INNOSIGHT
STRATEGY AND INNOVATION AT HURON

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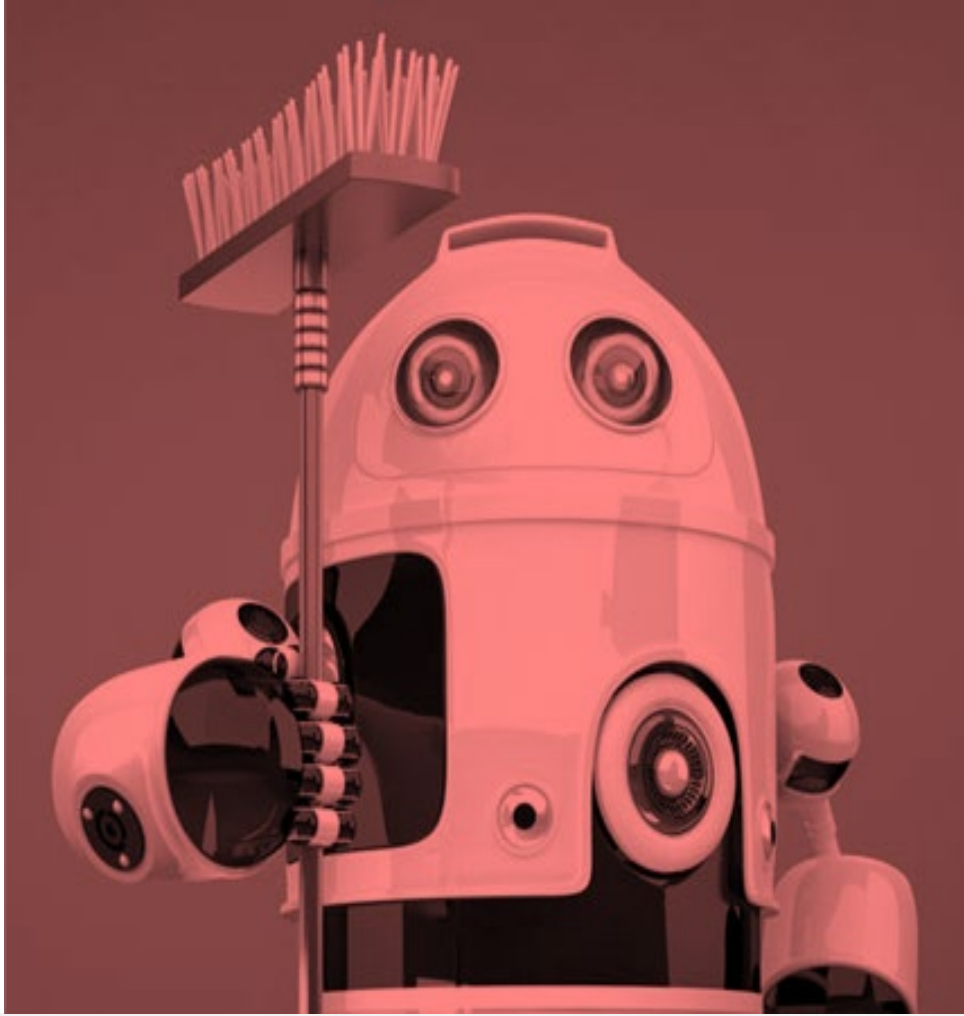
Beating Disruption: A New Model for Jump-Starting Transformation

Thursday, February 10, 2022

Housekeeping Notes

- The webinar is being recorded
- The link to the recorded webinar and to the presentation slides will be shared
- All participant lines have been muted
- Please submit questions using the **"Q&A"** function that appears in the toolbar; we plan to pause twice to answer questions
- When we have **Poll** questions, please make sure to click the "submit" button
- Feel free to comment in the **Chat**, but we may not be able to monitor or respond



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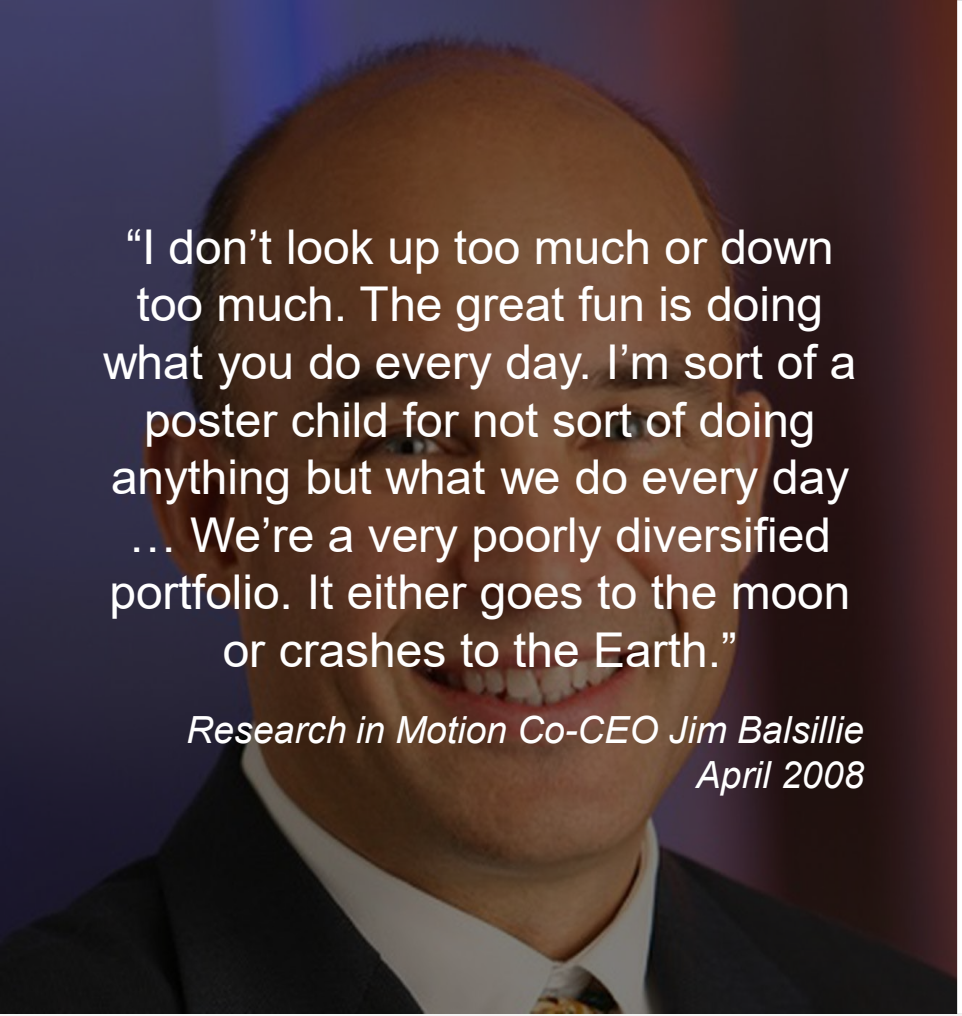
STRATEGY AND INNOVATION AT HURON

The Information-Action Paradox



KNIGHT RIDDER
INFO PORTAL (83)

SONY
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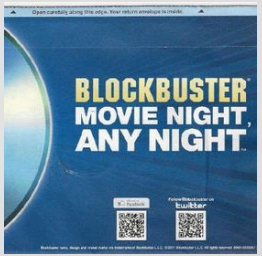
TOUCHSCREEN (99)

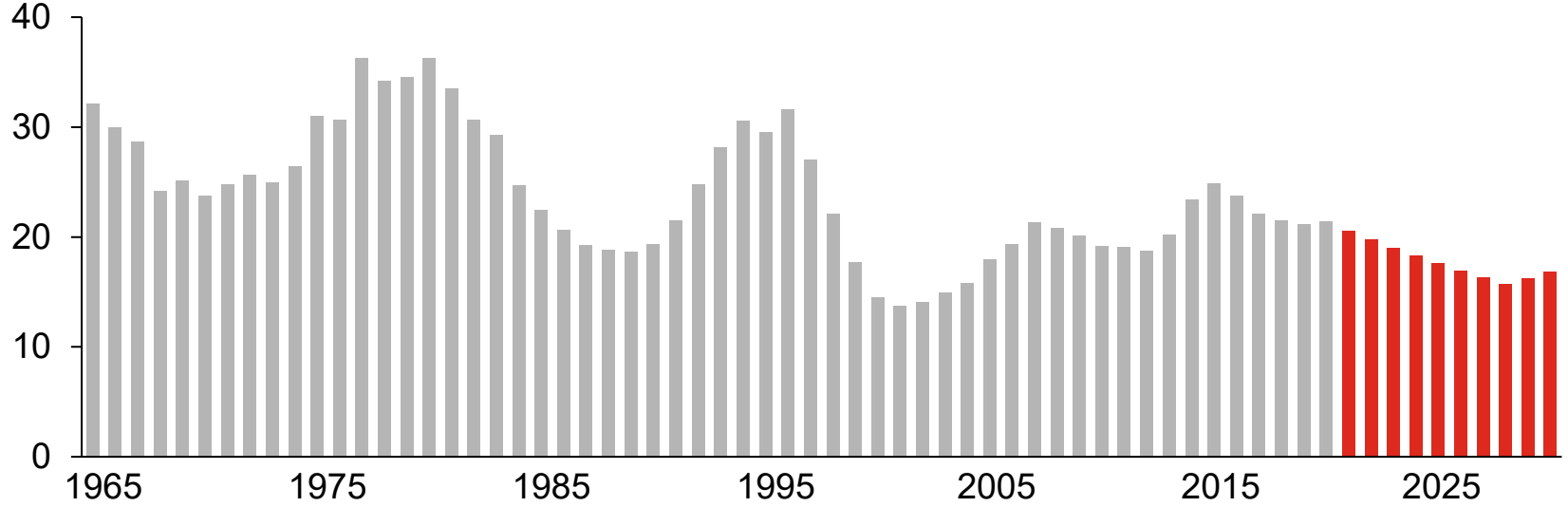
KODAK
PHOTO SHARING (01)



BLOCKBUSTER
DVDS BY POST (04)

Average company lifespan on S&P 500 in years

Rolling seven-year average

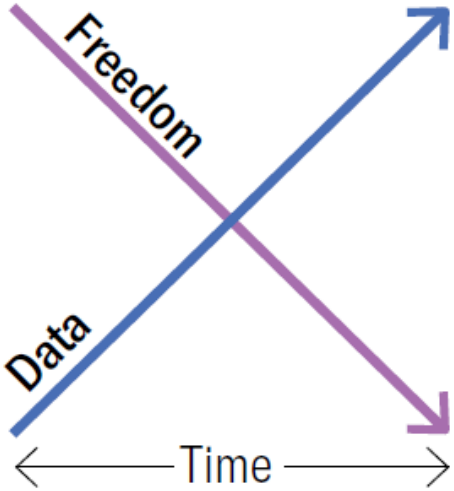


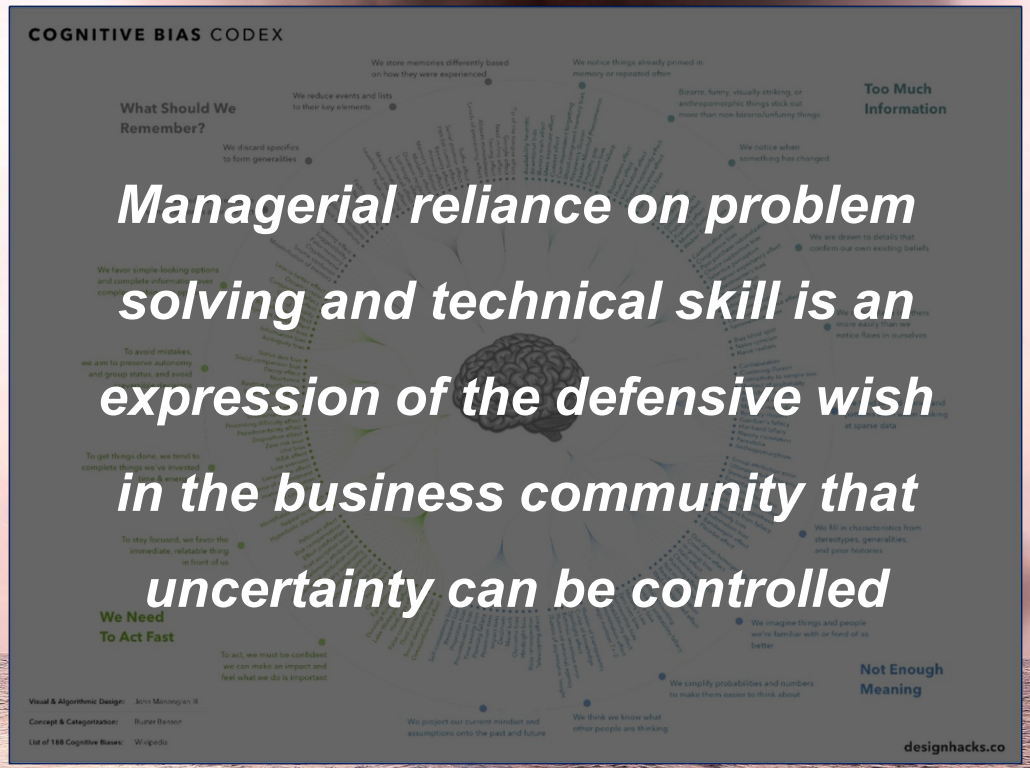
72%

Top executives who say they need to **transform** their core offering or business model. The most **pressing obstacle** standing in the way of success was shifting resources to drive change, indicating a lack of leadership conviction to take action[3]

Information-Action Paradox

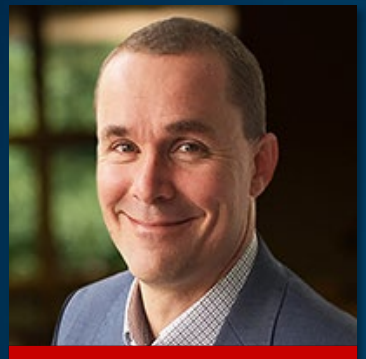
By the time data arrives justifying action, it is too late to act





Managerial reliance on problem solving and technical skill is an expression of the defensive wish in the business community that uncertainty can be controlled

Scott



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Questions?

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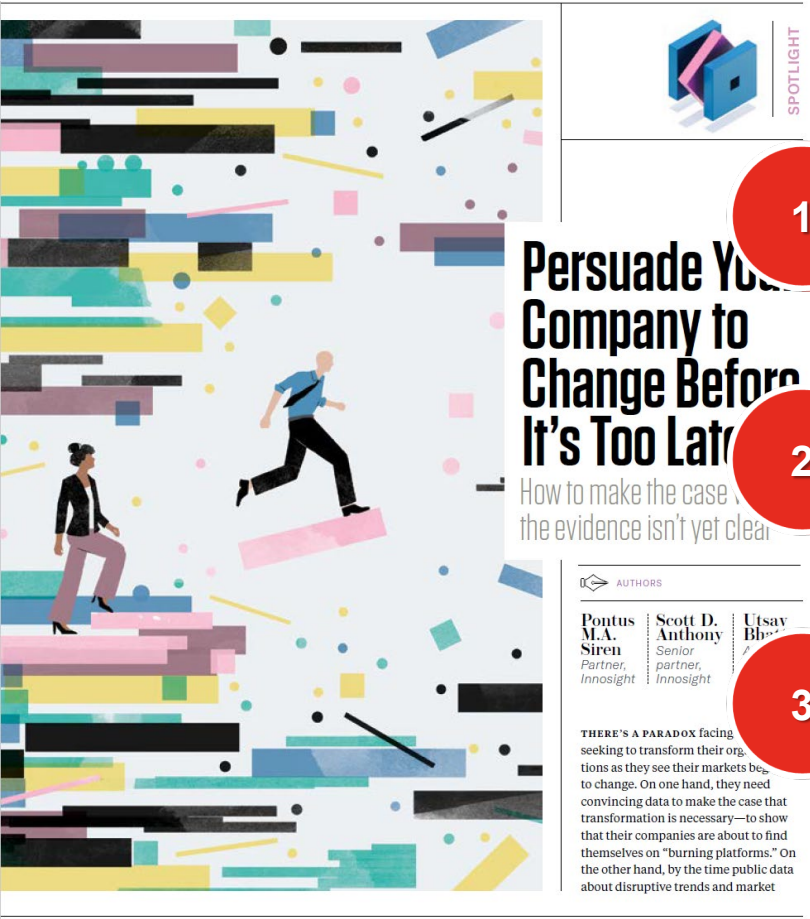
Jump-Starting Transformation



SPOTLIGHT

Persuade Yo
Company to
Change Befor
It's Too Lat

How to make the case
the evidence isn't yet clea

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THERE'S A PARADOX facing
seeking to transform their org
tions as they see their markets be
to change. On one hand, they need
convincing data to make the case that
transformation is necessary—to show
that their companies are about to find
themselves on "burning platforms." On
the other hand, by the time public data
about disruptive trends and market

1. **Generate *private data* (e.g., deep-dive on specific segments, analysis of "near misses")**
2. **Use *models and frameworks* to make sense of weak signals**
3. **Hold *strategic dialogues* to build collective conviction around the need for early action**

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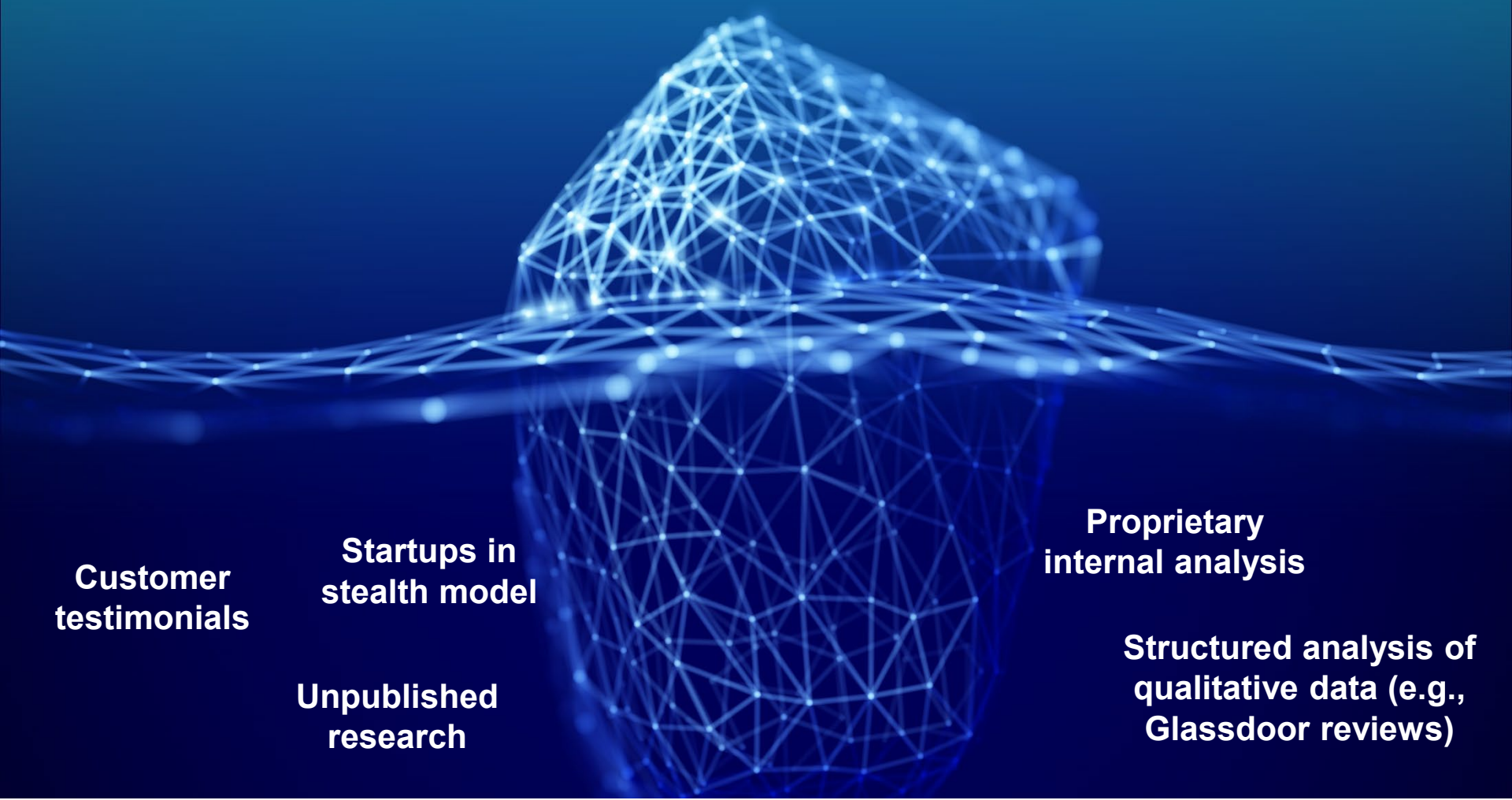
"Lawyers are risk-adverse by nature. That's why they're good at what they do. They also look for perfect information to make decisions, but in this environment, like in many environments, information is not perfect"

Berkeley Cox
Chief Executive Australia
King & Wood Mallesons



	Safe	Warning Signs	Red Alert!
Customer Loyalty	Stable or Increasing	Slow decline	Rapid decline
Venture Capital Investment	Little or none	Substantial seed and early-stage activity	Substantial growth-stage activity
Industry Entrant Activity	Little or none	Growth at the low-end / market fringe	Entering or present in mainstream
Customer Habit Shift	Habits are stable	Change at the fringes	Change in the mainstream
Business Model Innovation	Entrants are me-too copycats	Entrants *exploring* new models	Entrants *succeeding with* new models
Profit Margins	Driven by top-line growth	Driven by cost management	In decline

1. BE INFORMED, NOT DRIVEN, BY DATA
2. CREATE SPACE FOR DISCUSSION
3. EMBRACE CREATIVE ABRASION
4. SURFACE AND SHARE MISALIGNMENT
5. HOLD BATTLES OF ASSUMPTIONS NOT BELIEFS
6. SWEAT THE DETAILS
7. THOUGHTFULLY ENTER AND EXIT THE SPACE

Your top leaders have to be aligned around the long-term vision and the assumptions about the future that underpin it. But you also have to **change the nature of the dialogue** with them, away from one about **certainty and predictability**, and towards one about **assumptions, managing risks, and 'what you have to believe' for a certain course of action to be the best one**. This is a significant shift for even the most successful leaders.

Former Aetna CEO, Mark Bertolini

Have Backbone; Disagree and Commit

Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting. Leaders have conviction and are tenacious. They do not compromise for the sake of social cohesion. Once a decision is determined, they commit wholly.

amazon

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MULTIPLIER

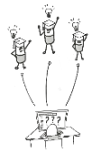
Extra credit for tech-enabled work

FREE UPGRADE

30 hours to charge on tech training

TECH BELTS

Colored "belts" to recognize tech skills



LEGAL EAGLES

Award for tech-trained lawyers

FT LIVE HOME SPEAKERS AGENDA THE AWARDS SHOWCASE PARTNERS HELP COMMUNITY REGISTER TO WATCH ON DEMAND FOR FREE

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Most innovative law firm in Asia-Pacific (international) - **Freshfields Bruckhaus Deringer**
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Law firm: Sustainability - **Pinsent Masons**
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Law firm: Social justice - **Freshfields Bruckhaus Deringer**
In-house legal team: Social justice - **Western Australia Modern Slavery Collaborative**
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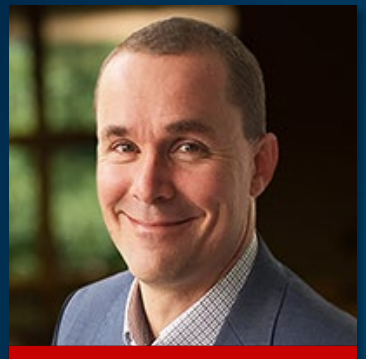
Law firm and in-house legal team: Legal design - **HSBC and Inkling Legal Design**
In-house legal team: Digital solutions - **ICICI Bank**

Scott



Pontus

Questions?

Closing Reflections

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1. By the time the data are clear, it is too late to act.
2. Heroes don’t act when they are on burning platforms. They avoid ever ending up on them.
3. Use private data, interpretive models, and strategic dialogues to break the information-action paradox
4. Build your capacity to confront these challenges by regularly *experiencing tomorrow today* and building your *negative capability*

THANK YOU!

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