SESSION 9:
Anticipative Organization

Session Objectives

1. **Better understand the many ways to partner internally and externally**

2. **Define what it takes to build winning ecosystems**

3. **Discuss the CMO leadership implications that start with you**

Prereads

To help prepare and inspire you, please enjoy these optional prereads.

The Permissionless Corporation

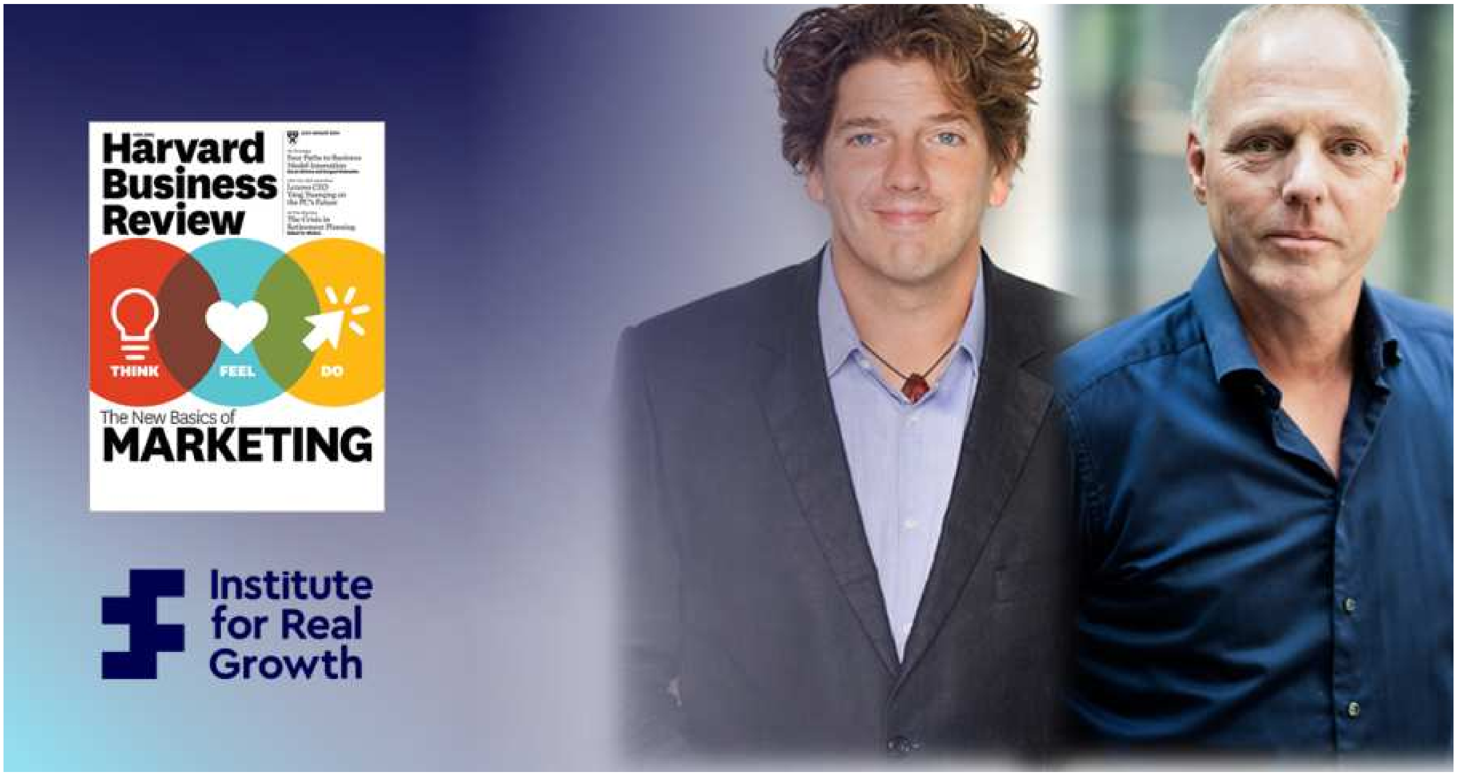
(20 min)

Digital technologies are pushing decision-making ability to the edges of the organization, When AI and other software make information transparent to decision-makers on the front lines, it can help to create, a "permissionless corporation." *Click here to read.*

Shattering the status quo: A conversation with Haier's CEO, Zhang Ruimin

(15 min)

Having built Haier into a global powerhouse, CEO Zhang Ruimin, wants to overthrow 100 years of organizational orthodoxy. Ruimin fearlessly explores his differing perspective on the role of the CEO in shattering the status quo in the service of customers. *Click* *here* *to read.*



The Ultimate Marketing Machine

(20 min)

This, the first of the HBR articles written by the founders of the IRG, describes the key drivers of marketing organizational effectiveness and is based on the findings of the Marketing2020 study conducted in partnership with the World Federation of Advertisers and the Association of National Advertisers. *Click here to read.*

Session Introduction

Press the play button to start the video.

Self-learning Session

This week's session is to be completed on the platform (there is no live Zoom).
Scroll down to complete the Anticipative Organization session.

The HOW of Humanized Growth

The three building blocks that encompass the HOW for Humanized growth are Open Culture, Anticipative Organization, and Whole-Brained. These topics provide the ways of working to be able to deliver on the WHAT (Abundant Markets, Multiple Models, and Evolving Experiences).

Press the play button to start the video.

Close transcript

If the culture of an organization is open, what else can get in the way of building a humanized Growth ecosystem? Well… the organization itself!

In a Bain study, Fortune500 CEOs were asked what they considered their number one impediment to growth. 95% answered that it was themselves… their own dysfunctional and siloed organization that was the biggest blocker to growth.

That's why the second HOW building block of the Humanized Growth Ecosystem focuses on the organization. And specifically, on the characteristic of overperforming organizations that we call the **Anticipative** Organization.

We have all heard about the merits of 'agile' organizations but the myth among business leaders seems to be that in order to improve organizational flexibility you, always have to redefine everything, including the dreaded 'RACI'.

tanker a little to the left or right in order to reach a different destination a few months from now. Instead, overperformers create fit-for-purpose micro-battle teams that are brought together because they are the right six or eight people for the specific job to be done.

Overperforming Humanized Growth organizations don't think of themselves as the proverbial oil tankers anymore, but rather a flock of birds. These organizations act like highly synchronized constellations, moving in sync towards an opportunity or away from or around any obstacle. But guided by the same unified vision.

Leaders in these organizations focus on removing barriers to growth. Having learned from the Bain study, we included a question in the IRG Growth Study asking leaders about their organization's ability to remove internal barriers to growth.

Interestingly, 50% of over performers consider themselves good or very good at this which is more than double the 22% score among underperformers. BUT it also means that no less than half of the **over performers** struggle with this.

A great example is building a more Anticipative Organization is Google. They created an innovation area called Area 21. But at one point Google didn't think that they were getting enough innovation out of Area 21 and they decided to study why. The conclusion: Even though the area was set aside on Google's campus, it was still being made to work with the standard Google tools and processes: They were only allowed to work with Google-developed software, imagine that! And the people that work there, many quite individual creatives, were being remunerated and incentivized precisely the same way as the rest of the company; for collaboration in teams rather than for individual breakthrough thinking. And we all know what comes out of an innovation 'committee'.

Driving **internal connectivity** is another distinguishing characteristic of overperforming growth organizations. The Linkedin IRG Growth Study data shows that internal bridges are very important. Senior leaders in overperforming organizations are **five and a half times** better connected to junior people in their organization versus executives at underperforming organizations.

And marketing and sales professionals in overperformers are three and half times better connected to other internal functions – HR, IT and Finance.

This internal 'connectivity' is especially important these days between marketing and sales. Because especially with COVID now - Commerce has exploded. And who knows who 'owns'

In this session we are going to look at what it takes to build to build an Anticipative Organization, specifically learning about Agile ways of working at Spotify, partnering better to collaborate internally and externally in order to be able to offer more evolving experiences. We will also learn from our partner The United Nations Global Compact on how companies are effectively connecting their business strategy and partnering with the UN and NGOs to address the UN Sustainable Development Goals.

Building Winning Ecosystems

Select the next arrow to find out more.

Ecosystem thinking +

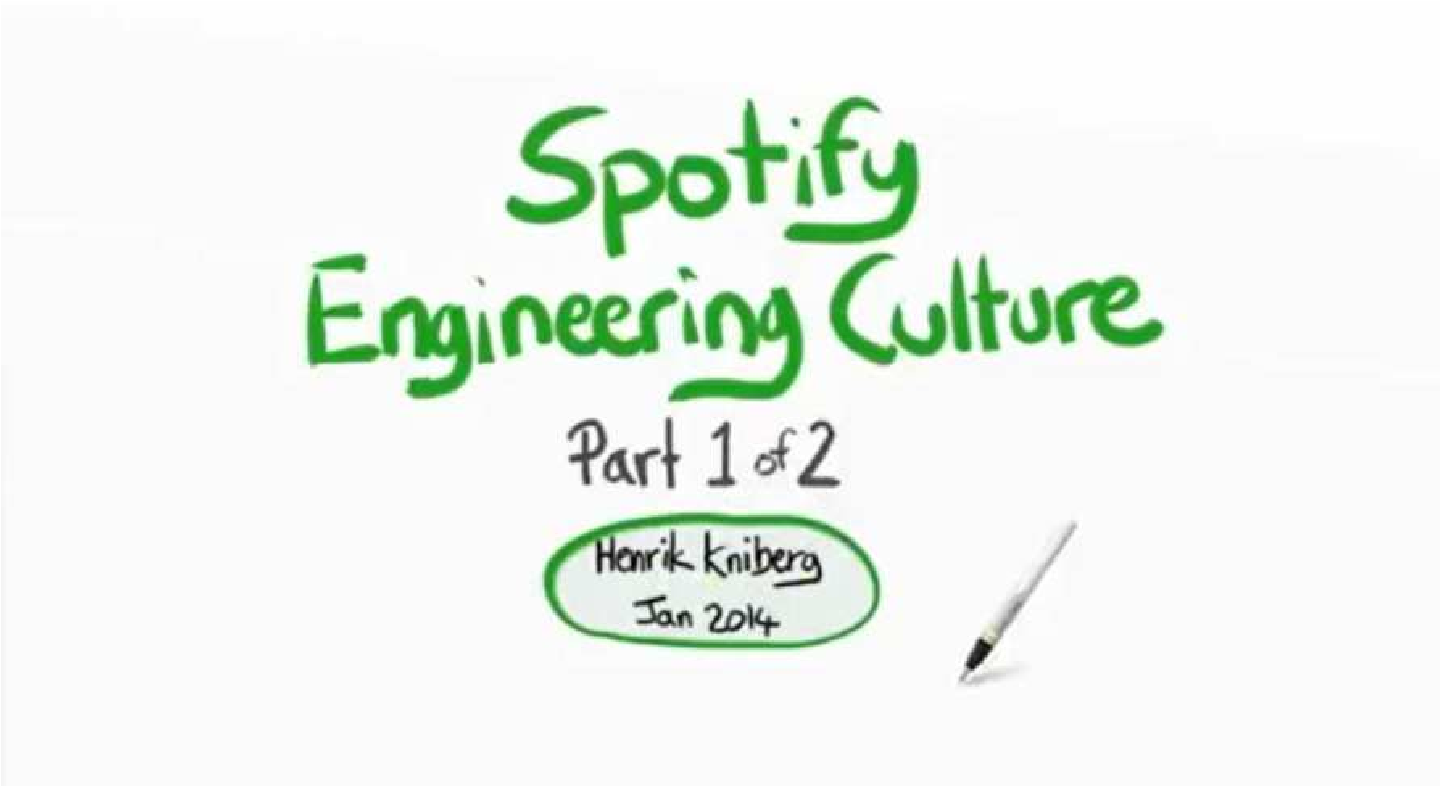
Agile at Spotify

The IRG Growth Study showed that over-performing organizations are more agile than their industry peers; acting like a flock of birds rather than an oil tanker when there is a need to evolve.

Spotify is known for its flexible organization. The company's approach to software engineering and people management has come to be known as the "Spotify model". One principle of the Spotify model is autonomously operating teams.

Let's explore their model in more detail with an animated video from Henrik Kniberg, an Agile & Lean coach who has worked closely with Spotify.

Press the play button to start the video.



A squad is a small cross-functional self-organizing team, usually less than eight people. They sit together and they have end-to-end responsibility for the stuff they build. Design, commit, deploy, maintenance, operations, the whole thing. Each squad has a long-term mission, such as make Spotify the best place to discover music or internal stuff like infrastructure for AB testing. Autonomy basically means that the squad decides what to build, how to build it, and how to work together while doing it. There are of course, some boundaries to this such as the squad mission, the overall product strategy for whatever area they are working on, and short-term goals that are renegotiated every quarter.

Our office has optimized for collaboration. Here's a typical squad area. The squad members work closely together here with adjustable desks and easy access to each other's screens. They gather over here in the lounge for things like planning sessions and retrospectives, and back there is a huddle room for smaller meetings, or just to get some quiet time. Almost all walls are whiteboards. So why is autonomy so important?

Well, because it's motivating and motivated people build better stuff. Also, autonomy makes us fast by letting decisions happen locally in the squad, instead of via a bunch of managers and committees and stuff. It helps us minimize hand-offs in waiting so we can scale without getting bogged down with dependencies and coordination.

Although each squad has its own mission, they need to be aligned with product strategy, really be autonomous, but don't sub-optimize. It's kind of like a jazz band. Although each musician is autonomous and plays his own instrument, they listen to each other and focus on the whole song together. That's how great music is created. So our goal is loosely coupled, but tightly aligned squads. We're not all there yet, but we experiment a lot with different ways of getting closer. In fact, that applies to things in this video. This culture description is really a mix of what we are today and what we are trying to become in the future.

Alignment and autonomy may seem like different ends of a scale, as in more autonomy equals less alignment. However, we think of it more like two different dimensions. Down here is low alignment and low autonomy, a micromanagement culture. No high-level purpose. Just shut up and follow orders. Up here is high alignment, but still low autonomy. So leaders are good at communicating what problem needs to be solved, but they're also telling people how to solve it. High alignment and high autonomy means leaders focus on what problem to solve, but let the teams figure out how to solve it.
What about down here then? Low alignment and high autonomy means teams do whatever they want, and basically all run in different directions. Leaders are helpless and our product becomes a Frankenstein. We're trying hard to be up here, aligned autonomy, and we keep experimenting with different ways of doing that.

So alignment enables autonomy. The stronger alignment we have, the more autonomy we can afford to grant. That means the leader's job is to communicate what problem needs to be solved and why. And the squads collaborate with each other to find the best solution.

Connecting Internally

An Anticipative Organization is one that is agile but also very connected.

Many organizations suffer from the effects of departments working in silos.

Below are some ways in which you can foster internal connections and collaboration, with your own colleagues.

Select each heading to find out more.

Essentially the idea with reverse mentoring is to have younger, better connected and more digitally savvy employees mentor senior leaders so that these decision-makers are better aware of the latest tech trends and opportunities to reach consumers.

GE popularized reverse mentoring by pairing 500 senior and junior employees. The IRG Growth Study found that in overperforming growth organizations the degree of connectedness between senior leaders and junior colleagues is five and a half times higher than in their underperforming peers.

Shadow board +

Intrapreneur board +

Hackathon +

Connecting Externally

Many organizations work in isolation, either for competitive reasons or because they simply are not comfortable partnering with other organizations.

Below are some ways in which you can foster external connections and collaboration, with various partners.

Some CMOs create a **challenger board** of external experts who are asked to give unbiased feedback on the company's current plans. This ensures that you are getting unvarnished feedback and advice from people who are committed to the success of you and your company and who don't hold back because it might impact their career prospects.

When Fernando Acosta, Global Brand Director Dove, wanted to infuse the brand with expertise around women's empowerment and beauty he created a Dove Challenger Board. Appointed as Dove 'challengers' were the Head of Gucci design, The Founder of the Empowerment Institute, the Founder of iVillage – a major online women's portal, and the Founder of Bliss Spas.

The bi-annual Challenger Board meetings always started with an 'open listening' session followed by a discussion around the question: *'Given the brand's purpose, what should we be starting, continuing and stopping, and who else should we be talking to?'*

Customer innovation +

Community connection +

UN Global Compact +

Partnering successfully doesn't happen on its own. It requires investments of time, money and energy. As a leader, there are a number of things you can do to support successful partnership in your organization. Here are some actions that can help you succeed.

Select each image to find out more.

Dedicated partnering team

Invite partners early

Shared success metrics

Lead by example

Workbook

Please answer the following questions in your workbook:

Where is your organization leading and lagging with Anticipative Organization? Why? What is blocking or facilitating success?

Key Learning

1 **An anticipative organization is agile and well connected**

3 **Your role as leader is to demonstrate collaborative and agile thinking and ensure partnerships are fostered**

Session Reflection

Please answer the following question in your workbook:

Based on the learnings from this session, what actions can you take now to make an immediate impact?

Please formulate as concretely as possible, including WHO, WHAT, by WHEN.

Leadership Perspectives

In our Humanizing Growth Series webinars, we speak to leaders about their experiences with driving Humanized Growth.

Press the play button to start the video.

Want to hear more from Charlotte? Click [here].

Want to hear more from Kees? Click [here].

End of session: Close window

If you have any questions on either the live session or this online learning platform, please contact Program Manager Leanne Rathore at leanne@instituteforrealgrowth.com