowing you to personalize yours. Then they took it a step further and created 'Discover Weekly', a playlist that offers roughly 80% songs you like to listen to, and then another 20% of songs that fit your algorithm but that you've never listened to before. Somebody told me recently that, "If Discover Weekly were a woman, I'd marry her right away" – talk about surprising and delighting consumers! It just goes to show that Spotify never rests on its laurels.

We've probably all started to use these Discover Weekly playlists, we've all started to rely on them, and we're all probably thinking, "Why aren't the other services doing this for me?" That's what I mean by the customer being 'always beautifully dissatisfied'. To delight in the moment, that's easy. It's nothing special to bring one good idea to the customer. But to remove friction, day after day and year after year, is much more difficult and much more transformational.


Across all touch points
STORE
CX
UX
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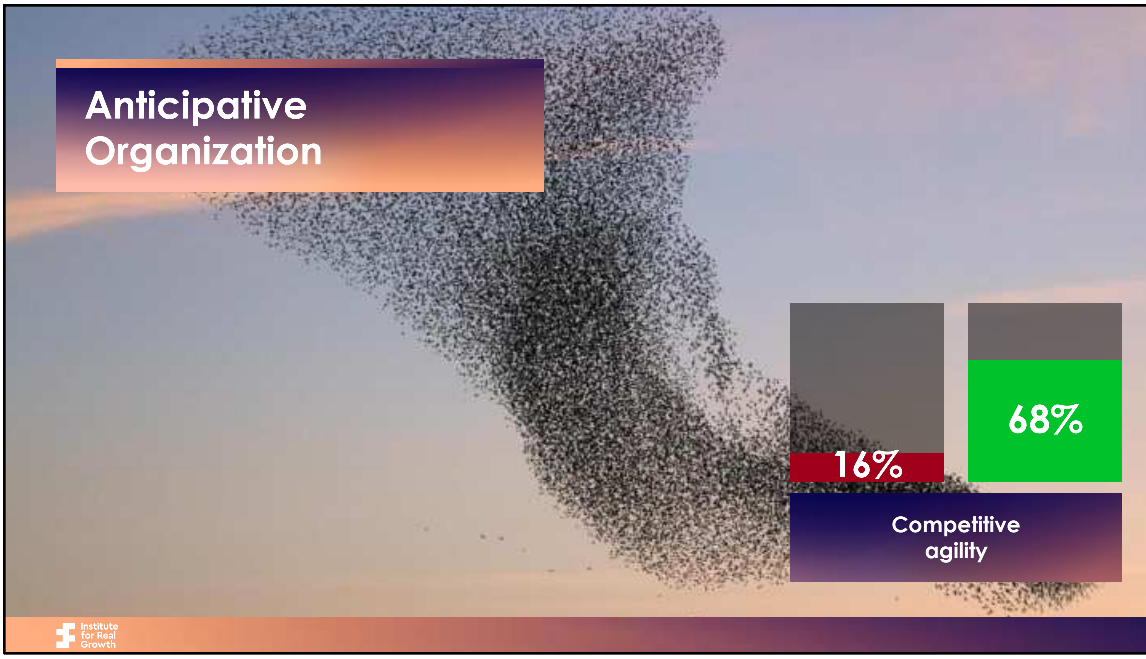
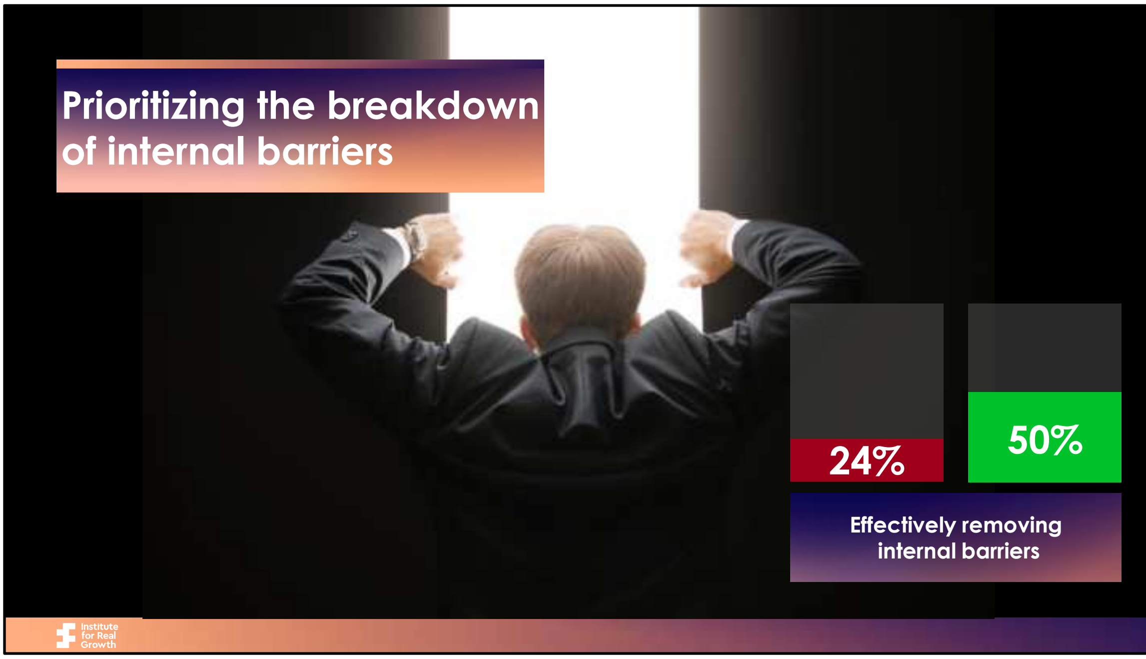
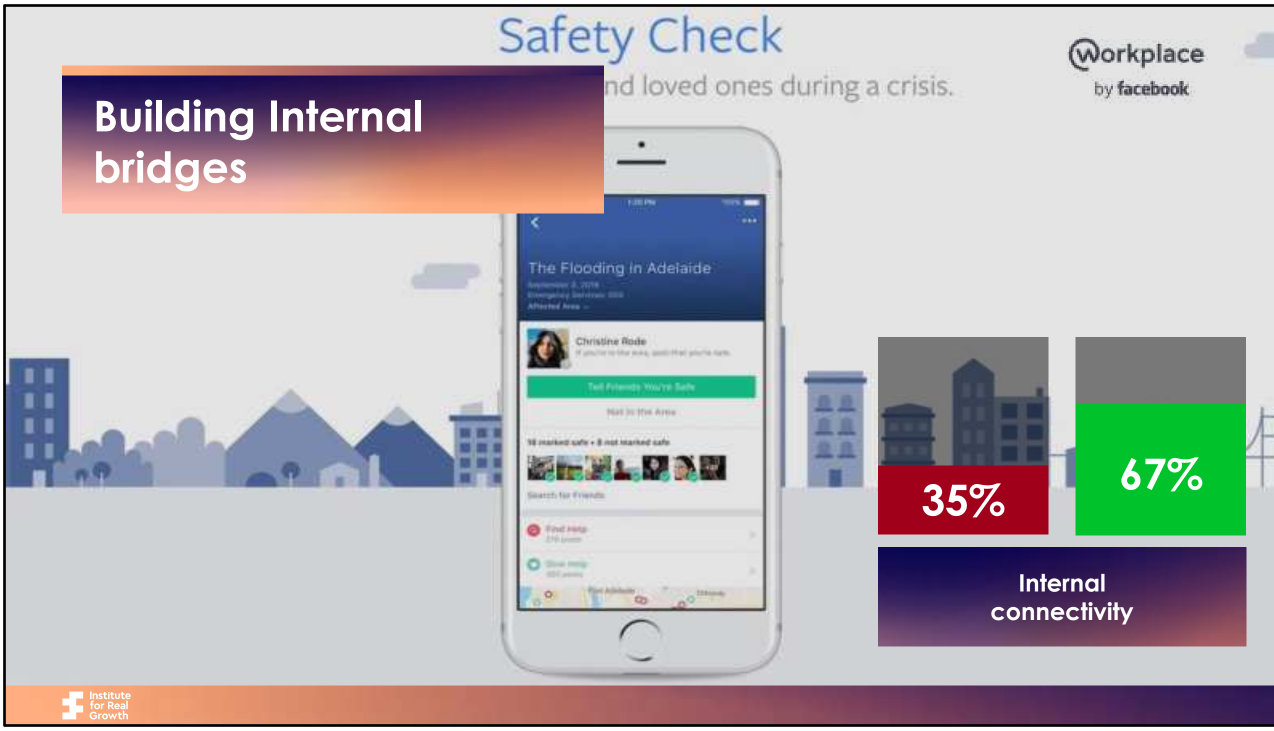
Huge companies often behave like oil tankers, and with a lot of effort they sometimes change their course one degree. And instead of Brazil, they land in Mexico. Now, that's one way to think about how companies can and should behave, but it's quickly going out of date.



Instead, we're seeing more companies act like flocks of birds. Their organizations overperform on working together while maintaining agility. They act like constellations, moving in sync towards an opportunity or around a threat. There's clearly coordination, and a sense of every individual member tailoring their actions based on the same vision as the rest of the group, but there's a fluidity, a sense of anticipation, and an understanding that we're not going to crowd each other out.



When Bain, a consulting firm, asked senior executives of $5bn+ companies two years ago, “What’s the biggest impediment to growth?” 94% said: “Us. Our internal, dysfunctional organization.” So we thought, let’s not repeat that question. Let’s ask, “Are you any good at actually removing internal barriers to growth?” And guess what? Overperformers are making this important, more so than underperformers, by a huge margin. As we know, when you measure it, you do it. When you make it important, you focus on it. Google has a program called Area 120, which was created when they saw that a wide range of factors impeding their teams from being truly innovative. Do you know what the #1 impediment to growth was, according to their own definition? HR policy. The way people get hired, recognized, and paid. So among other things, in this group, they only have team targets. No individual targets at all. And it was all a result of prioritizing the removal of barriers.

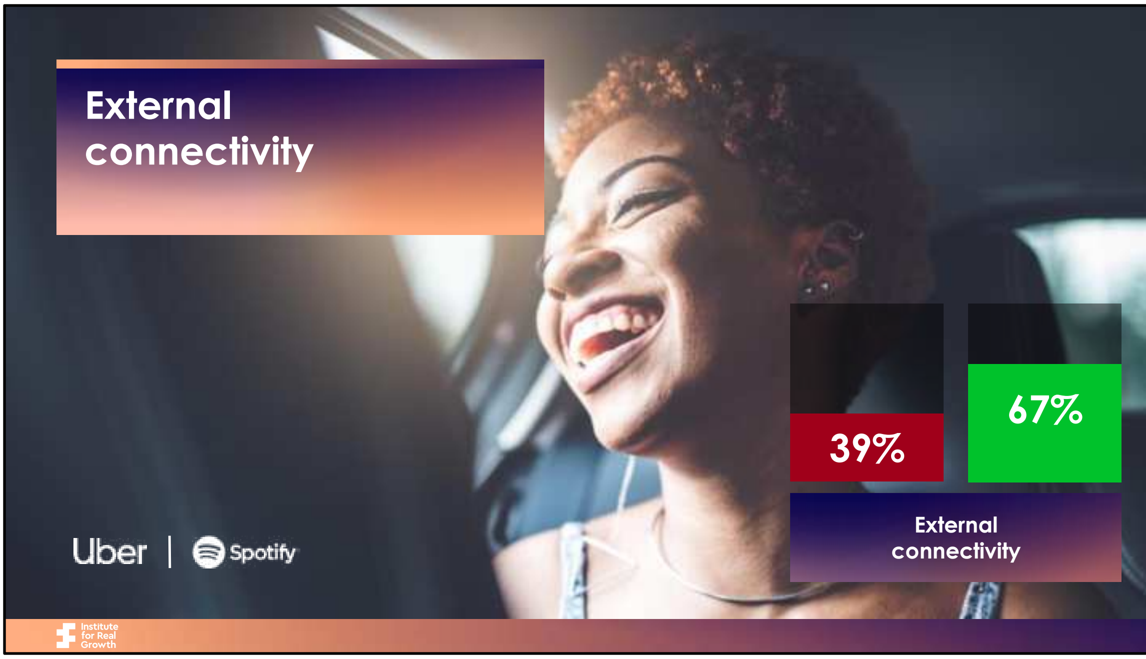


Driving internal connectivity is also a top priority of overperformers. Workplace just makes it easy to communicate with each other – and relate to colleagues differently. It's so easy. It drives a fluid passage of ideas throughout the organization, from the professional to the personal. It's so easy to achieve, and as you can see, overperformers make connection very important.

Bridging silos is a huge challenge for most organizations.

And we see those internal bridges being built very effectively by overperformers through our LinkedIn data. Analyzing that data, we found that individual contributors were connected to other internal functions – we're speaking here of HR, IT, finance, and the like – at 3.5 times the average rate.

And individual contributors were connected to their senior leaders – that's directors and above – at 5.5 times the average rate.

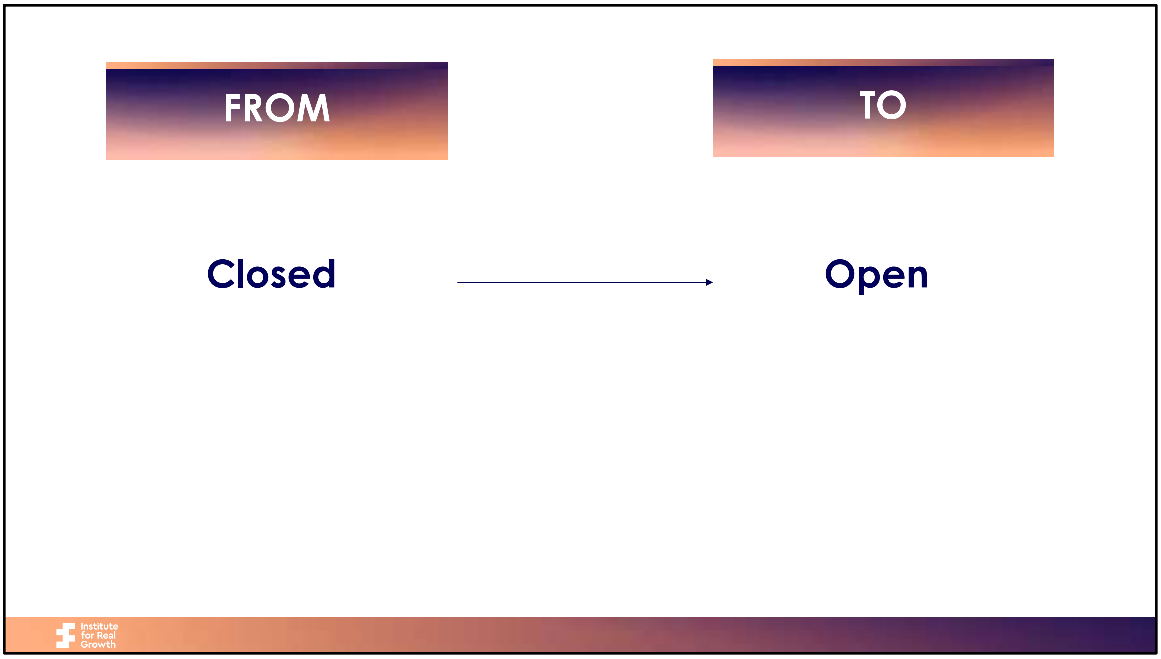


And a big part of how you build these open cultures is you connect to partner ecosystems outside your organization. A great example is the collaboration between Uber and Spotify. They had figured out, "Why not link the two? When you sit down in an Uber, why not automatically connect to your own playlist?" It's not rocket science, but they had to proactively pursue a partnership to make it happen. And did I feel better about both brands? You bet I did. Did it cost a lot of money? I doubt it. It's just great marketing and a great experience.

And you know what? This is something we saw reflected very clearly in our LinkedIn data. Employees at over-performing companies have 29% more external connections than those at underperforming companies. So these inspired ideas don't just come from on high. They can come from employees starting conversations with people they know, their connections, their friends at other companies. And we have to take that into account as well.

Creating an anticipative organization requires multiple shifts.


Structure


FROM
TO
Closed
Open
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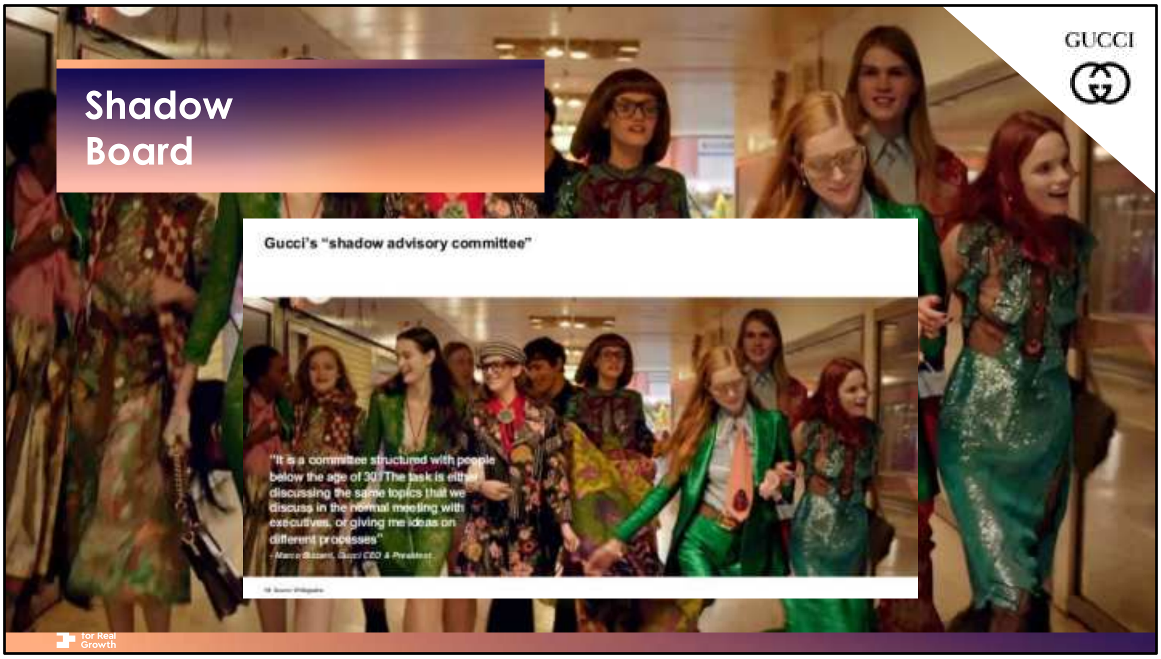
The ‘not-invented-here’ syndrome is one that afflicts companies around the world – we reject good ideas from external sources because we are so convinced that we somehow know better or that our business is ‘different’, and the idea is not applicable to us.

In 2000 AG Lafley, the CEO of P&G at the time, challenged his innovation teams to come up with a new model for innovation which would accelerate their innovation rate success (which had stagnated with only 35% of new products meeting their financial objectives). The P&G innovation team realized that despite their massive resources they would not be able to internally generate new product innovation at a rate that would meet the company's growth objectives – they had to shift from an 'invention' model to a 'proudly found elsewhere' model.

Lafley mandated a goal that 50% of innovations would be acquired outside the company, whilst being clear that this wasn't an attempt to replace the capabilities of the 7500 researchers and support staff working in the company at the time. Lafley said that half of the company's new products would come from P&G's own labs and the other half 'would come through them'. When the team studied outside sources of innovation, they estimated that for every P&G researcher there were 200 scientists or engineers in the world who were just as good – a total of about 1,5 million people whose talents could maximize their opportunities for success.

By 2016 35% of new products in P&G had elements that originated outside the company with the success rate of innovation doubling while overall innovation costs fell. Some of the products developed included Olay Regenerist, Swiffer Dusters and the Crest Spinbrush – all projects delivering 100's of millions of dollars in value.



Gucci, the wildly successful Italian fashion brand, has a shadow committee of employees, all of whom are under 30. The CEO meets with this team periodically to discuss key issues or to solicit advice on how business challenges might be approached differently. Marco Bizzarri, the Gucci CEO, is also known for the lunches that he schedules with individual junior employees where he asks them for 3 ideas that could help improve the company.

In this instance a **'shadow board'** of younger employees (or external appointees) advises senior management on specific topics or the general direction of the company.

FROM		TO
Closed	→	**Open**
Fixed	→	**Fluid**

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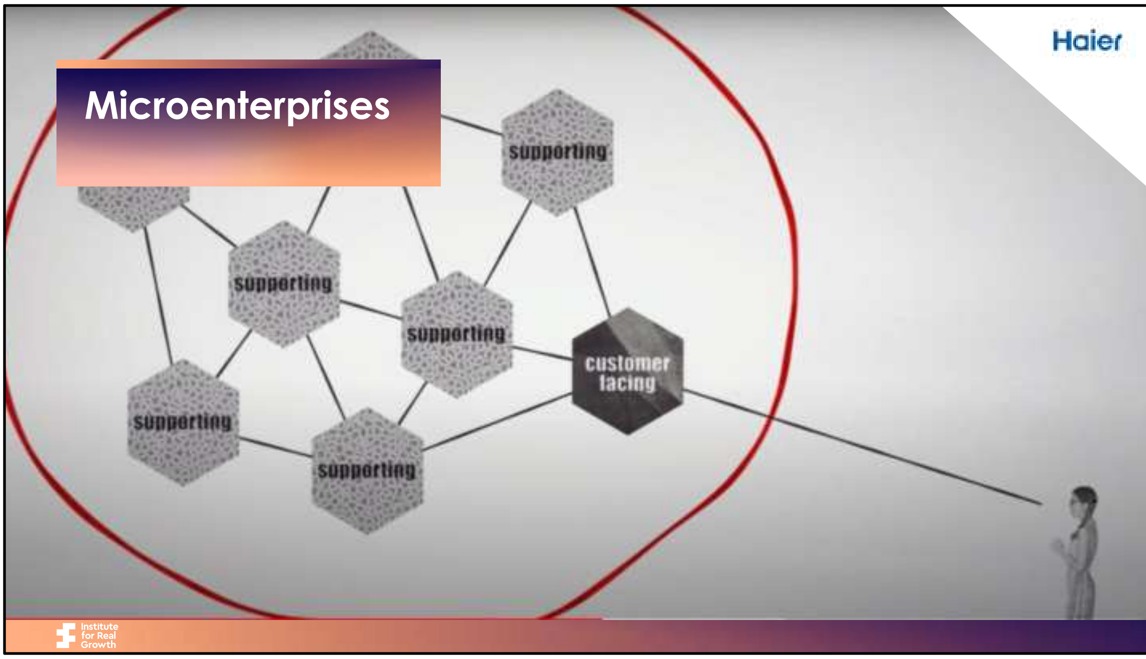
What we see in overperformers is that they win the war in micro-battles. They create fit-for-purpose teams that are brought together because they're the right eight people for the job. They work together until their goal is accomplished, and then they disband. Who cares what the RACIs said? We know who we need – it's these eight people. And then we move onto the next micro-battle.



Haier pulled down the pyramid and created microenterprises, with 10-15 people in each and functioning as a separate business. They contract with one another to deliver services. Each micro enterprise can determine:

- Strategy (opportunities, partnerships)
- People (hiring and firing, selecting leaders)
- Rewards


Roles &
Responsibilities

FROM		TO
Hierarchal	→	**Empowered**

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Gojek is a food delivery service with 30,000 delivery drivers. That's incredible! Since 2010 their business has expanded to seven countries in Southeast Asia, and it's been on the back of a very clear set of principles. At the core of those principles, they make the driver the entrepreneur, or the 'mini-CEO' as the Go-Jek founder likes to call them. Everything is based around, "What do you, the driver, think our opportunity is? And how do you think we can address it?" They've implemented micro-battle teams, where if a driver sees an opportunity to create some value, the company supports it first and questions it afterwards. So these principles define a culture, yes, but also a very practical and actionable way of working.

The staff at Pret a Manger can choose to make a customer's day by giving them a free latte, or tea, or another hot beverage of their choosing - for no apparent reason. Pret has an actual policy called "random acts of kindness “. The policy entitles every Pret a Manger branch to a budget they can use to give away free coffee and food to customers. And keep things grounded: team members are not given extensive guidelines on who they should give freebies too. It is entirely at their discretion.

The Ritz-Carlton famously empowers its employees to spend up to $2,000 to solve customer problems without asking for a manager.

FROM		TO
Hierarchal	→	Empowered
Product led	→	Customer led

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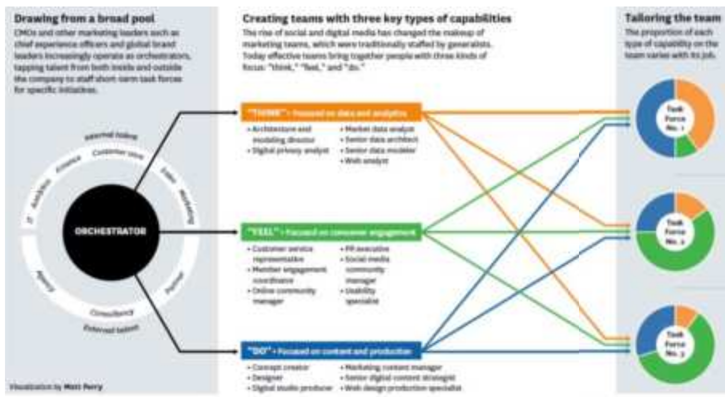
THINK, FEEL, DO Teams



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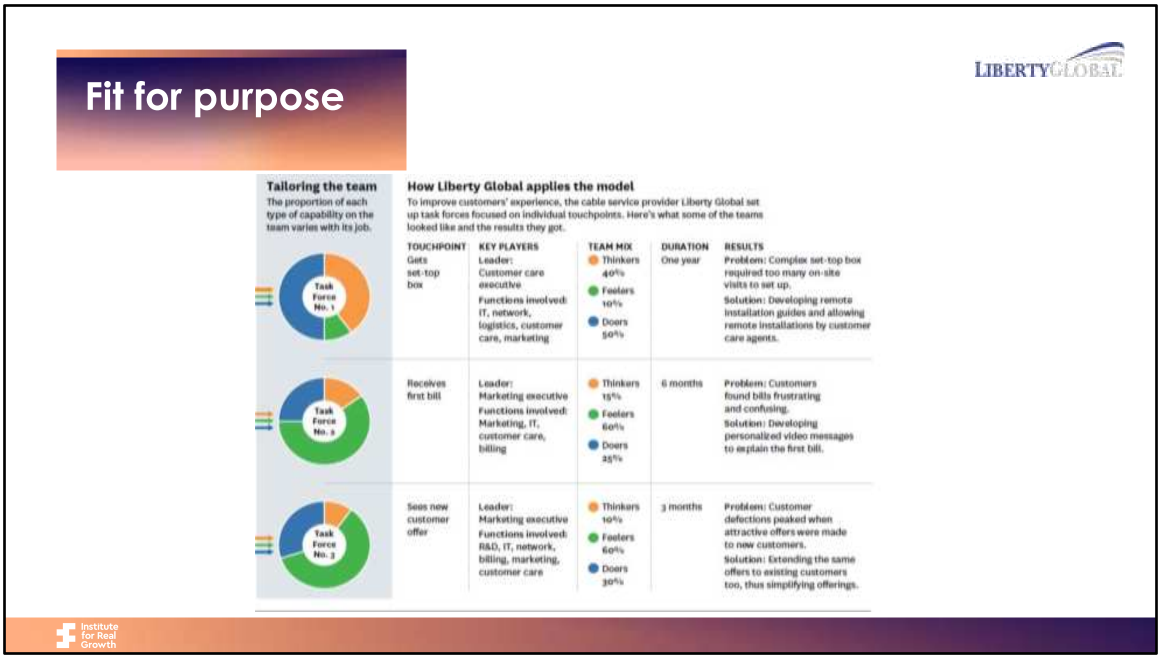
The international cable company Liberty Global uses task forces to optimize the customer experience at key engagement points—such as when customers receive a bill. These teams are led by managers from a variety of marketing and nonmarketing functions, have different durations, and draw from each of the three talent pools in different measure.



The task-force model is both agile and disciplined. It requires a culture in which central leadership is confident that local teams understand the strategy and will collaborate to execute it. This works well only when everyone in the organization is inspired by the brand purpose and is clear about the goals.

FROM		TO
Hierarchal	→	Empowered
Product led	→	Customer led
Function	→	Project

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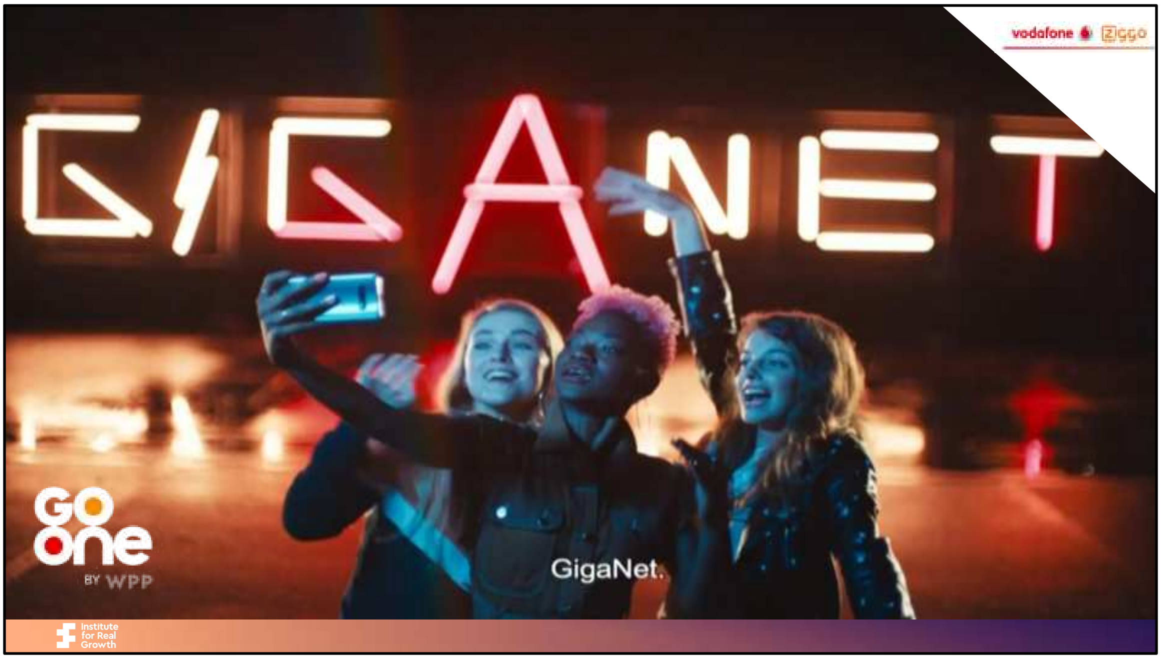
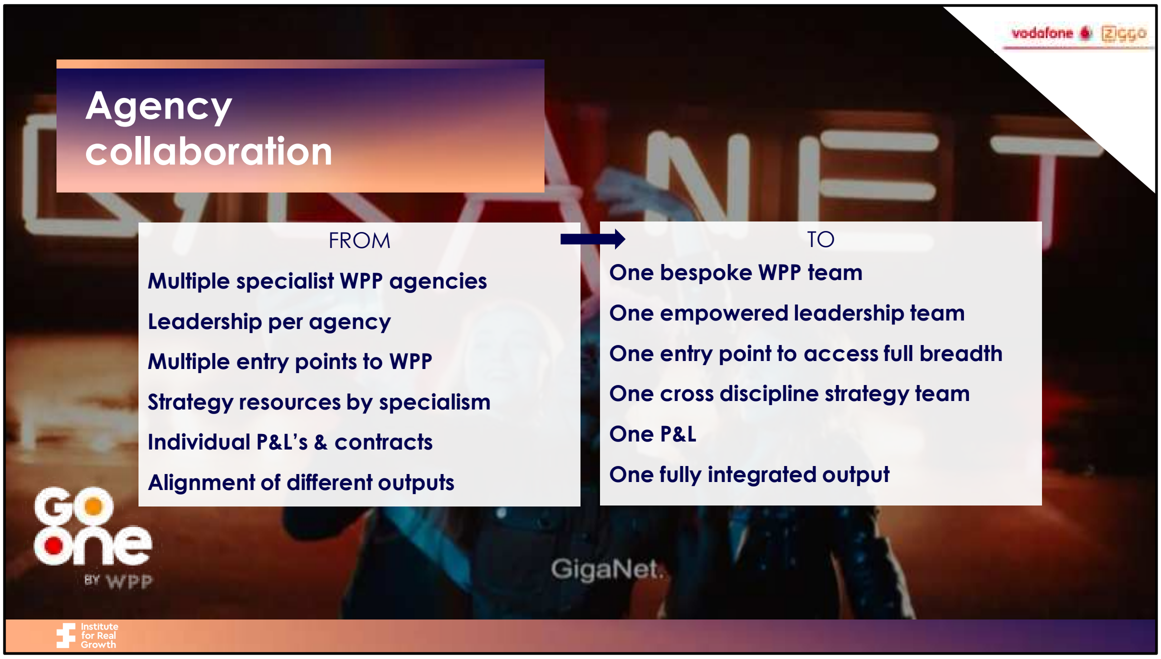


For those who are not familiar, VodafoneZiggo is a joint venture in the Netherlands between Liberty Global, the biggest international TV and broadband company and the Vodafone Group, one of the world's largest telecommunication companies. The joint venture has been highly successful in terms of growth – so much so that it now provides the blueprint for other joint ventures around Europe such as that between O2 and Virgin. However, what's really interesting is the partnership that VodafoneZiggo has created with WPP.

- Organized around customer journey (get – keep – grow)
- Quarterly planning
- Full functional integration internally and with agency

Learning: distinguish between RUN and CHANGE projects
Learning: clarity on business and brand strategy pillars



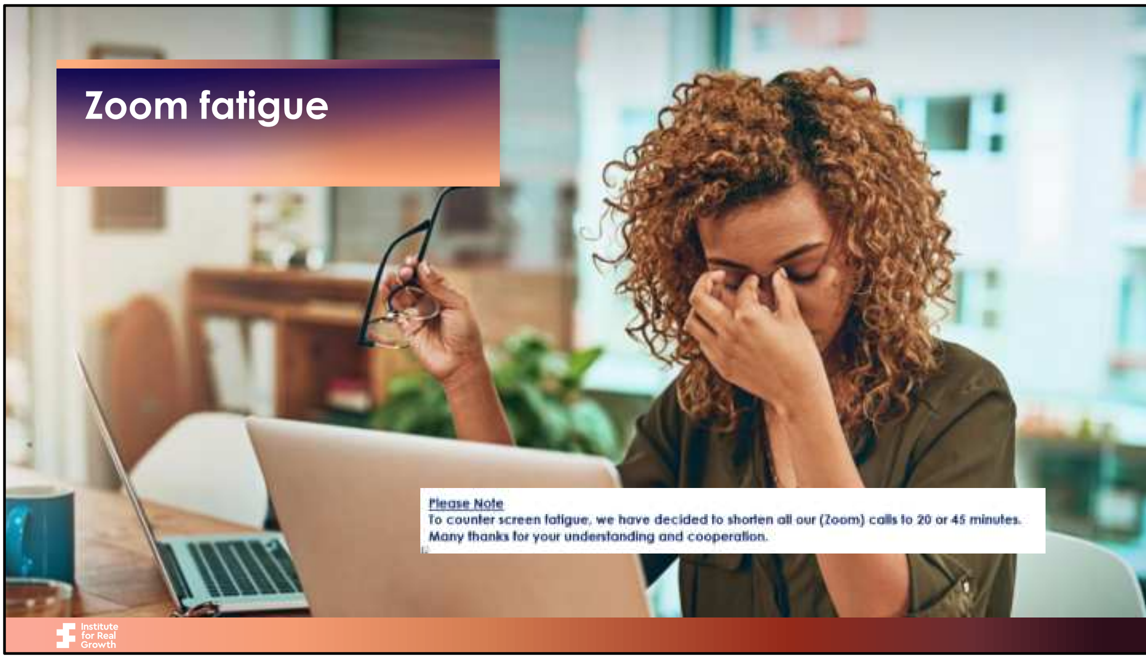
Most big companies tend to work with multiple agencies but in this instance WPP has created for their client a single bespoke team – a team that doesn't represent a specific agency within the WPP stable rather represents a broad competency in brand strategy and communication – a competency that draws from the skills of multiple different WPP agencies, but which is represented through a single point of contact.

Eliminating hundreds of handovers / inefficiencies
Contractual agreement: no involvement agency ceo's

It also helps in ensuring that campaigns are properly and easily integrated – instead of the client trying to manage multiple, often competitive agencies they are working with one team who are fully committed to supporting each other.

For WPP it represents a shift from multiple P&L negotiations to a single P&L that allows them to service the client more efficiently. It’s a big step forward and by all accounts it's going really well.

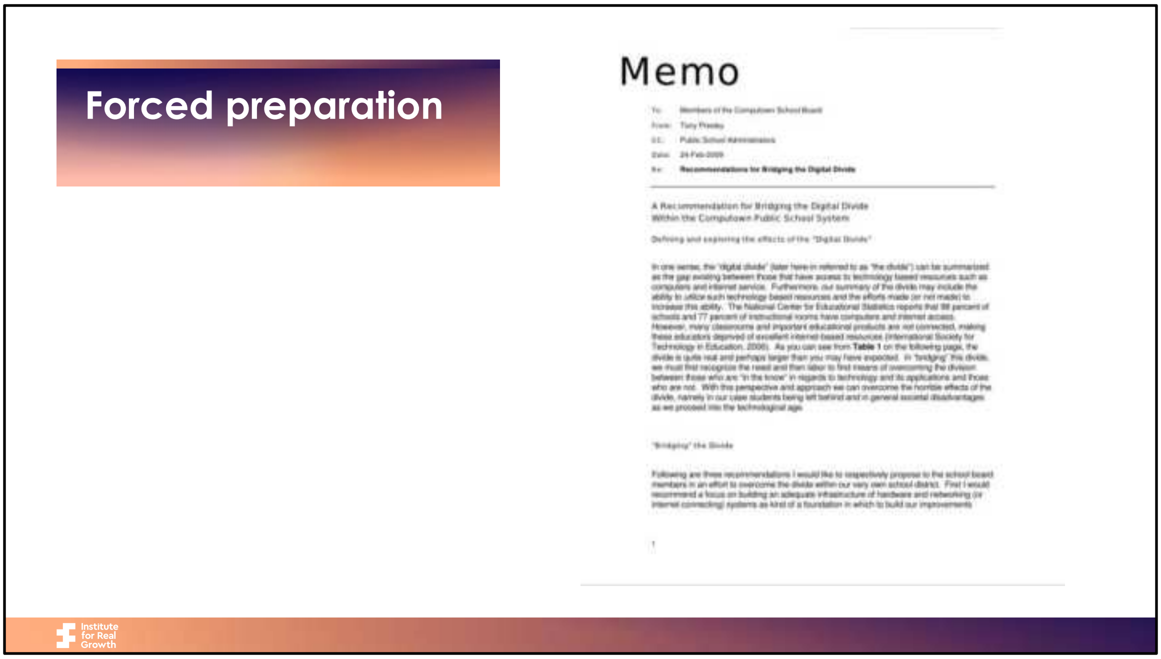

Meetings



Professionals lose 31 hours per month in unproductive meetings (roughly four work days)
Research indicates that over 50 percent of meeting time is wasted.
In one study, 73% said they have brought other work to meetings, and 39% say they have dozed during meetings.

FROM		TO
Update driven	→	**Action & decision oriented**

Startup company Brivo has employees raise a “No Rehash” ping-pong paddle whenever someone brings up a previously discussed topic. “It’s a visual reminder, but more importantly it empowers everyone in the company to call out counterproductive rehashing whenever and wherever they see it,” said Brivo president and CEO Steve Van Till to Fast Company. “The big-time savings is that no one has to justify invoking the rule itself, and the meeting can proceed with earlier decisions intact.”



The most famous is probably the Amazon approach where each attendee has to spend the first 30 minutes of any meeting silently reading a 6-page structured memo about the topic of the meeting before any discussion starts - Bezos has said this is the smartest thing they've ever done

FROM		TO
Informing	→	Action & decision
Siloed	→	Cross-functional

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Leadership
Your role

If you are going to seriously apply an approach such as the Open Innovation concept we've just discussed, it needs proper funding to put the right people and budgets in place to ensure that you find the best external partners.

The Nestle Digital Acceleration Team (DAT) is a good example of this. Amongst other things the DAT operates an open innovation platform called Henri that enables collaboration with external entrepreneurs, businesses or partners. It is essentially a way for Nestlé to find solutions to existing problems much faster.

A recent initiative aimed to help consumers stick to recommended portion sizes of a Nestle chocolate cookie brand. External applications ranged from app developers to design agencies, involving a wide range of product and even psychological-based solutions.

The process works far better if you are able to share broad problems rather than just asking for specific inputs. Doing things this way helps increase the pool of likely collaborators as they can come from multiple disciplines and also ensures that contributors feel more bought-in to the overall success of the project rather than just their specific contribution.

Using your muscle as the senior partner to 'screw' your collaborators is likely to doom you in the long run. You need to really understand what potential partners want out of the relationship and what you are looking for.

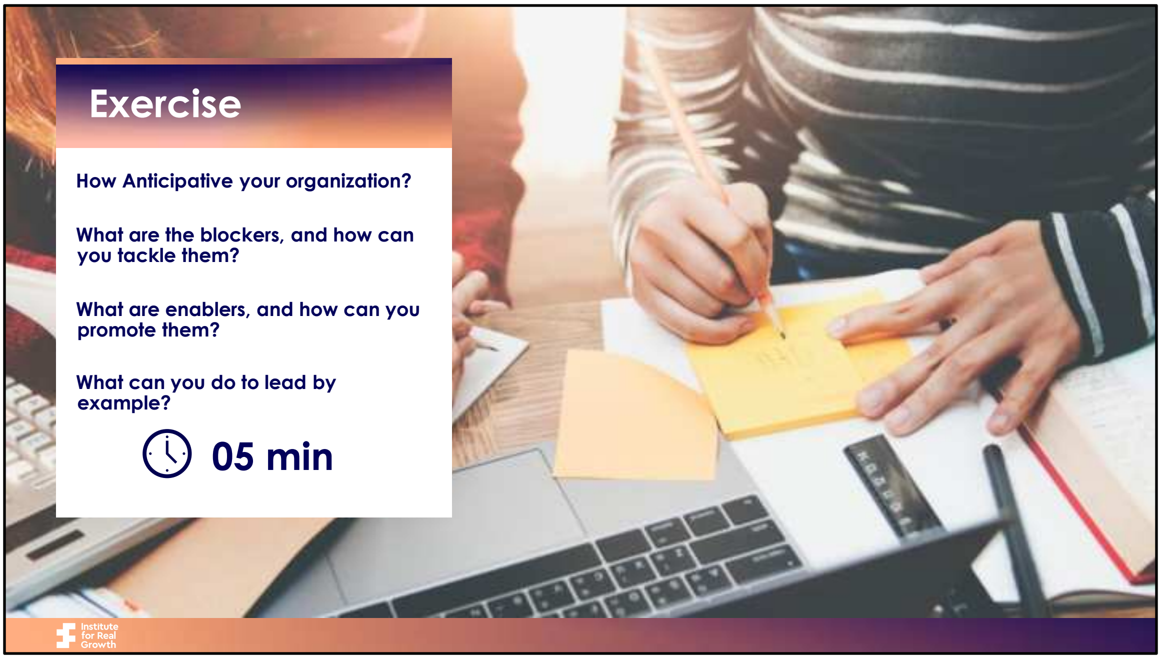
Establish and agree these early on and be completely transparent when discussing progress against those metrics. Remember that it usually isn't only financing that innovators are looking for – they often need your expertise in specific areas- be absolutely committed to providing all resources that can make the partnership a success.

Don’t assume that by creating a partnering team or hosting a hackathon that your job is done. If you can role model the right behaviours - by being curious, by going out of your way to meet with potential partners, by continually exposing yourself to new ideas and being open to ideas from anywhere in the ecosystem you create the pre-conditions for that kind of behaviour to flourish in your organization. Remember, that being a curious and agile learner and being connected and collaborative are 2 of the key characteristics of a da Vinci CMO

We are huge fans of what have been called ‘little bets’. The marketing team needs to be the one part of the organization where experimentation should thrive. In the volatile environment in which we operate we cannot make keep making changes in direction whenever a new media opportunity or technology breakthrough emerges. But it is critical that we are continually experimenting with these new opportunities to see if they are valuable enough to roll out across the brands/organization.

Yes, spending days wandering around trade shows like CES in Las Vegas can be tedious and grueling (we speak from experience!) but those serendipitous encounters with companies and ideas can be transformational. To quote William Gibson 'The future is already here. It's just not evenly distributed yet'. It's only by being out there and networking like crazy that you will be likely to stumble on the future before your competitors do.

And make sure to serve the (long erm) interests of all your stakeholders


Exercise
How Anticipative your organization?
What are the blockers, and how can you tackle them?
What are enablers, and how can you promote them?
What can you do to lead by example?
05 min
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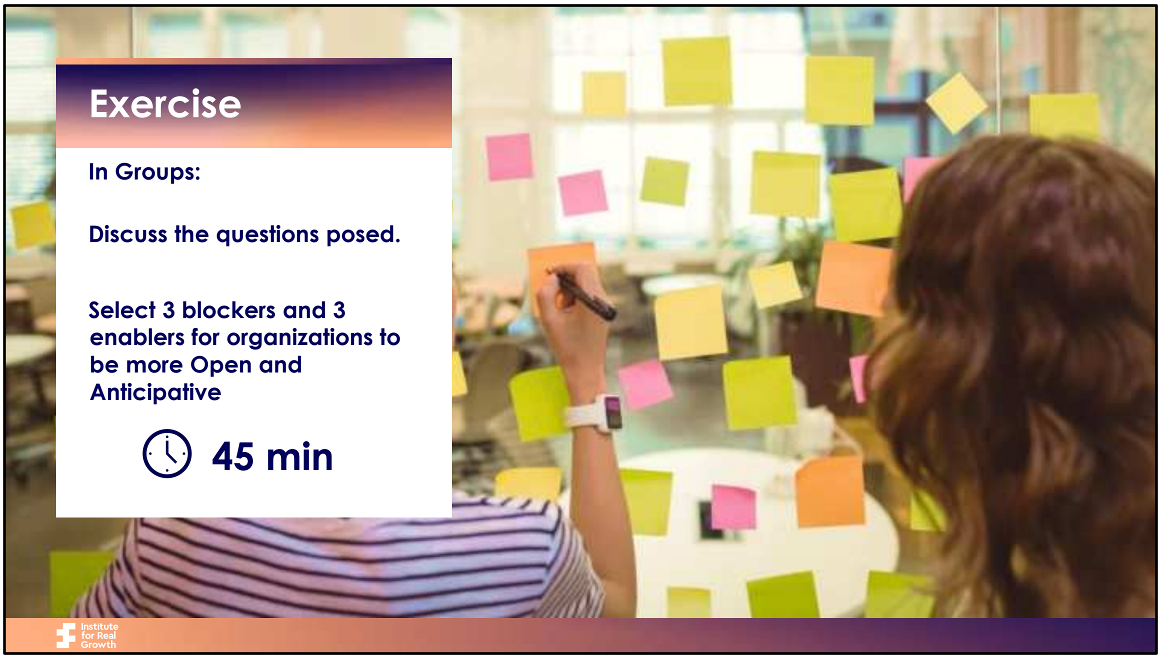
Exercise
In Groups:
Discuss the questions posed.
Select 3 blockers and 3 enablers for organizations to be more Open and Anticipative
45 min
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Live Poll

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1- **Making your marketing organization agile: A step-by-step guide, by David Edelman, Jason Heller, and Steven Spittaels**
Todays organizations need to be flexible and agile, to survive. This article from McKinsey outlines how to achieve agility in your marketing organization.
2- In the Ecosystem Economy, Whats your Strategy? By Michale G Jacobides
Business is undergoing a paradigm shift, the nature of competition has changed, and the ecosystem economy is here to stay. This article shares 5 questions you should ask yourself to shift from rigid strategies and frameworks, to more dynamism and collaboration.
3- Large company innovation gone wrong: Kashi vs. Kellogg's
One tried and tested way for large organizations to become more innovative, is to buy it. But beware - if mismanaged, you will destroy value, rather than create it. This short case outlining the acquisition of Kashi by kellogg's will help you know what NOT to do.

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Set-up & Finale | Sparring

Core cirriculum | Milestone

Leadership | Feedback

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WPP
WILDAID
Help us save
the real thing
donate
Microsoft
NVIDIA
Institute
for Real
Growth

Human **AI, ATTRACTIVENESS +**

Attractive

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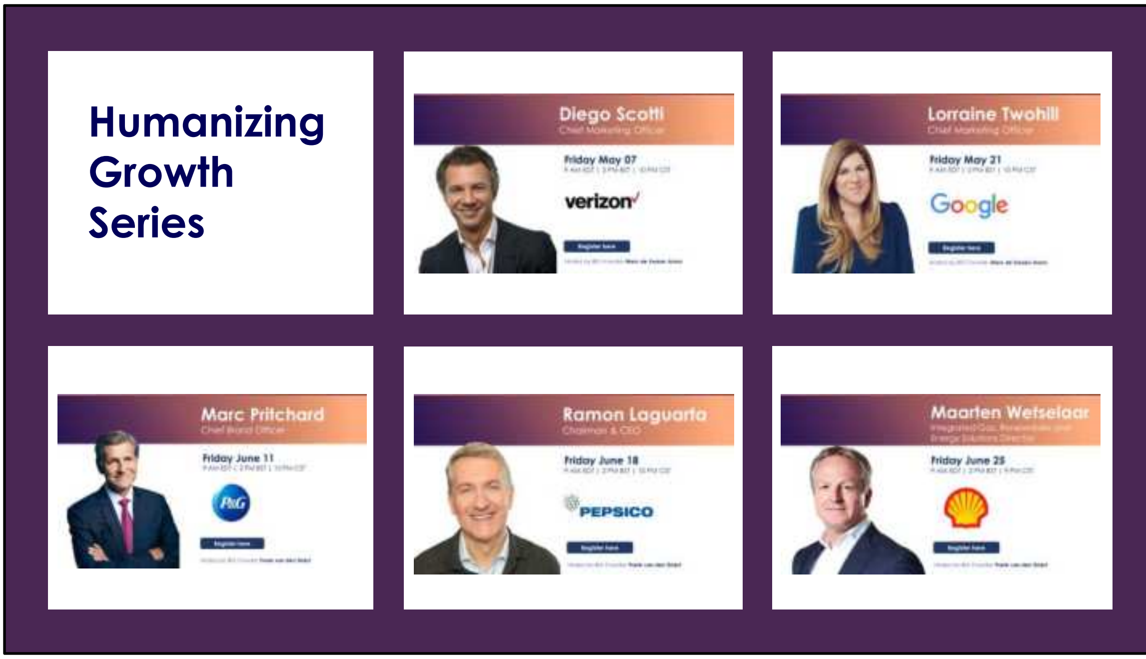

Humanizing Growth Series
Diego Scotti
Chief Marketing Officer
Friday May 07
verizon
Lorraine Twohill
Chief Marketing Officer
Friday May 21
Google
Marc Pritchard
Chief Brand Officer
Friday June 11
P&G
Ramon Laguarta
Chairman & CEO
Friday June 18
PEPSICO
Maarten Wetselaar
Friday June 25


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See you next week!