

Dynamic Future-proofing

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Dynamic Future-proofing: Integrating Disruption in Everyday Business

BY

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INVESTOR IN PEOPLE

To Booboo, for everything, always.

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About the Collaborators

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Toronto, August 15, 2020

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Prologue

We are not about working *on things with things*. We are about creating moments of compelling power that move us forward, toward more compelling moments. We are *carving time, for our own time on earth*.

The future proposed in this book has always been in us humans, as we have journeyed throughout time to achieve the technologies that will make it real.

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Introduction

Integrating Disruption in Everyday Business

Let us start by defining disruption in the context of this book: a disruption occurs when human motivation embraces a *new technology* and allows it to enhance and expand the experience of everyday life. In this definition, the *disruptor* is the technology, while *disruption* is the human being engaged in a new behavior. People's acceptance and appropriation of new technologies creates a business disruption, which changes, interrupts, and transforms our habitual way of doing things.

What does it mean to integrate disruption in everyday business? The easiest way to illustrate this is by describing how an individual integrates disruption in his/her life and understands the differences between individuals and organizations and between individual level tasks of transformative nature and organizational level tasks of the same nature.

Take the disruption we called Uber. How does an individual integrate this disruption in their everyday life, from the moment in which they first hear of the service, the technology, and the associated mobile application? The first thing an individual will do is take a look online to learn what people say about this *new thing* called Uber. An individual will seek to build a minimal AWARENESS about this novel service and broaden that with exposure to a variety of opinions and testimonials from reviews and critiques, a spectrum of opinion embracing equally the high praise bestowed on the service from people that truly enjoy it, as well as the dissenting voices, and the usual critics that complain about any new disruptor technology killing jobs and the old ways of doing things.

What an individual will seek is an INFORMED OPINION leading to ACTION and the agility to ACT.

After a couple of hours of research and an equal amount of time thinking about it, the individual would download the application on their mobile phone and would register for the service. Given sufficient positive information, individuals are compelled to act from an intrinsic desire to experience what others are experiencing, and what others are conversing about. Individuals feel compelled to act in order to gain faster belonging status in their larger social group. From the moment the application is downloaded to the first moment of disruption—the first time the individual experiences the Uber service and its benefits—time is

suspended in the expectation of magic, and once in use, the application delivers that magic through the responsive interface, communicating the status of the journey's constituent components at all times: the driver, the car, the route, the traffic on route, the expected arrival time, and so forth—all part of the new magic of urban transportation and all absent in the previous services offered by the incumbent taxicab industry.

With courtesy and in comfort, the individual will be delivered at the desired destination, while the financial transaction will be silent and brokered directly between the mobile phone and the Uber application. This first positive experience with a transformative disruption permanently alters the individual behavior in all things concerned with city transit, as that notion and its participants will now be different forever. The first engagement with this disruptor did not have to disrupt any other segment of their life; one simply had to accept the new variable—Uber—as a significant and convenient participant in a new transportation ecosystem.

Integrating disruption in one's everyday life is most of all *a question of will*. And when dealing with the subject of will, we are dealing with the *freedom* to engage one's *curiosity*, a pursuit an individual might have an abundance of, and one that organizations typically discourage.

It is important to note that when an individual integrates disruption in their own life, they are at the same time integrating disruption in everyday business, because when one is subcontracting their transportation to a private, independent gig driver, they are not subcontracting it to the taxicab industry or the city's transportation sector. The individual's acceptance of the disruption as an outward benefit, and their willingness to engage with this benefit on a regular basis, integrates that disruption through immediate amplification, significantly and negatively impacting the business of other transportation companies providing the same service. How should incumbents respond to disruption, and how should the taxi industry have responded to the arrival of Uber?

Ignore, Fight, or Integrate?

There are three courses of action for incumbents when confronting a disruptor: first one is *ignoring it*, second one is *fighting it*, and the third is to *integrate it*.

Ignoring Netflix did not quite work out for Blockbuster—at its apex a corporation employing over 80,000 people—and eventually, by 2004, they recognized Netflix as a competitor and started closely mirroring everything the upstart was doing, from DVDs by mail to early content streaming trials. The record industry's first reaction to Napster and with the introduction of peer-to-peer file exchanges in the late 1990s was to fight both the startup and the users engaged in the activity. This did not work. While Napster lost its battle in the courts, it won the public relations war many times over.

The intrinsic pleasure of subverting the system was a new dimension of engagement, which proved too powerful an attractor for the users of Napster. And it feels the same way with Uber: a dimension of subversion of the system was at play with the early adopters of the service, a new dimension of engaging with

technology which also allows the individual to effectively engage in the creation of new social norms. This is the real power of this disruption and the reason the taxi industry should have immediately become part of a competing service, using the same technology as Uber, transforming their fleet of cars into a more modern fleet, to keep up with the same quality of vehicles the pool of Uber drivers had at their disposal, or should have joined the pool of Uber drivers from day one. If selecting the latter, their profits would have taken a plunge, but the industry as a whole would have had a chance of continuance by becoming part of the disruption and incorporating within.

Industries and organizations that do not integrate disruption immediately fail to understand the process by which disruption evolves, trending toward and eventually integrating into the mainstream. A disruption such as Uber first amplifies from one city to the next, and from that to the next, and then from one country to the next country, and from one continent to another, while maintaining at all times its character as a disruption, as every new territory Uber entered in was equally unprepared for its impact. Uber was a disruption in New York as well as it was a disruption in Toronto, Paris, Berlin, or Mexico City. The more vertical a business is, the more dangerous disruption becomes, as there is nothing to fall back on—the taxicab industry being a perfect example of this.

Once a disruption is amplified, its impact starts to be felt outside the industry it originally targeted and disrupted, and in the case of Uber, the impact started to be intensified in all areas of the economic system connected to transportation at the city level, impacting public transportation, impacting parking spaces, impacting insurance companies, gas stations, and all those involved in any part of the supply chain connected to the impacted entities.

The impact of an *amplified* and *intensified* disruption—discussed in detail in Chapter 1.2—transforms fundamentally the foundations of a society in the course of time, as more and more individuals start to understand the benefits offered by the disruptor over the status quo, embracing the disruptor and thus becoming the disruption, now a part of the mainstream of their life. This is the real meaning of integrating disruption in everyday business, the fact that it cannot be ignored: it transforms society and its artifacts the way Netflix, Prime Video, YouTube, and Apple TV have transformed the entertainment industry over the past years.

The final phase of a disruption is the phase of *market maximization*, and this is where we encounter its real transformative power in terms of technology and behavior. Maximizing the market for the Uber disruption means introducing the concept in any domain of human activity where a transactional function can take place on the same principles as the Uber transportation transaction. The principles are simple: willing driver takes willing passenger on board, toward a desired destination for a declared fee. The human activity is the human economy: You have a car; I need a ride. You have coffee; I need coffee. Uber EVERYTHING is the market maximization potential of the concept. The key here is that each one of the parties involved intrinsically wants what the other has. This can be the case with food delivery—as it happened—and with any other service in which one party desires what the other one has and possesses the means to connect via mobile digital technology.

Leadership: Awareness, Intelligent Informed Opinion, and Rapid Action

In a time of change, it is vital that companies drive the transformation of their businesses and brands by understanding how individuals experience technology, assess the impact, and use that knowledge to improve the consumer experience. Simply put, the ability to achieve business goals by incorporating disruptive technologies and their driving forces (behaviors) is critical to an organization's survival.

The speed with which disruption amplifies in consumer markets that embraced the digital era has resulted in many industries being completely devastated by emerging players committed to digital innovation. What can organizations learn from the individual's attitude to disruption discussed earlier in this section?

Sensing: develop sensing and awareness mechanisms and processes for incorporating new knowledge in the organization and get frequent reports of fresh data points from early adopters.

Transformation: understand the behavior transformation implied by disruptions, encourage and financially support your employees in becoming early adopters, and have a first-hand experience of the disruption from within.

Curiosity: become curious about everything connected to the inception phases of the disruption, its nature, its technology, and its champions.

Open mind: be open to learn without judging what people think about this disruption and how is it perceived as a transformer of the status quo.

Intelligence: be prepared for disruption at all times by making sure your leadership team has frequent access to intelligence about disruptive events and make *intelligence sharing* a leadership function, embedded in the culture of the organization.

Define a new ambition: when encountering a disruption, be quick to react by defining a new strategic ambition for your organization, ambition that incorporates the disruption in all aspects of your business and maximizes it to its full potential.

It can be difficult for business leaders to imagine what a particular conceptual transformation looks like in practice, which is why methodologies that allow for the testing of these concepts need to be embraced and frequently practiced with the aim of achieving transformative change as the ultimate way to create positive disruption. User scenarios, consumer experience journeys, and design sprints are just a few of the means corporations must now employ in order to incorporate permanent disruptions into their business models.

Future-proofing Organizations For Disruption

Creating an environment in which permanent learning is anchored in a growth approach that is connected to every aspect of the company can change human dynamics in any organization. This is why future-proofing strategies that address executive training, coaching, and mentoring, and are in line with the broader goals of integrating disruption through transformation, should be *board-level*

initiatives. This reduces the pressure on current management to introduce and integrate new technologies, new behaviors, and new market spaces to the company and creates a top-down adoption imperative which translates in curiosity, discovery, and risk-taking at the lower levels of the organization.

Corporate boards, CEOs, COOs, and all operational leadership must align in supporting their employees in any action directed at making the most out of disruptor technologies. To be future-proof, leaders must demonstrate their ability to adapt to changing dynamics, with creativity and complex thinking as the key to ensuring that they learn and innovate at the same time. Tactical agility in future-proofing enables employees at all levels to innovate and take intelligent risks, while pursuing a clear strategy. Strategic agility in future-proofing enables the organization as a whole to *identify and evaluate* important trends and changes in the business environment and empowers individuals to adapt dynamically to the new reality.

About This Book

This book prepares executives for the challenge of creating a culture of exploration and discovery and for shaping strategic transformation in times of profound disruption. Within the framework of a value creating enterprise, the significance of a dynamic future-proofing strategy lies in bridging the gap between business competence and the creation of new wealth. This is a book about leadership, awareness, intelligent informed opinion, and rapid action in a time of change. The ability to achieve business goals by incorporating disruptive technologies and their driving forces is critical to an organization's survival, and recognizing disruptions in the early stages of amplification can convert potentially existential threats into transformative opportunities.

Future-proofing is not about predicting the future, it is about creating it. It is about realizing the immensity of being human in an age of rapid technological advancements and setting new goals from this understanding, leading to a new destination. New goals open up new timelines, and new timelines lead to transformative change in organizations.