



Summary Report: Steve Mostyn

At the Leaders of the Future Summit Benchmark for Business challenged business leaders to think and act differently with a winning combination of Prof Gordon Hewitt and Marshall Goldsmith.

Bob Mackenzie of Benchmark for Business introduced the conference and invited delegates to think in a new way around 'new game thinking' and business design and at the personal level to understand how successful leaders change behavior.

Prof Gordon Hewitt of University of Michigan opened up the connections for the day noting his and Marshall Goldsmith's mentorship from the late C K Prahalad.

Hewitt's convincing 3 hour session focused on the well researched assertion that business model innovation is more profound to the global economy than product innovation. Hewitt, a world thought leader on business and corporate strategy, says there are three types of company in the world: those who make things happen, those who watch things happen, and those who ask '*what the hell just happened?*'

He says the latter two company types are too often focused on product and service innovation, when they should be aiming for innovation in their business models. *"The traditional agenda for innovation is problematic. Everyone focuses on new products, services, features or systems. This type of innovation has a short shelf life and can be short-sighted."*

Hewitt's approach was enhanced by his energy, humour and first hand mini case studies where he has worked with many of the world's top executive teams in working with them on developing 'new game' thinking.

Examples included Kodak , that filed for bankruptcy in the week in 2011 that Instagram was sold to Facebook for 1\$bn.

At the heart of Hewitt's assertion is that at the core of all businesses is the 'dominant logic' that is so deeply engrained that it is difficult for executives to see the weaknesses of their own business model. With energetic delegate involvement Hewitt explained the significant loss of value of RIM(Blackberry) worth over \$90bn to \$4bn in just a decade.

A detailed case study of Apple and Sony went beyond the usual superficial story into a deep contrasting description of Sony's decimation over a decade and Apple's stellar growth. Despite Sony having deep expertise in every core technology that Apple deployed and then built an entirely new business model out of music and itunes.

Hewitt, like Goldsmith later in the day is an optimist, and suggested that management teams who want to be 'new game thinkers' need to develop a process to develop the 'weak signals' and be rewarded to C-suite jobs not by *'how many functions you have led, or countries you have worked in, but rather how many new business models you have developed'*

Hewitt ended his session with an accessible list of examples of 'dominant logic'. From the hotel 'day' that is based around the hotel's need of a day that starts at 3.00pm and ends at 10.00am, rather than for an international business traveller who arrives from Singapore at 5.00am and ends up paying for two nights. He argues hotels suffer from the dominant logic that housekeeping directs all other functions in the hospitality industry. *'What good are all the hotel product innovations, if you can't have a room when you arrive?'*

His examples also included a dismantling of the concept of the 'express till' in supermarkets where he asks *'Why does the supermarket reward the lowest value customer with the best service?'*

The afternoon was led by Marshall Goldsmith, the world's leading executive coach, who offered insight into the flip side of the coin on leadership for the future and how mindset and behavioral change are linked and offered a researched finding of how to make behavioral change stick, by follow up and repetition.

Goldsmith started his session by arguing that there is a paradox of successful people. That is the need to win to much?

He told delegates, 'One big issue of successful leaders is winning too much. If it's important, we want to win. If it's meaningful, we want to win. If it's trivial, we want to win. If it's not worth it, we still want to win. Why? We like winning.'

There's a fine line between being competitive and overly competitive, between winning when it counts and when no one's counting--and successful people cross that line with alarming frequency. I'm not disparaging competitiveness. But it's a problem when we deploy it at the service of objectives that are not worth the effort.

Winning too much underlies nearly every other behavioral problem. If we argue too much, it's because we want our view to prevail (we want to win).' This deep understanding of senior leaders is Goldsmith's key empathy and with their permission quotes leaders he is and has coached including, Alan Mulally CEO of Ford and Ian Read of Pfizer.

His approach is refreshingly simple, without being simplistic, one such example was his engagement with delegates in the following 'feed-forward exercise:

- Pick one behavior that they would like to change. Change in this behavior should make a significant, positive difference in their lives

- Describe this behavior to randomly selected fellow participants. This is done in one-on-one dialogues. It can be done quite simply, such as, “I want to be a better listener.”
- Ask for feed-forward—for two suggestions for the future that might help them achieve a positive change in their selected behavior. If participants have worked together in the past, they are not allowed to give ANY feedback about the past. They are only allowed to give ideas for the future.
- Listen attentively to the suggestions and take notes. Participants are not allowed to comment on the suggestions in any way. They are not allowed to critique the suggestions or even to make positive judgmental statements, such as, “That’s a good idea.”
- Thank the other participants for their suggestions.
- Ask the other persons what they would like to change.
- Provide feed-forward - two suggestions aimed at helping the other person change.
- Say, “You are welcome.” when thanked for the suggestions. The entire process of both giving and receiving feed-forward usually takes about two minutes.
- Find another participant and keep repeating the process until the exercise is stopped.

When the exercise is finished, participants were asked to provide one word that best describes their reaction to this experience. I ask them to complete the sentence, “This exercise was ...”. The words provided are almost always extremely positive, such as “great”, “energizing”, “useful”, or “helpful.” One of the most commonly mentioned words was “fun”!

Fun, insight, challenge and reframing ideas on business models was indeed the theme of this engaging summit.