

ISB CTO

Week 19: Leadership in the Age of Disruption

Video 1: The Dynamics of Disruption

Hello everybody and welcome back. And I'm going to kick today's session off with a question. In front of you, you see a graph with the expected life of the 500 biggest companies in the world; the Fortune 500 companies. You see, in 1920, the expected life of a Fortune 500 company was 90 years. By 1960, this had dropped to 60 years. And there have been some up and downs over the next 50 years. But today, the expected life is down to less than 17 years. What's going on?

This is life we're talking about. We are not talking about how long they're on the index. This is the life of the company. What's going on? Take a moment to think about it. So, what are your reactions? You see, whenever somebody puts a chart like this in front of you, the first thing to check, is it is real facts or is it fake facts? And from my memory when I started working in 1980, those days the Cold War was going on and there was this joke about a Russian general who goes to America and says, "We can win any war with the US. All we want is three of your generals." And the CIA start to make notes, "Which are the three generals he's talking about?" And he said, "Give me General Foods, General Electric, and General Motors." Where are these three generals today?

Look at the other stalwarts of yesteryear. Kodak, does it even exist? Xerox was the company to join; the fast-growing sales company to join in 1980. Anybody heard of Xerox recently? So, something definitely is happening. And arguably, the 150 years from 1850 to 2000 have seen more technological change than the 50,000 years of human history before that. So, before that, you had agriculture, fire, and the wheel as the big human inventions. Suddenly, in these 150 years, you had the steam engine, you had the internal combustion engine, motorcycles, motorcars, planes, rocket ships, you had electricity. And therefore, television, radio, telephone, et cetera. And all of a sudden, the world was a very much smaller place, a very different place. And this change continued and rippled through till today and has in fact accelerated as we have gone through the century. So, the first 20 years of this century have more technological change than the previous 150 years. Today, we cannot imagine life without the Internet. Today, we cannot imagine life without Google, without Facebook, without WhatsApp, without video recordings, YouTube, and Zoom meetings, et cetera. So, just think about this, how many of you have a mobile phone, smartphone? All of you.

In 1997, there was one company that had more than a 50% global market share of mobile telephones. You know which company that was? No, it wasn't Nokia. It was Motorola. In that one year, technology changed from analogue to digital. Motorola retooled their factories and went in digital. But, in that one year, another company came; that was Nokia, which became world number one. How long did Nokia's leadership last? Less than 10 years and they've disappeared. So, the core learning we have is we live in times of great change. What Charles Darwin tells us is that in times of great change, it is not the strongest who survive, it is not the most intelligent who survive, the ones who survive are the ones who are most adaptable to change. So, the core learning for

us today is change or die. In 1990, the world's number one company was General Electric. Today, it's not even in the top 500. Today, if you look at the top 20 companies in the world, half of them did not exist 10 years ago, 20 years ago. So, the question I'd like to leave you with, having given you this message, the only choice we have is to change or die, to think about so why are companies going extinct? So, you see, as companies grow, they go through several stages.

The first stage is intense innovation. Most companies are born as disruptors. And then, they enter a stage where they have rapid growth and expansion, where they stop innovating, they stop disrupting. They introduce bureaucracies because that's the best way to copy-paste and scale the business model into eventually business results. Then, they reach a stage of maturity where they start doing cost cutting. And that's when you have to start reinventing the company. Because otherwise, you enter the fourth stage, which is the only way to get out of that stagnation is to chop off bits. Sell off bits and buy new bits. So, in this S curve of companies and the way they evolve, what we have to think about is where are we on this curve? Because somewhere out there is a disruption that is waiting to disrupt us. And have we reached a phase in the S curve where we have forgotten how to create disruption and how to create innovation? So, what does this mean for you? What does this mean for your company? What does this mean for you as an individual?

It shows us that only 10% of the leaders are prepared for disruption and are able to cope with disruption, to ride disruption. 90% of the people actually fail trying. So, if you are asking yourself the question, what is that next big disruption that is coming my way? Chances are you are a dinosaur waiting to happen. The future belongs to those companies and leaders who create disruption faster than anybody else can adapt to and make the other guys the dinosaurs. And this brings us to one of the key responsibilities of leadership, which is going to set the context for this entire course.

The key responsibility of leadership in the world of disruption is to prepare the organisation for change. Our key responsibilities as managers, to manage our own careers, is to prepare ourselves for change. And this is what we're going to be talking about as a theme that will keep reoccurring throughout every one of our six weeks in this course. So, I invite you to internalise this lesson. Think about it. Look outside at the world, look at your own company and see how these lessons, in the first video today, apply in your own context. Do have a think. I hope I have given you enough food for thought and I look forward to the next session where I will throw some more stuff at you.

Video 2: Response to Disruption

Hello everybody, welcome back, and I hope you enjoyed the last session we had and that you took the time to think through the implications for yourself, for your companies, for your industry, and so on. Today we're going to take that discussion one step forward. So, ideally, we are the ones creating the disruption, but it doesn't always happen like that. Sometimes the disruption comes at you from outside. We do a hypothetical exercise in class, where we ask people to do thought experiments and imagine what are the industries that will be disrupted if there are cars?

What are the industries that will be disrupted if robotics becomes part of life and so on? We can put various different disruptions that are coming our way. And what we find out in almost every single case it is that this hypothetical disruption which has not yet happened, will in fact, end up disrupting industries that are diverse and has impacts on industries that have nothing to do with the core industry where the disruption is starting from. So, in our lives and our careers, we are going to have sometimes disruption that comes at us from unexpected directions. Some disruptions will be technology-led, change-led, some disruptions will be natural disasters, like Covid 19, both stuff will happen. How to respond to crisis, short-term crisis, like Covid 19 etc, we will discuss in Module 4.

In this module, I'm discussing more the strategic and leadership context of how to respond to disruption. So, whenever disruption happens, ultimately there are only two ways we can respond to it, right? One, you respond to it as if it's a threat. Second, you respond to it as if it's an opportunity. Which do you think works better? Now, if my guess is correct, most of you, young people would have picked the opportunity response and understandably so because it's exciting times, you like change and indeed the threat response is about cutting costs, focusing on your comfort zone, focusing on your core, what you really know how to do well, and the opportunity response is about grabbing the opportunity, investing in the future, and doing new things. Who doesn't want to be part of that, right? Exciting stuff.

Have you heard the story of Kodak? Kodak born as the Eastman Kodak Chemical Company way back in the 1800's, found a way to use silver iodide to deposit prints of images on paper, photography was born, they invented photography. And throughout the next 100 years they dominated photography. Black and white photography, coloured photography, you remember Eastman colour, those of you of my age will remember Eastman colour, the moving pictures. Kodachrome more closer to your generation. I remember the Kodak moment; they dominated photography like a colossus throughout the 20th century. In 1978, at their R&D centre in New York, Rochester, they invented the digital camera, brilliant new technology, and they said, "This is going to help us disrupt the old industry that we ourselves created. So, let's try to use this disruption." So, they set up a separate division focusing on digital photography. For the next 20 years, they focused on digital photography. They made the most advanced digital cameras, in existence. You remember those little SD cards that you had to put into the digital cameras and take them out and go and get them printed? Well, Kodak found that very few people actually took those cards out and went and got them printed. They just kept the image in digital form. So, Kodak had no way to create a revenue stream from this digital photography.

Today, there are people who make money from digital photography, you know, Google Photos, Apple Photos. They charge you money for storing these photograph on the cloud. In those days, this cloud and Internet technology wasn't yet real. So, with the result that 20 years into this journey, other people had copied them. You had Canon, you had Olympus, everybody had launched digital cameras and the genie was out of the bottle. So, Kodak said, "Listen, there's no way to make money from this. So, let's close down digital photography, we go back to paper-based photography, and we'll be

the leanest, meanest, cheapest, lowest cost company out there." Years later, Kodak had ceased to exist as a company. All their patents were acquired by Microsoft. So, what happened?

Take a think for a minute. What happened is just chasing the opportunity is fraught with risk because there is no way to ensure that the opportunity that you're chasing actually has a financial viability built into it. Now, in Kodak's case, it did not. On the other hand, just the threat response on its own, which is what they did in 1998, also doesn't work. Now, you'll say big deal professor, you are saying there is only two responses. One is a threat-based response, one is an opportunity-based response. Neither of those works, so what does work? Good question, and to answer this question, let's look at the example of Fujifilm. Fujifilm, Kodak's competitor, when they saw this disruption happening. The first thing they did was protect their core business, the threat business. And they said, while Kodak has taken their eyes off the ball and is chasing this digital camera, digital photography camera, we will try to gain market share. We'll be the leanest, meanest, cheapest competitor in the paper-based photography printing business, which they did. They gained market share for 20 years. And then they said this digital technology, great. People aren't paying for it; how can we find people who are willing to pay?

How can we take this capability, leverage it into a profitable business model? So, today, Fujifilm is a successful \$20 billion global multinational, who are leaders in paper-based printing of photographs as well as in medical digital imaging, people pay for that. As well as an application of thin film technology to other fields like semiconductors and so on. There's a Chinese word for crisis, which John F. Kennedy used to talk about, which is Wei Ji, and I'm not Chinese speaker so maybe I pronounce it wrong, Wei Ji, and the first symbol Wei means danger, the second symbol Ji means opportunity. Most people when they see disruption coming, they just see the danger and they freeze like a bear in the headlights. The key lesson for us is from Fujifilm, a successful response to a disruption or a crisis, response to the disruption as if it is a threat and as if it is an opportunity.

The threat response to protect your existing customers, your existing cash flows, existing business model and pivot to invest in the opportunity even if it means that your old business model may in fact go out of existence. Coming from here, we are saying, if the disruption happens from outside, if we're not the disruptors, then the only way we can respond is to respond to the disruption as if it's a threat and as if it is an opportunity. How do you build this capability of doing both of these into your organisation, into your teams, into your leaders? Fascinating questions, and we will explore more of these questions in the videos and modules to come.

Video 3: Leadership Strategy

Hello everybody, and welcome back. As we said, one of the core responsibilities of leadership is to prepare the organisation for change. Ideally, this means creating the change faster than anybody else can change out there. Or if the change happens, respond to it with threat and response. But how does a leader prepare himself on this journey? What are the tasks of a leader?

Take a think about that. So, the task of a leader always is to scan the horizon, anticipate change, prepare the change when the change comes, develop a threat response and an opportunity response, do several pilots to figure out what works, then take it to the organisation, communicate to the organisation and scale up the response. So, how do you actually scan the environment and actually prepare the next disruption, ideally be the disruptor? So, there's a very interesting article in the Harvard Business Review by Professor Branden burger, and he says, "Listen, disruptive thinking requires creativity." And he gives four different approaches to thinking creatively to create business disruption. The first approach, he says, is contrast, where you challenge the assumptions which are so basic that people don't even know they are making these assumptions. So, for example, Uber, the world's biggest taxi company has challenged the assumption that you need to own cars to be a taxi company. Airbnb and OYO have challenged the assumption that you need to own hotels to be a hospitality company. So, that's the first set of approach, challenge the assumptions that are so basic that people don't even know they're making them.

The second approach he talks about is combination. Can you take three or four services or products that seem completely independent and combine them into a new offering? So, a classic example is the smartphone. The smartphone took the PDA, right? In the process, Blackberry and Palm went out of business, took the mobile phone. In the process, a lot of digital phone makers went out of business. The PDA, the mobile phone, the phone, they hurt Nokia, and the computer, and put all of those four devices into one single smartphone device. So, the smartphone that's in your pocket today is one of the most powerful computers that was ever invented. And it's at fingertips, right? You have access, and you have access to the information database of the whole world on it. So, this is combination, combining products in an unusual way. It is a second big approach.

The third approach that he talks about is constraints. How could your constraints become your biggest strengths? So, I'll give you the story of Nespresso. Nespresso was launched in Europe in the 1980s, as a response to the growing trend amongst the baby boomers, my generation, to move to roast and ground coffee, as an alternative to Nescafe. When it was launched, it was launched on the retail shelves. People were used to paying five cents for a cup of Nescafe and they had Nespresso coming at 50 cents, they refused to pay the price. So, Nespresso failed and was delisted. And it was sent off out of the head office to Lausanne, another city 20 km away, Nespresso had an existential problem. How do we survive? How, you know, nobody, the Walmart's and the Tesco's of this world don't want to sell us. So, they figured out, they had a great product, a great cup of coffee. They started going to hair salons, consultants' offices, lawyers' offices, and they found that there was an incredible potential. They started building the business from there, eventually launched their own boutiques, eventually with internet, which came in year 2000 and e-commerce. So, today in Nespresso's published data is almost a \$7 billion business with a very healthy bottom line, probably as big or bigger than the Nescafe business in itself. So, the constraint that nobody wanted to sell their product forced them to reinvent and create a direct-to-consumer business model.

And the fourth approach that Branden burger talks about is, look at other industries context. Look outside and look, study other industries, what are the kind of disruptions happening there? Are there lessons that you can from there, that you can take, and you can bring into your own industry? So, these are all the four different approaches that he talks about. How do these approaches apply to you, to your company and your industry? Do have a think.

Welcome back. I hope you enjoyed that little thinking interlude. So, shortly before he died, Steve Jobs was asked about his approach to strategy. So, he kept quiet and for five minutes he looked out of the window over there and then he said, "I'm waiting." What does this mean, I'm waiting? Basically, what it means is the following, it means, you see, the computer mouse, which was a big innovation that Macintosh launched was actually invented by Xerox earlier. Apple saw the potential and scaled it up, right? Likewise, the MP3 player already existed as a technology earlier, right? Apple saw the potential in the MP3 player, put a beautiful consumer interface, and combined it with iTunes. iTunes was a way to legally download music, and when you put these two together, you had the iPod, huge success.

So, the smartphone was arguably not invented by Apple. It was invented by others like Nokia and Motorola, who did not see the potential of the smartphone to disrupt the entire phone business. Apples saw the potential. So, the lesson is this, sometimes you don't have to be the inventor. You have to be the one who is watching out there but is the fastest to scale up the invention. And if you can scale up the invention faster than anybody else, you can create a huge competitive advantage. So, that, I think it's a very deep learning coming from Steve Jobs, who arguably, has been one of the most disruptive innovators of our time. We're looking at a very dynamic world today, in where strategy, development strategy, execution, is very closely intertwined and we have to be far more agile. Business cycles are getting faster, obsolescence per products is getting faster, and this has huge implications for how we develop and how we execute strategy. What are these implications? I invite you to have a think about it, and I will talk more about those in the next session.

Video 4: Leader's Posture in a Changing Universe

Hello everybody and welcome back. I hope you found the previous sessions interesting, thought-provoking, and enlightening. Let's quickly summarise what are the key lessons we covered.

We started off by saying that there is disruptive change happening in the environment. So, the lesson, the core lesson for us is to change or die. Ideally, we are the disruptor who makes other people the dinosaur. But if disruption happens, we have to be prepared to change. And that change involves two kinds of responses: responding to the disruption as a threat and responding to it as an opportunity. Both kinds of responses have to happen at the same time for you to successfully respond to disruption. We also talked about one of the key responsibilities of leadership is to, in fact, look outside, scan the horizon, anticipate change, bring change, seed change, do it inside the organisation. We talked about the different approaches. The four approaches that Professor Brandon Berger talks about on how to create new ideas with

creativity. We talked about the example of Steve Jobs where you, one very valid way of responding to disruption is to copy the disruptor and scale up faster than the original disruptor can scale up. We talked about also how the way we develop strategy and execute strategy itself has changed because of the speed of cycles, business cycles, and the amount of disruption happening in the environment around us. So, Professor Donald Sull of Harvard Business School has done some very good work here on strategy execution and he creates this loop that you see on the screen where he says, "You start by making sense of what is happening."

So, you are constantly scanning the environment to make sense of what is happening. What are the new disruptions coming? What are the disruptions that are successful but haven't been able to scale? What are the disruptions that we could potentially respond to? Always you're in the scanning mode. Moving from there, the second step is actually the strategy. Strategy, at the end of the day, is all about making purposeful choices. What to do? What not to do? Where to put my resources? How to deploy resources? That's what strategy basically is. People who say they want to do everything, don't have a strategy. And ideally, your strategy is simple enough that it can be written on one A4 sheet of paper. And having made the strategy, then the next step is to actually go out and do it. How do you do it? So, we have a whole module where we will talk about strategy execution and some of the tips for strategy execution. We'll also analyse this whole loop with the help of the Apollo 13 exercise. But do it. Make it happen. And having made it happen.

Then, the next step, which is the most important, is make revisions. Because by the time you started to make the change, some things may work well, some things may not work well. The environment may have changed. And you have to go back and enter the whole loop all over again. So, as a leader, what is very important for us, is to build within ourselves this mindset, this posture where we are prepared for change on a continuous basis and are prepared to relearn, unlearn, and relearn the lessons that the environment is offering us. But also, we are preparing our organisations to embrace this change and move forward with this change.

So, I invite you to think about your own organisations and your own industries and see how agile are you. As a company, are you agile? Are you able to reinvent, rethink, relearn? Or are you slow to change? What about you as a leader? Yourself as a leader, as an individual. Are you able to relearn, unlearn, relearn, and change? Well, I suppose, the fact that you're here taking this course is already a huge indication that you are on the right track. You are willing to open your horizons and learn something new. But, this is one of the key questions that we have to answer in this whole journey towards leading successfully in this era of disruption. It all starts with the mindset, with the attitude. What's your attitude as a leader? And this basically is a good segue into our next session where we will dive more into you as a leader. Thank you and see you soon.

Video 5: Leadership vs Management

I hope you have enjoyed this course so far and all the thinking and provocations that I have put your way. In my journey as a leader and in developing as a leader, leadership was not something that we thought about much. This learning was kind of forced on me

as I went through my career. You start off as a manager and you start managing projects, brand events and so on. And I discovered that leadership meant more than telling people what to do. So, my development as a leader was something forced along the time as I went through my career. So, I'd like to start by asking you one question and it's a question that I had to learn and it's a question many of us tend to slip up on, which is managing and leading. Are they the same thing or are they different?

And if they are different, what's different about them? Have a think for a minute. But there are many definitions that you see around you and throughout our careers we will need both managerial tasks and we will have leadership tasks, throughout our career. The ratio will change as you go through your career. But the way I like to define it, you manage things, you don't manage people. People are human beings; they can't be managed. You manage things, you manage projects, you manage brand, you manage companies, you manage events. People have to be led and there's a fundamental difference between managing and leading. They are two different things as we will explore in the rest of this course. So, leading and leadership. What's the one thing without which you cannot be a leader? So, in my definition, the first thing you need as a leader is you need followers, you need people willing to follow you. Otherwise, I say I'm a leader, I'm heading off in that direction and everybody is still standing here, I'm not a leader, right? So, leadership means people are willing to follow you. So, let me ask you the question, what do followers look for?

We've all talked about leadership; we haven't thought about followership. What do followers look for? Turns out there is some research on this, a lot of books written on this. A lot of research articles written on this, but let me just summarise four things that a follower looks for. Number one, they look for belongingness. Do I belong, do I belong to something bigger than myself? Do I belong to a team, to an organisation? And this is why people use artifacts like T-shirts, uniforms etc, to create that sense of belongingness? The second thing that followers look for is significance. Beyond belonging, do I matter?

Am I a nameless cog in the wheel or is my contribution valued? Does the leader know me by name, by face? Does, does a leader value me? Some sense of significance. The third thing followers look for is of course a sense of quid pro quo. What's in it for me? I do this, so is there a reward? Is there a financial reward, is there a pat on the back, is there a recognition? Those are all ways of accentuating the first two, which is the belongingness and the significance. And the fourth thing they look for is a buzz, a sense of excitement, a sense of purpose. Let's go and let's do something. So, if I were to say to you, "Come, we're going to climb to the third floor of the building." You'll say, "What's the big deal? I climbed to the third floor five times a day." But if I was to say to you, "Come, we're all going to go and climb Mount Kilimanjaro, the highest peak in Africa." Would say, "What, are you out of your mind, that's crazy, can where, can I even do it? Can I not do it, what does it mean?" But there's a buzz, there's an excitement and when you do it, you will talk about it for the rest of your lives.

So, followers are looking for these four things: belonging, significance, reward and Buzz. And let's take that into our leadership task and say so, what are leaders supposed

to do if that's what followers are looking for? So, here's what Professor Rob Goffee of London Business School, he's retired now, had to say about the four tasks of leaders. He says the number one, they inspire people. You know, remember the buzz we talked about, they inspire people. Number two, they set the values of the organisations.

Talk about the purpose of them and you will see all these four on the screen in front of you. Now the third thing that leaders do is they shape the culture of the organisation, they shape the culture. And the fourth thing that they do is they deliver results. Now, because most of us confuse managing and leading, in our leadership behaviours, most of us focus on that fourth thing which is delivering results, managing things, delivering numbers. But turns out the leadership tasks, these first three leadership tasks which many of us ignore are actually very critical in influencing and delivering that fourth, delivering the numbers. So, that is the journey that we're going to go through and ask yourself this question, how much time do you take as a leader? How much time do your leaders take in doing these three things in addition to delivering the results? Does your organisation behave as a leader? Does it go out there, set the standards for the industry? Does it go out there, set standards for innovation, for benchmarking? Does it talk about shaping the culture of society, of industry, of its competitive set or are you just there focusing on the results? It is a fascinating area of discussion and what I'd like to do in the next session is drill down from here into what this means for you, for me in developing ourselves as a leader to survive, succeed and prosper in a world of disruption, where there's so much disruption coming at us. But if we don't change, we die. So, do think about this and I look forward to seeing you for the next session, thank you.

Video 6: Key Leadership Behaviours

Hello everybody and welcome back to this course on leadership. I hope you have enjoyed the previous sessions. I hope they have made you think. So, in my career, I told you in my evolution as a leader, I was 20 years into my career, where I was nominated by Nestle for this leadership course at London Business School. So, I was going for this course uh, and had to fly, you know, into London for this course; I was in Indonesia at the time. And even before I flew, I got a letter from the professor, Professor Rob Goffee, who I referred to you earlier. And he said to me, the letter was very simple, handwritten, and said, "Dear Nandu, why should anyone be led by you?"

I fell off my chair. What do you mean anyone should be led by me? I'm the boss, right? Set me thinking. Now I'm going to ask you the same question. Why should anyone be led by you? What's special about you that I should be led by you instead of by him or her? And the same question to him and her, what's special about you? What's special about you? So, please think about this. This has been the second most difficult question that I have ever had to answer in my life. I was asked this question 23 years ago, and I'm still answering it. I'm still refining the answer as I go. But answering this question is the key to understanding yourself as a leader because ultimately we lead out of who we are. So, start by knowing yourself. Start by knowing what are your biases? What are your strengths? What are your weaknesses? And how these translate into the behaviours that you display as a leader? Then you can start to answer the question,

why should anyone be led by you? And the corollary to this is the following: If you want to change who you are as a leader, you can, you can.

Role modelling, you see other people, but you cannot change who you are as a leader without fundamentally changing who you are as a person. Because ultimately, what people respond to is authenticity. If they figure out that you are just faking it or playing a role, they very quickly lose trust. And if they lose trust in you as a leader, you are finished as a leader; you can still be a manager, but as a leader, you are finished. So, authenticity means being true to yourself and that ISB – LBCEP 11 means you can change your leadership style and behaviours, but you have to ultimately change your personality and your inner views to actually fit that behaviour pattern you are looking to fit.

So, in this course, in this context, is some very interesting work by John Maxwell, and I invite you to go out and look at this, you know, articles. And he's written a book about this on the five levels of leadership. And he says, "Look, we all start by leading out of our position." We have a position, I'm the boss, I'm the manager, therefore, you know, I, so I lead. And most of that leadership behaviour initially is telling people what to do, I would like you to do this, I would like you to do this in this way. That's where we all start the journey. Same is true of me. He says the next step is moving from there where you get permission, where people give you permission to lead them because of the relationships you have built because of, you know, the links and the time that you have spent together. We have demonstrated some caring for them, some response to their needs and so on. Moving forward, the next level he talks about is production, which is people follow you because you produce results because of what you have done, and they want to be part of that winning team that delivers results. The next level he talks about is people follow you because of what you have done for people development. You have developed people, you have groomed them, you have nurtured them, you have pushed them.

And finally, the pinnacle is what level five leadership he talks about, is where people follow you because of what you represent. And that's the level that Nelson Mandela reached, that Gandhi reached, and those are the levels that we all aspire to, but it's a journey. A few insights, I believe, leadership is also situational. You know, when the building is on fire, then you have to act like Genghis Khan and be very directive and say, "Jump out of the building, otherwise I kick you out." It doesn't, you know, then you can't say, and you know, "I stand for safety from fire, so you make up your own mind," no, no, no. So, leadership also is situational. I believe that in our careers, in our roles, in our jobs, we actually have the ability, and we should have the ability to flex between these different levels of leadership to keep growing towards level five leadership, but have demonstrate the ability to flex without being untrue to who we are, because if you're untrue to who we are, then you demonstrate inauthenticity and people lose trust in you. So, in this context, Professor Goffe basically has a few tips that he's given to us.

The first tip he says is selectively show weaknesses to your followers, so they know that you are real, yeah, that you are authentic. So, you don't have to go and become completely naked in front of your followers. You can selectively say, "Listen, I'm

impatient, when I ask a question, answer immediately". Impatience can be a weakness, it can also be a virtue, you can selectively reveal your weaknesses. Next thing he says you have as a leader, to be a good sensor.

You have to be able to use intuition to sense, to read the room, to see what is happening and understand what is happening. And third, he says practise tough empathy, which is, it's okay to roll up your sleeves, go out and understand the pain your people are facing and be with them in the trenches, but there are times you have to step back and say, "Listen, I'm going to be tough with you." So, this dance is a very important dance to master, and do it with, with empathy, with empathy, yeah. And fourth and finally, most important, reveal and capitalise on your differences. Now, why is this so important? Why is it important to reveal and capitalise on your differences? We will discuss more about this in the second module, which is leading teams. For now, let me just say one of Professor Rob Goffee's key pieces of advice to us as leaders in this journey of building ourselves as leaders, he says is, be yourself, always be yourself, be true to who you are, otherwise you are inauthentic. Be yourself more, not less, more, but with skill. And that skill part is what we're going to explore more in the subsequent sessions of this module as well as in the next modules. Okay, what does that skill mean?

How do you compensate for your weaknesses? How do you overcome your weaknesses, and how do you shape, you know, the culture of the organisation, provide direction, and inspire people to deliver the results? So, I hope you found this session useful and interesting. I invite you to start work on answering this question. Why should anyone be led by you? It was for me the second most important question in my life, I hope it will be for you as well. Start to work on that. It's your answer, it's for yourself. I don't want to see it, it's your answer to yourself. You can ask your friends to help, your colleagues to help, your spouse to help, but it's your answer for yourself to help you chart the course on your leadership journey. So, please do start to work on that question. Thank you and see you for the next session.

Video 7: Characteristics of Successful Leaders

Hello everybody, and welcome back. I hope you have started work on answering the question, why should anyone be led by you?

It's one of the most important questions you are going to answer. As leaders, we have to do all the things that Professor Rob Coffey talked about. Now, there has been some very interesting research done on this. And I'm going to refer to some research done by two ladies called Botello and Powell, who interviewed 18,000 CEOs and wrote an article about this for Harvard Business Review. And what they say is successful leaders, successful CEOs, have four common characteristics across the world. Number one, they decide. They don't just sit on the fence and say, "Let's wait. Maybe the thing will be resolved on its own." They take decisions. It can be very frustrating to followers if the boss just sits on the fence and doesn't take a decision. So, decide. Very often, our decisions will be wrong. And when they are wrong, have the humility to go back and say, "Listen, we took a decision that was wrong, so we're going to now correct it."

Second, engage for impact. How do you engage for impact? How do you convince and sustain the interest of people beyond hierarchies? Very interesting question, and we'll discuss more about that in Module 2. And the third thing, adapt proactively. Demonstrate learning agility. When something goes wrong or some situation changes, say, "You know, we learnt something new over there. As we learnt something new, we're going to change what we are doing." So, demonstrate that.

Fourth thing, they deliver results consistently. So, four things that they talk about, what leaders do. And in this context, they talk about the very interesting thing of charisma. What is this thing called charisma? Can charisma be learned? What do you think? Take a minute to think about this. Charisma comes from this Persian word, Karishma, which means magic. And it refers, in this context, to the magic that happens between the leader and the followers, between the person on the stage and other people who are interacting with that person. Turns out charisma can be learned. And charisma really has, can be broken down into three components. The first component is presence. And we all talk about executive presence. And that's one of the topics in this course, we are talking about executive presence.

What is this thing called presence? The first thing here is, be present. Focus, listen to the person, active listening, ask questions, read the body language, be present, know their name, know their face, show them. Remember what followers are looking for; belongingness, significance. So, if you can demonstrate that, okay, that's the first step to developing charisma. There are people who say, "Oh, I find it very difficult to remember names and faces." And well, you know, what can I say? Then don't aspire to be a leader who has charismatic presence. You can still lead out of your position, authority, one of the levels that James Maxwell talked about. But you don't forget the names of your children or your friends, do you? So, why should you forget the names of your followers? Be present, number one. Second is power. Power is all about this distance, you know, how do you manage this dance? You have power, right? And how do you manage this power dance in a way where people feel you're close to them, so you understand their problems, but they also respect that you are taking decisions from a distance.

So, do you break down the barriers or do you project barriers and keep a barrier between you? This is an important part of charisma. And finally, warmth. Do you project warmth in your interactions, in your relationships? Do you project warmth or are you, in fact, cold and only results oriented, just numbers based? Well, that's a style and it has been effective, but it does not build charisma, right? So, charisma can be learnt. Strangely, what Botello and Powell tell us is most successful CEOs tend to be introverts. I myself am an introvert. But over time, we have learned to change aspects of our personality which allow us to demonstrate this kind of extroverted behaviour and genuine interest in the other people, which allow us to break down these power barriers. Leadership is this constant dance, right? So, it's a behaviour you can learn, but as I said, it starts with self-awareness, starts by knowing yourself and then consciously practicing and working on changing those aspects of yourself. You do that and you start to build presence. You start to build executive presence; you start to build charisma. So, have a think about what this means for you.

What does this mean for you? How are you going to work on building your skills, your charisma? How you are engaging for impact? In today's world, more and more, we are called upon to demonstrate leadership and to lead teams and networks that are way beyond our hierarchical authority. In the course of my career, I often had to demonstrate leadership for teams who did not report to me. So, the skills we are talking about, leadership skills which are not based on position, are actually very valuable in today's world where you have to lead teams, you know, you want your suppliers to behave in line with your principles, you want your customers to behave in line with your principles. So, we have, we are more and more called upon to demonstrate leadership across the entire value chain. How do you demonstrate that leadership? That's one of the key questions we have to answer. There are questions like are you setting a clear purpose for everybody? Are they all aligned on what they are supposed to do? Are they all aligned on the purpose, on the values that you will not compromise, on the tasks of what you will do, how you will do? The whole network has to be aligned on this. How do you communicate to the network? That's something we're going to talk about in module number two. But to tease a little bit, our discussion into Module 2, let me ask you a question for you to introspect on. How do you select your teams? How do you build your teams? The default for all of us is to select people like us. Right? So, if I'm... IIT, I want all people from IIT. If I am from London Business School, I want everybody from London Business School. Right? So, the question is the following. If everybody around you is like you; with your thinking, with your mindset, with your biases, with your worldview, then how are you going to expose yourself to new ideas and different thinking? Think about that. Think about how you build your teams, what is your default. And I'll see you next week for module number two. Thank you.

Video 8: CTO's Strategic Response to Disruption

So, let's talk about leadership in an era of disruption. So, how can you anticipate the changes in technology that are coming our way?

And how can you get into this concept of strategic technology planning because there's so much disruptive change coming? It's quite dramatic. In class, we often, sometimes do this exercise where we ask our students, so if the self driving car becomes a reality, what businesses and industries are going to be disrupted. And in the process we discover that one single innovation like the self driving car can actually disrupt diverse industries, everything from the automobile industry to insurance, to doctors, to police, to drivers, to logistics, to even real estate. And there are so many disruptions coming our way. Every week we see a new disruption coming our way. And in this context, it's very interesting to look at the BlackBerry, the story of BlackBerry. This is a story when mobile telephones had just come in and mobile telephones were basically a phone, and the BlackBerry with a couple of computer geeks who got together and they figured out a way to take a mobile phone,

add a keyboard to it, use it as a personal digital assistant with all kinds of functionality, including emails and messages and various other applications that they loaded on the operating system. So, fantastic, disruptive innovation at that time, and they were not making headway. They had proposed their innovation to large companies who took it

but did not really adopt it, and they wanted to eventually find a low cost way to buy them out, etc. Cut a long story short, they got some new leadership and leadership that set, perhaps some unreasonable targets and had an articulated vision and was able to sell the vision to a T&T and get more investors on board, etc. And they had exponential growth. BlackBerry became one of the hottest names in the tech sphere at that point of time. They were competing with Palm Pilot. Palm Pilot was at that time with a market capitalisation of 40+ billion dollars and even BlackBerry had an offer from Palm Pilot to buy them out and integrate them into Palm Pilot, which they did not take.

And they continued doing well and grew. And at some point of time, suddenly they declined and tanked. So, as fast as they went up, they went down equally fast. So, it's very interesting when you look at this and say what drove its decline, many reasons for its decline, leadership styles, change of culture, losing key people ethics, the whole ethics review and the the way they violated some of the norms of the SEC in the US. But also fundamentally, there was a new disruptive technology that came onto the market, which was the iPhone. Steve Jobs unveiled the new iPhone. And the new iPhone, unlike previous phones, didn't have a keyboard. The keyboard was part of the screen, and it was a touch screen and a large screen, so it was much more attractive. And the BlackBerry founders were so married to their success story. And that success story was a phone, small keyboard, small screen and a keyboard on the side. They were married to that concept. They refused to see that this new disruptive innovation may actually destroy their business model. And this is commonly a problem with leadership in the technology space in, we get locked into our success models of technology. We have used technology platforms. We have used that work for us that we think are good enough. Why would anyone want something new? And yet when something new comes, that old model, we have to be willing to let go and then embrace the new platform because the market moves on. What I'd like you to look at and consider still with the iPhone is the Apple story. Apple, you see, their biggest product at the time was the iPod. Now, the iPod was not invented by Apple. The iPod existed. It was in the form of an MP3 player. It was public. Everybody had access to it. I don't know if you ever use an MP3 player, but it took a little bit of knowledge of tech nerds knew how to use it. Most average people did not know how to use an MP3 player. At the same time there was this illegal music download platform called Napster, which was illegal. It was shut down. But Apple took those two concepts, took the MP3 player, put a consumer friendly interface on it, and that was the iPod. So, anybody could learn how to use it. And they took the concept of Napster and created iTunes where you could legally download songs and not just the entire album, which is what history forced you to buy the entire CD or the entire record. Here you could buy a single song, just one song. You like the song, Imagine? Well, just get the song, Imagine. And the, married the two together to create this wonderful ecosystem where the iPod was actually at one point of time. Maybe, 7080% of the cash flow of Apple. And very interestingly, they moved their revenue. It was not only the hardware, a lot of their revenue was now coming from the download of songs and storing songs in the cloud. And this, this, this created an alternative revenue stream coming from the soft elements of this package called the iPod. Now, when Apple invented the iPhone, it is not only BlackBerry that they disrupted. It is not only Nokia that they disrupted, the first product they disrupted

was the iPod because as the iPhone came, the iPod became redundant. And to me this is the brilliance and the genius of Apple. As part of their strategic technology planning, they were willing to destroy their cash cow and take this big bet on this new platform which was everything an iPod was and more. Even this is the interesting thing. When we are planning technology, you don't know where the next disruption is going to come from.

It does not have to be invented by you. Apple was perfectly happy to take a technology invented by somebody else, adopt the technology and put a great customer friendly interface on it and destroy their own success models of the past. And that to me is the core message for us as part of strategic technology planning. Always keep an eye out there to look at where is the next big new technology coming from. What's the disruption that's coming? How can I embrace that and bring it in and take a look at my existing offering and if need be, let go of what has made me successful up to today to create something new, that's even better. It's not easy in today's day and age to anticipate the changes that might come 257 years out. So, this process has to be a lot more dynamic. And as part of this dynamic planning, we need to build capabilities inside the organisation. So, stay tuned because in the next video, we're going to talk about continuing on this topic of strategic technology planning. What kind of capabilities do we need to build and what kind of new disruptions are coming our way?

Video 9: Navigating Disruption Through Innovation

Welcome back everybody. Look at the number of disruptive models coming our way. Let learning language models GPT AI applied across so many platforms, they're disrupting businesses like we cannot begin to imagine. I had, I was teaching a class of doctors the other day and these models AI actually, once you feed the basic input in they can do doctors diagnosis more accurate than 50% of the doctors makes you think, what's the future of doctors and what all jobs will this disrupt?

And certainly, more and more of us like this one is an UDA ring are wearing a little sensors like this that monitor your health parameters 24/7, whether it's heart rate, oxygenation, stress levels, sleep patterns, stuff like that. Lots of innovation coming. I just came across this one month ago and I had to show this to you. This is a glasses Ray-Ban, but actually it's launched by meta and it's actually a power bank and it has a little charging port here where you can use a USB C charger. When you take it out, these look like ordinary glasses. They look like ordinary glasses. It rests on the charging port, and they are ordinary glasses. They also are sunglasses Ray-Ban, but they have earphones built into this.

So, see what industries they disrupt? When I wear it, it disrupts the entire headphone market. It disrupts the entire specs glasses market. And it has a camera built-in here. I just press a little button and I take a photograph of you. I keep it pressed, and I take a video of you. So, this is dramatic new disruptions like this are coming all the time. And the speed of these disruptions, the speed at which they come, how does one respond to it? How do you, how do you prepare, how do you actually plan technology strategically when there's so many disruptions coming your way? So, this is one of the key challenges today. And we have discussed frameworks also in the other videos

which are generic and useful for all functions. But specifically, the first concept I'm repeating some of those concepts because they are relevant in the context.

One, the first concept is when this disruption happens, it's a threat as well as an opportunity. You have to respond to it as a threat. That means protect your existing cash flow, existing competencies, and pivot to respond to it as if it's an opportunity. And when you respond to it as if it's an opportunity, you have to be open to the possibility that this response may actually destroy the previous success models that you have. But to respond to it as an opportunity, an interesting framework is something I will share with you in a minute, which is a very interesting way to develop strategy in turbulent times, and very applicable in the context of technology. Also, before I get to that framework, I remind you of the other framework that we had discussed, from Professor Brandenberger on how to create disruption yourself. How to challenge the assumptions, how to combine things, how to make your constraints work for you and so on.

So, I don't repeat that framework here. The framework that I will repeat is the framework from Professor Don Sull of Harvard Business School on execution of strategy, which we will briefly put-up, shortly on the screen, which you will see, which is this execution loop, where you make sense of what's happening, then you make choices and making choices at the heart of strategy. Then, you do it. You execute strategy. And once you've executed it, by that time the market has changed because the next disruption has come. You need to go back, and once again make revisions and go back in the loop. And now this is, I believe, beyond. It's more than just a chart for execution of strategy. It's a chart for actually even continuously building strategy. And this means that in our organisations, one of the things we have to do and particularly CTOs have to lead is, we have to create a learning organisation. We have to build a capability and a culture which is able to do this revision on a continuous basis and create very agile structures. And it is in this a context that we move.

And I would like to show you another model, again coming from Harvard Business School, Harvard Business Review. Beg your pardon. It's a dynamic new model for strategy making in turbulent times by God Fredson and Mankins. And here's what it says, the model has five steps, and I'd like you to just pay attention to these five steps. First thing they say, define an extreme but plausible scenario, because you don't know what's coming your way. So, what is an extreme scenario? An extreme scenario, for example, could be to say that listen, these AI models, LLM models, GPT models will make the entire marketing department redundant because they will create marketing plans, they will execute marketing plans. It is an extreme scenario. Is it plausible? Yeah, maybe. So, define an extreme but plausible scenarios.

Then, second step, they are saying identify what are your strategic hedges and what are the options you have in this context to if to deal with this, do I need to play around with these models today to see if I can get them to do marketing and benchmark it against humans, A. B, can I take my marketing people? Can I retrain them in other functions such as sales, for example? So, what are your options? What are your strategic hedges? Identify those first. Then, step three, and this is where it ties in to what I was saying earlier on the threat opportunity responses. You need to go back and

once again make revisions and go back in the loop. And now this is, I believe, beyond. It's more than just a chart for execution of strategy. It's a chart for actually even continuously building strategy. And this means that in our organisations, one of the things we have to do, and particularly CTOs, have to lead is we have to create a learning organisation. We have to build a capability and a culture which is able to do this revision on a continuous basis and create very agile kind of structures. And it is in this kind of a context that we move. And I would like to show you another model, again coming from Harvard Business School, Harvard Business Review. It's a dynamic new model for strategy making in turbulent times by Gottfredson and Mankins. And here's what it says. The model has five steps, and I'd like you to just pay attention to these five steps. First thing they say, define an extreme but plausible scenario, because you don't know what's coming your way. what is an extreme scenario? An extreme scenario, for example, could be to say that listen, these AI models, LLM models, GPT models will make the entire marketing department redundant because they will create marketing plans, they will execute marketing plans. It is an extreme scenario. Is it plausible?

Maybe. So, define an extreme but plausible scenarios. Then second step, they are saying identify what are your strategic hedges and what are the options you have in this context if to deal with this, do I need to play around with these models today to see if I can get them to do marketing and benchmark it against humans, A. B, can I take my marketing people? Can I retrain them in other functions such as sales, for example? So, what are your options? What are your strategic hedges? Identify those first. Then Step 3, and this is where it ties in to what I was saying earlier on the threat opportunity responses. What they suggest, what Gottfred suggests is you run experiments, do small little pilots, small little experiments and based on those experiments, you see what works, what doesn't work. If it doesn't work, kill the experiment, take the learnings from it. If it works, then put investment. That's when you lock investment into it and scale it up. Step numbers four and five are more continuous. They're not specific to the project. They're saying identify the trigger points. When you see some disruption coming your way, what are the signposts? What are the trigger points? At what point do you respond? And finally, point number five, they say provide prescriptive surveillance. So, how do you do this prescriptive surveillance? Because I understand your issues. Most of the time we are kind of inward looking. We are locked into deliverables inside our company. I've grappled with this myself and I think it makes sense to make some kind of an annual pilgrimage to some of these events, like the consumer electronic CES in Vegas in January or other tech forums where all kinds of innovations get showcased. Have prescriptive surveillance. Go see what's out there, what is likely to come your way. And then start to see how I can already start to plan for that, either to respond to it as a threat or to use it as an opportunity to destroy my own business model. Remember, when you destroy your own business model, you're also destroying competitive models.

So, it's a brave new world and we're going to have to be far more dynamic in this. So, part of strategic technology planning in this context is also learning how to create a culture that is able to embrace change and is not married to the past. Use the past sensibly, but it's pragmatic enough to know when it's time to move on and embrace

something new. Thank you, I hope you found that useful, and look forward to seeing you in the next video.

Video 10: The BlackBerry Case Study

Hello, everybody, and welcome back to this module on leadership in an era of disruption. So, today we're going to talk about a case study that we would like you to do. So, form a few groups, and in small groups, we would like you to discuss this movie, BlackBerry. Watch this movie. It's a true story, by the way, true story. And then I would like you to suggest that you get together and ask yourself a few questions. The first question to ask is what drove its exponential growth?

What kind of leadership? Why were these two founders not making any headway? Why suddenly, when they got this Harvard Business School aggressive leader into the company, were they able to grow? Why did the techies fall so far behind, where they may be focused on perfection? Was this new CEO that they appointed more willing to sell the vision? How did they get up for growth? And eventually, when they got the growth, what kind of culture did they create? How did they create the culture? And did this culture stay at a certain point of time, did they change this culture? Why did they change the culture? How did they change the culture? Is that the right thing to do? Just talk about these and other topics that come to your mind. Think this through. An interesting question here is why did these guys need this HBR kind of a leader with a big picture vision in the team? How did they complement each other? Think about this. The second big question I'd like you to discuss in your groups is while they were successful, so what drove its decline? Why did they decline? Was there an issue with ethics, and where did the roots of the problem come from, with the roots of these problems sown already when they were creating the success culture? What drove its decline when in technology terms, they refused to shift their technological models to this dramatic new innovation that iPhone had created. They were married to the past technology. How did they change the culture of the company, and how did that culture change then hamper their ability to actually respond and create even better offerings? That's what historically they had done. They were the disruptors, and now they got disrupted. And how much of this disruption was external, coming from Apple? How much of it was self-created in creating this decline? Talk about all of these and then discuss on your teams how would these lessons apply to you and what learnings can you take for use in your companies. I look forward to learning from you after you guys go through this case study. Thank you.