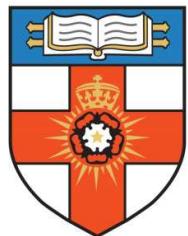


Managing the Company of the Future
has been developed collaboratively by
University of London and London Business School.



**UNIVERSITY
OF LONDON**

**London
Business
School**

Managing the Company of the Future

Julian Birkinshaw



Overview of the course



The Business World is changing



Our “management model” is no longer fit for purpose

Coordination achieved through...

Rules & Procedures

Decisions made according to...

Hierarchy

People motivated by...

Extrinsic Rewards

Objectives set through...

Linear Alignment

Two different views of the future

Same as it ever was



"Personally, I don't see that management got anything out of those Sensitivity Training workshops."

Radically different



Forces for stasis



Forces for change

Managing the company of the Future

Management versus Leadership



What is Leadership?



Winston Churchill



Richard Branson

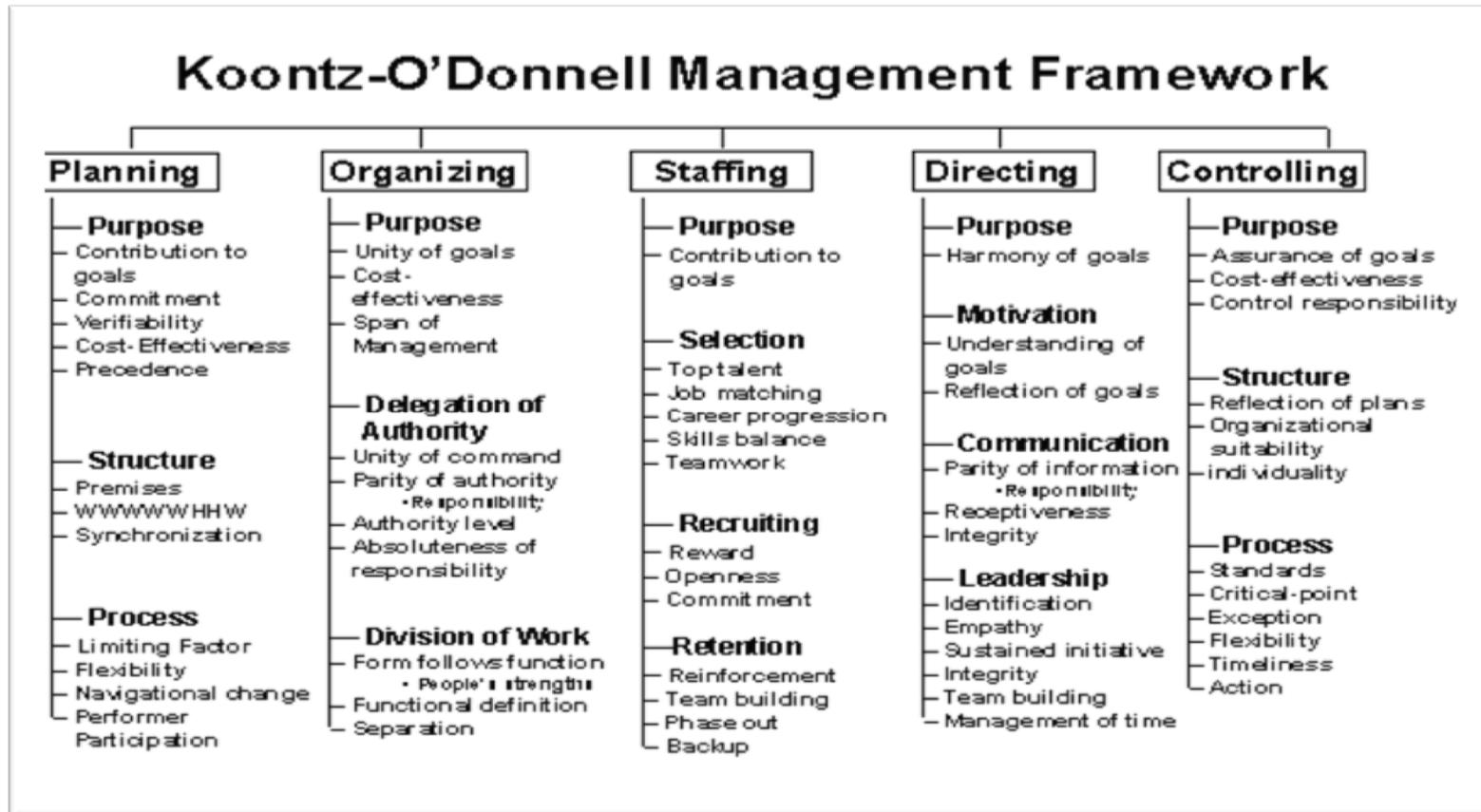


Steve Jobs

Photo: Matt Yone

Leadership: “A process of social influence”

**A leader is someone who attracts followers by virtue
of what they say and how they act**



Koontz & O'Donnell, Principles of Management, 1955

“Getting Work Done Through Others”

**“Bringing People Together to
Accomplish Desired Goals”**

Management has been squeezed out by Leadership

A Leader...



Photo: Keradog

John Kotter

Copes with change
Sets a direction
Aligns people
Motivates people



Photo: TeamBennis

Warren Bennis

Promotes effectiveness
Is his/her own person
Originates
Challenges the status quo

A Manager...

Copes with complexity
Plans & budgets
Organizes & staff
Controls & problem-solves

Promotes efficiency
Is a good soldier
Imitates
Accepts the status quo

Managing: The word that dares not speak its name

“I equate management with bossy, insecure, weak people trying to intimidate”

“A manager is someone who interferes with someone else’s work”

“I think in the National Health Service, manager is a particularly dark word ... if I am one of those managers, the implications is I am not that good, not that competent”

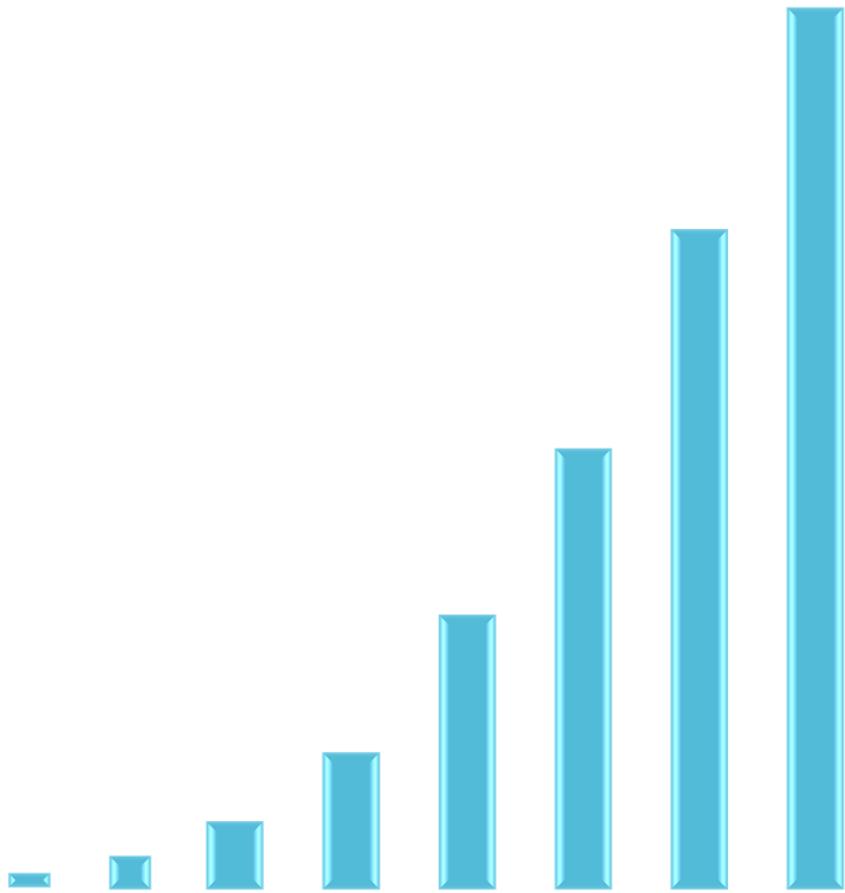
Management versus Leadership

- A false dichotomy: effective executives need to work on both
- The challenge is to get the right balance
- This course focuses on management – to help redress the balance

How is the business world changing?



Exponential change is underway in many technological areas



Credit Default Swaps

Processor speed (MIPS)

Processing power/\$

Number of internet hosts

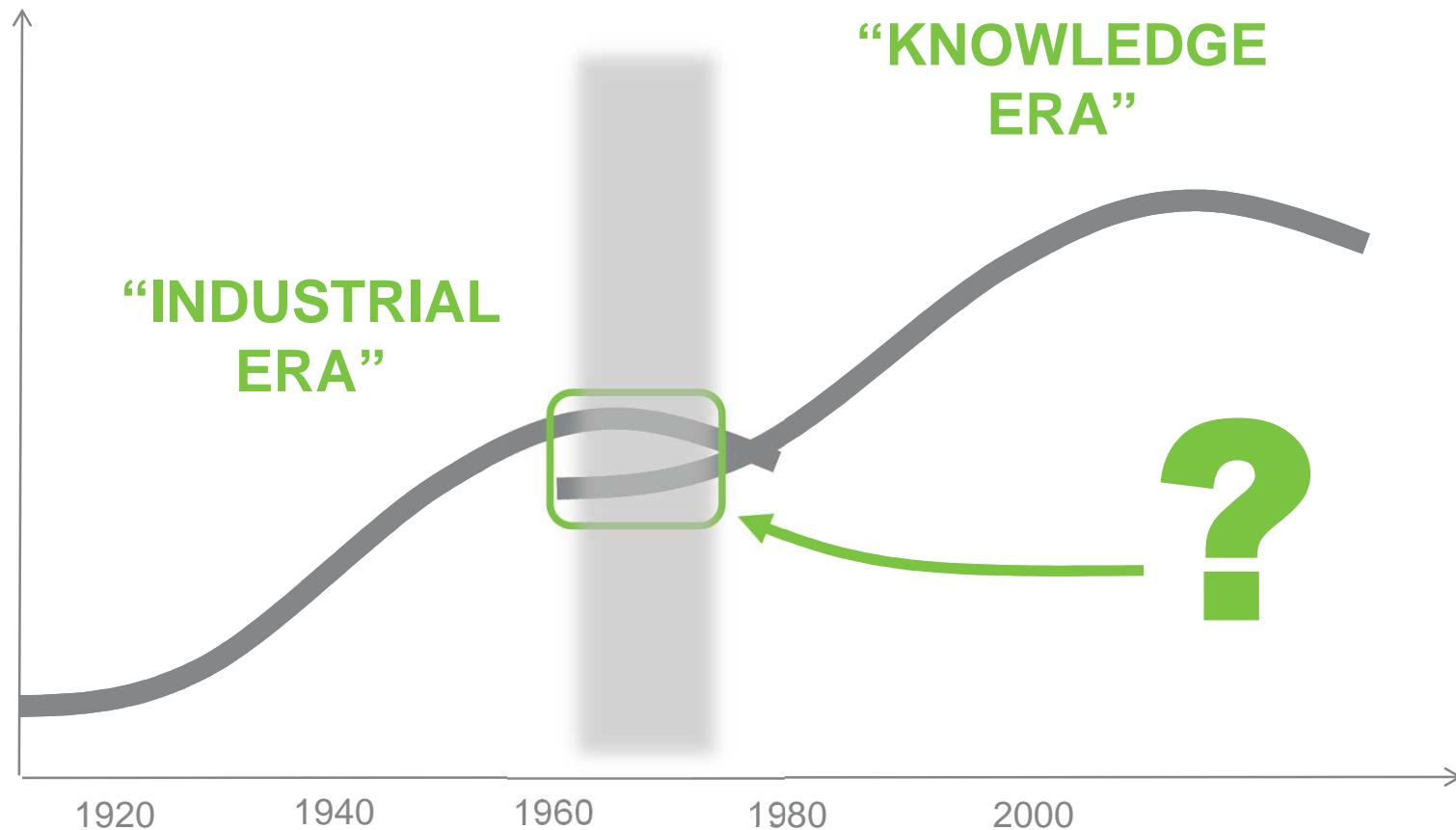
Data transmission speeds

Cost of bandwidth (bits/second/\$)

Number of genes sequenced

Astronomical data collected

So how exactly is the world changing?



Transitioning from the industrial era to the knowledge era

CAPITAL



Photo Flickr: doctorwonder

Efficiency
driving out
effectiveness

INFORMATION



Photo: Climate Disclosure Standards Board

LABOUR



Productivity
driving out
motivation

KNOWLEDGE



Photo Flickr: Alisan Ajito

Transitioning from the industrial era to the knowledge era

CAPITAL



Photo Flickr: doctorwonder

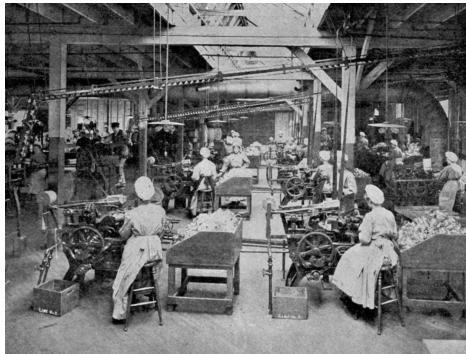
Efficiency
driving out
effectiveness

INFORMATION



Photo: Climate Disclosure Standards Board

LABOUR



Productivity
driving out
motivation

KNOWLEDGE



Photo Flickr: Alisan Ajito

Transitioning beyond the knowledge era

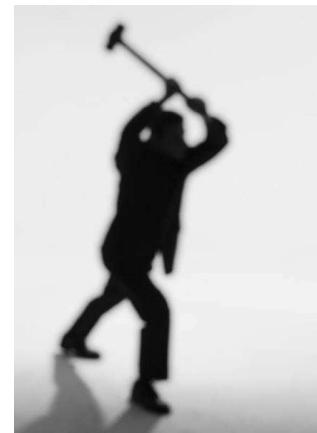
INFORMATION



Photo: Climate Disclosure Standards Board

**Too much
information
creates deficit
of attention**

DECISIVE ACTION



KNOWLEDGE



Photo: Flickr: Allan Ajello

**Overemphasis
on logic leads
to sterile
decision making**

EMOTIONAL CONVICTION



The changing source of advantage

**INDUSTRIAL
ERA**

**Labour
Capital**

**“KNOWLEDGE
ERA”**

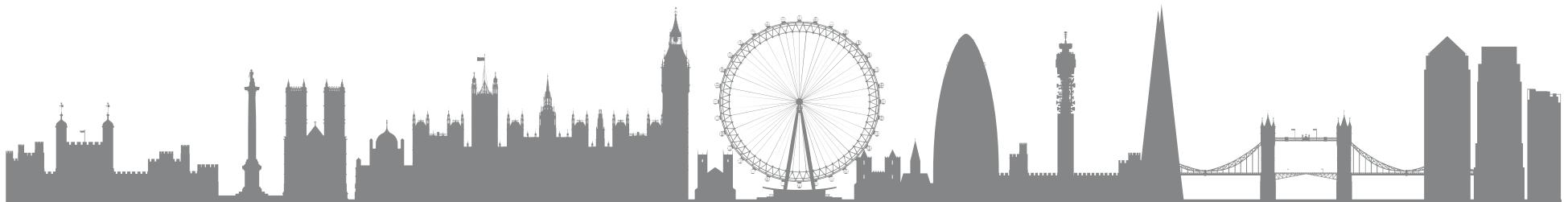
**Information
Knowledge**

**“POST
KNOWLEDGE ERA”**

**Action
Conviction**



The “Failure” of Traditional Management



Many high-profile management failures

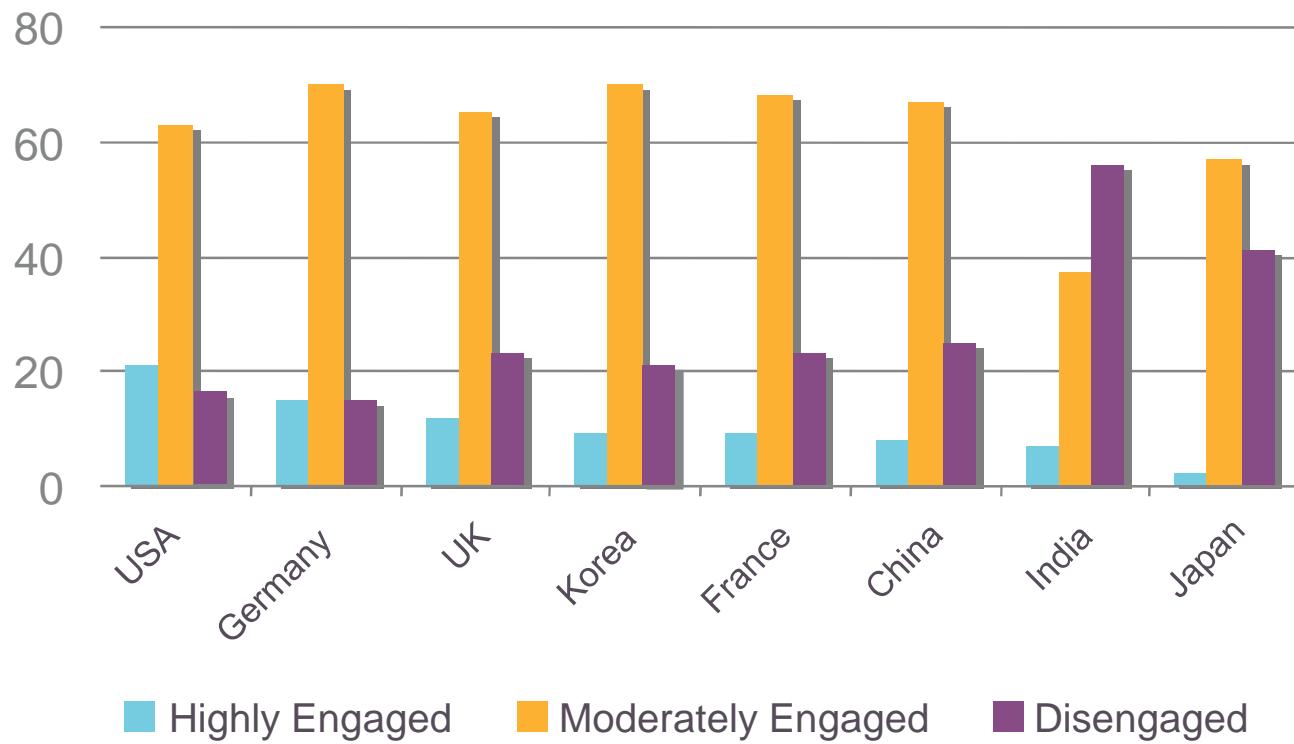


Photo: US Coast Guard

“...most of the mistakes and oversights at Macondo can be traced back to a single overarching failure - a failure of management”

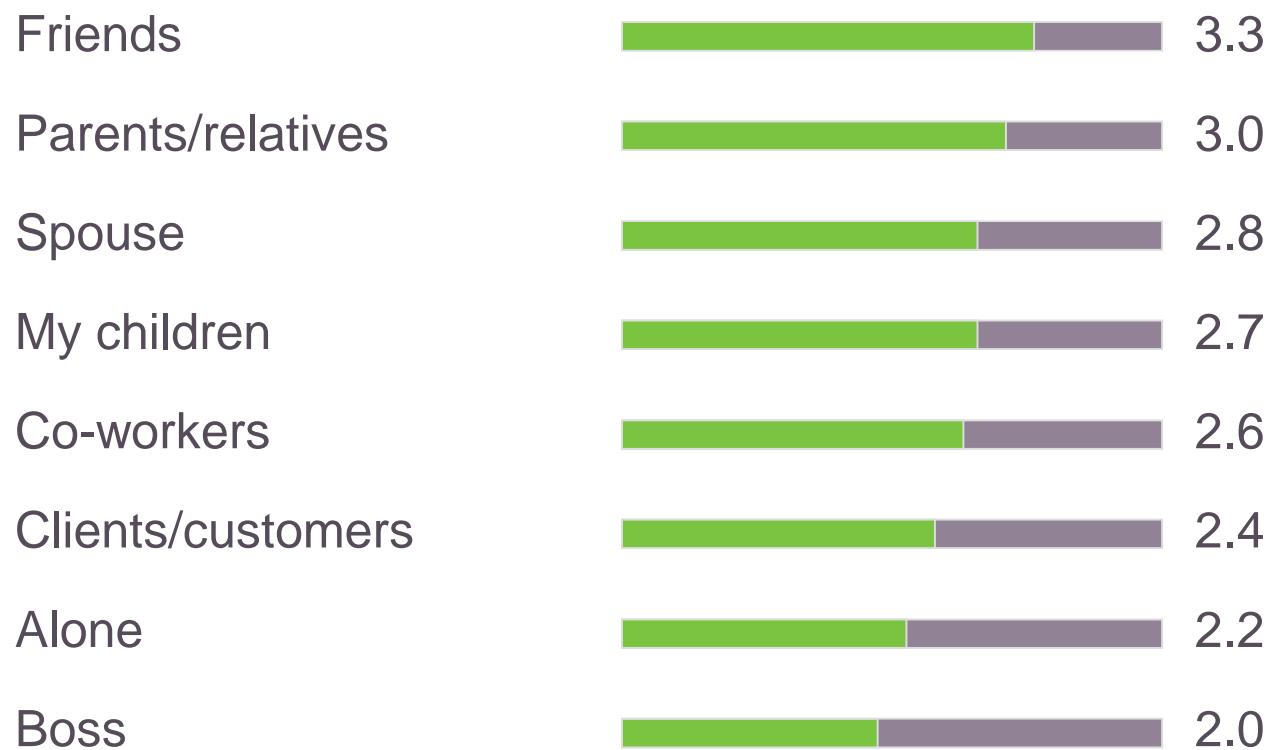
William Reilly, Co-Chair, National Oil Spill Commission, January 2010

Employee engagement levels are low across most countries



Source: Towers Perrin Global Workforce Study via The Employee Engagement Group

Who are you happiest with?



What problem was management invented to solve?



- How to routinise and standardise work?
- How to maximise employee discipline and diligence?
- How to organise complex work processes?

Source: Gary Hamel

What are today's management challenges?

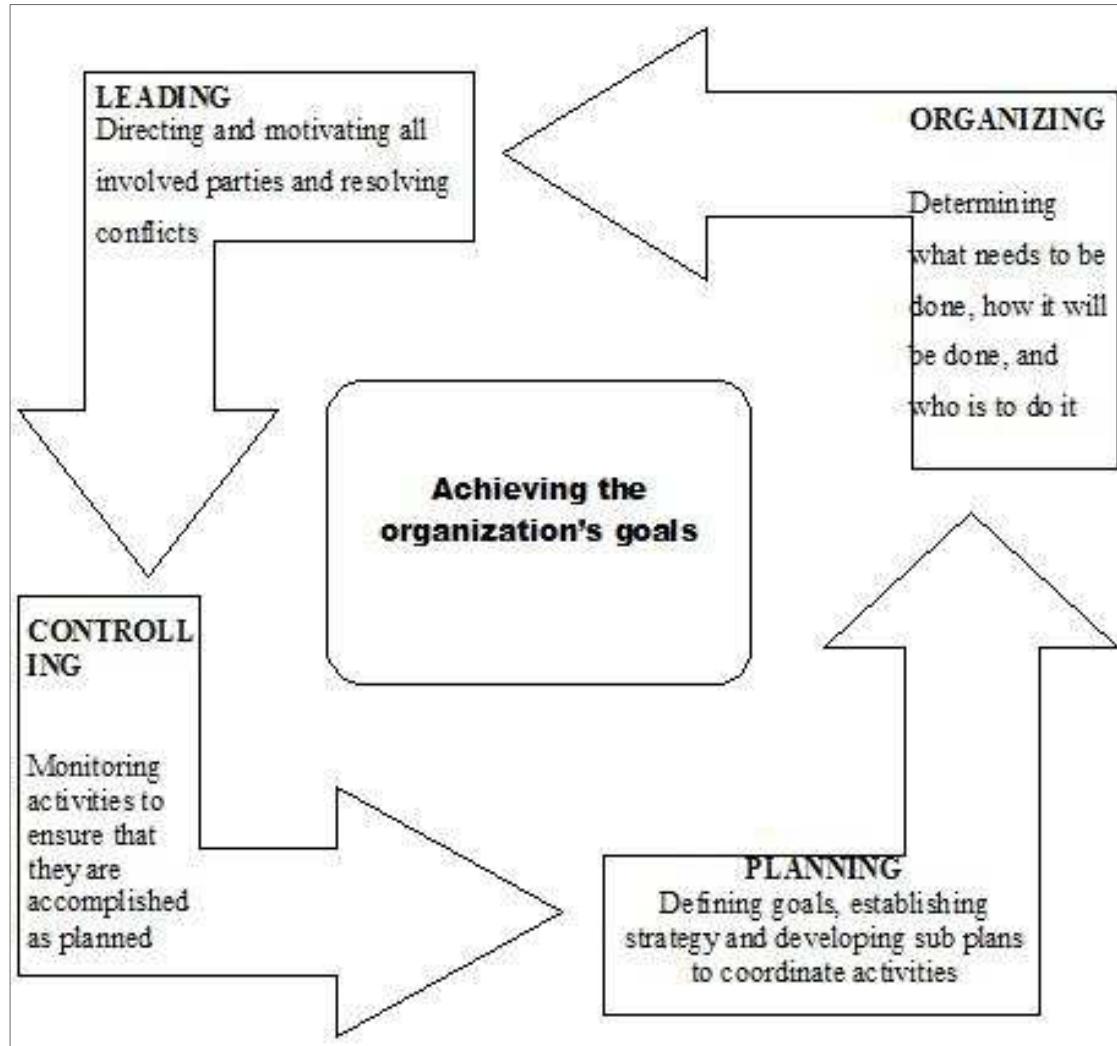
- How do we change fast enough to stay relevant in a turbulent world?
- How do we innovate boldly enough to stay ahead of our competitors?
- How do we create an organisation where people are able and willing to do their best work?

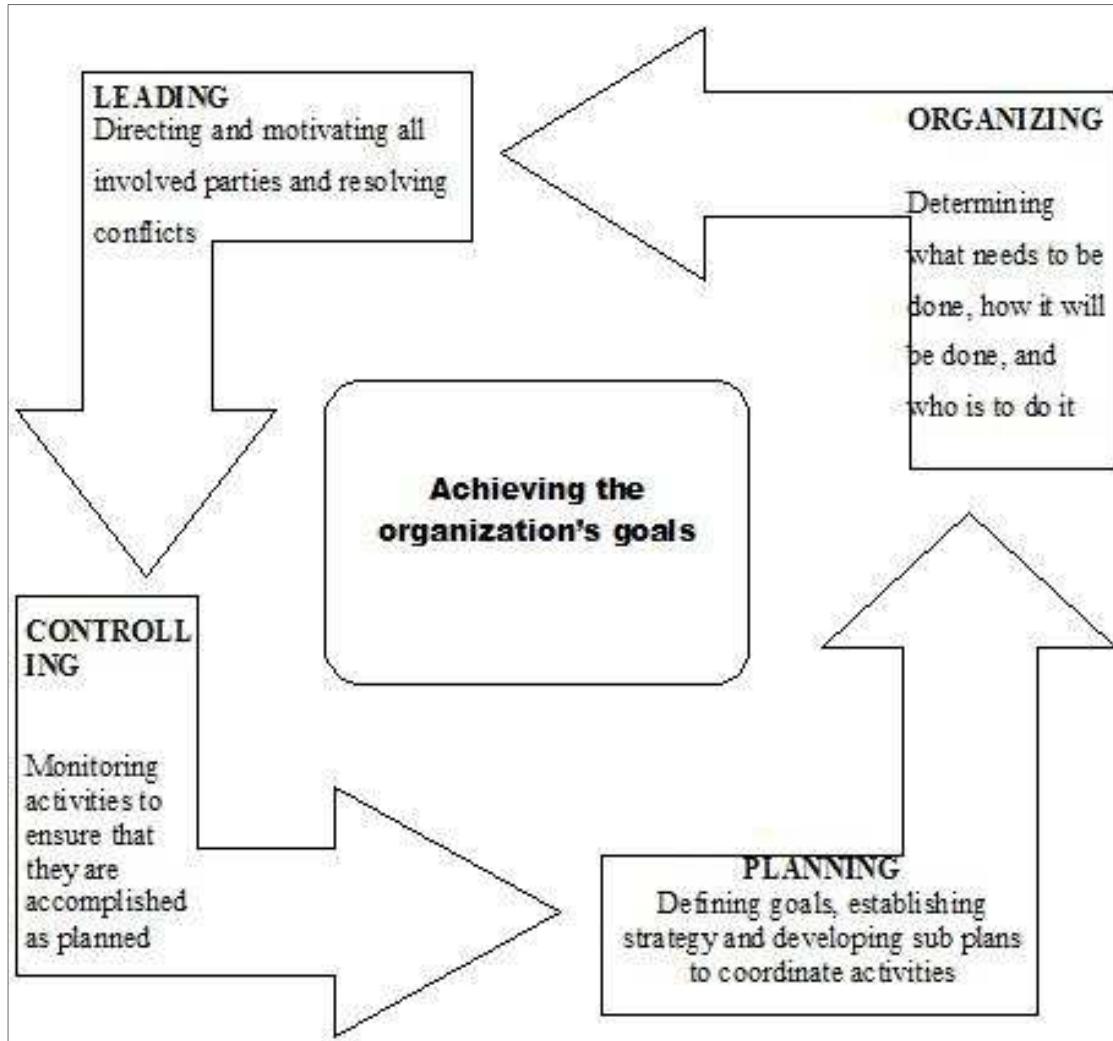
Agile

Innovative

Engaging

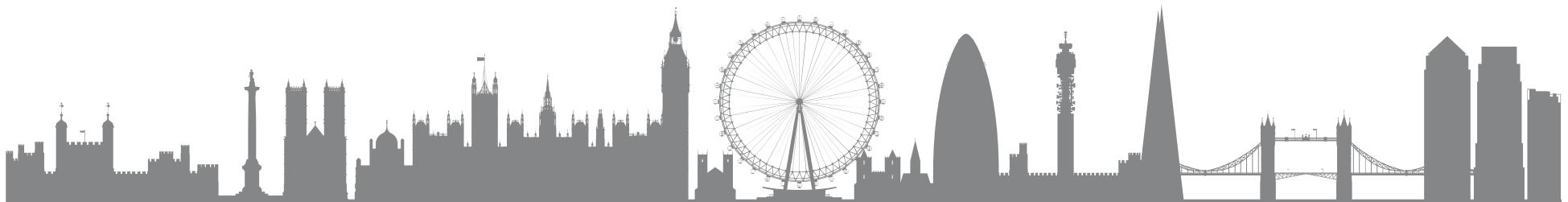
Source: Gary Hamel





Koontz & O'Donnell, Principles of Management, 1955

The Need for Management Innovation



Broadening our concept of innovation

FROM NEW
PRODUCTS AND
SERVICES



TO NEW
WAYS OF
WORKING



Innovations in management can be
a source of long-term advantage

Ford

1900s-1920s



GM

1930s-1960s



Toyota

1970s-2000s



The Internet as inspiration and engine of change



Photo: linusmag.com

Linus Torvalds



Photo: Enrique Dans

Tim Berners-Lee



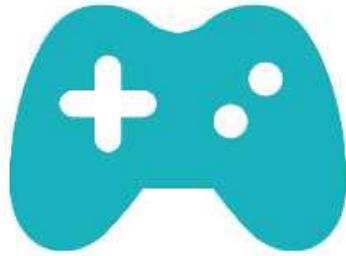
Photo: Philip Bachmann

Jimmy Wales

Today's Management Innovators



Zappos



Valve



Topcoder



Morning Star

Today's Management Innovators



Photo: Chemical Heritage Foundation

Terri Kelly, CEO, WL Gore



Photo: World Economic Forum

**Vineet Nayar, former CEO,
HCL Technologies**

What does this mean for me?



The changing source of advantage



Google's Project Oxygen:

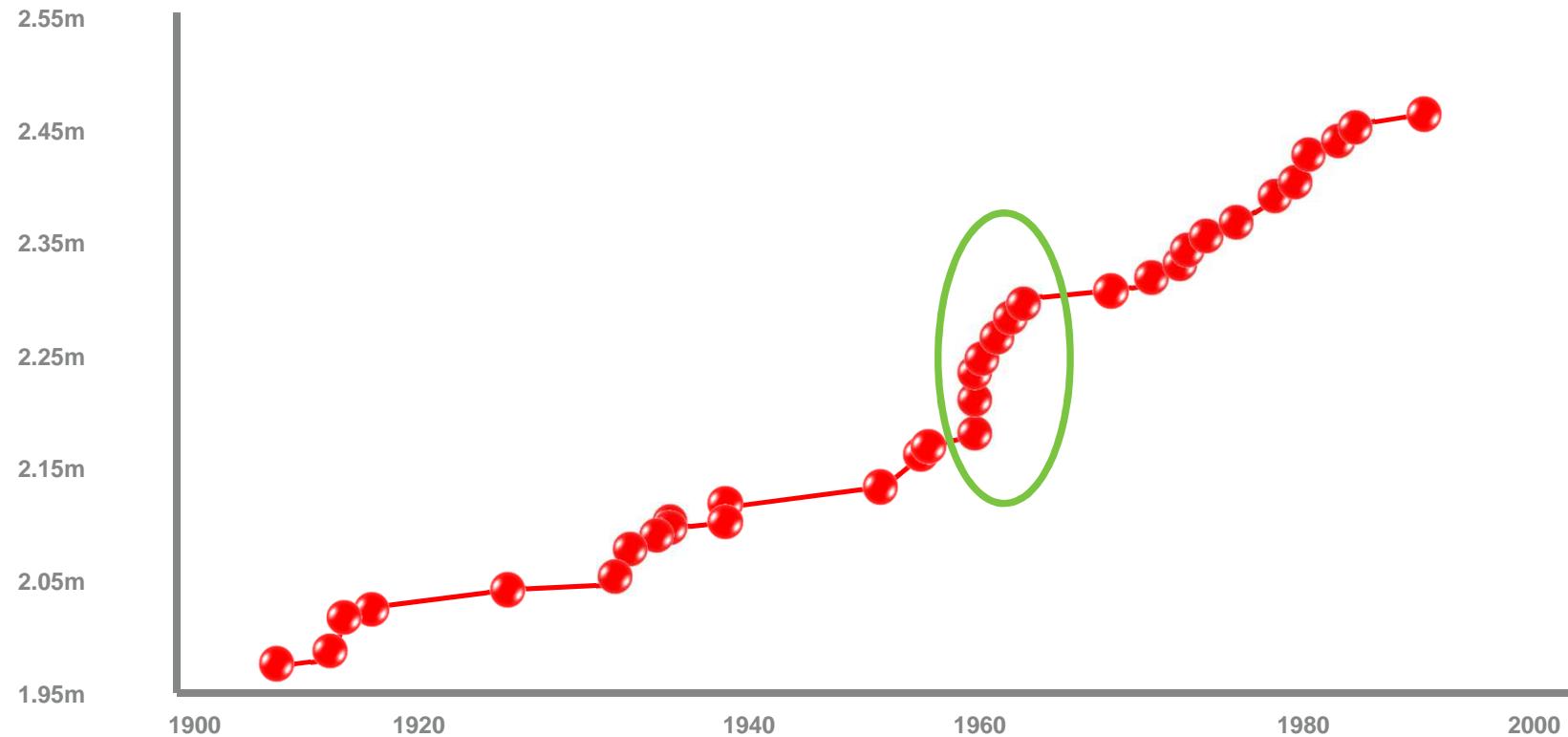
What makes a good manager?

1. Be a good coach
2. Empower your team and don't micromanage
3. Express interest in team members' success and personal well-being
4. Don't be a sissy: Be productive and results-oriented
5. Be a good communicator and listen to your team
6. Help your employees with career development
7. Have a clear vision and strategy for the team
8. Have key technical skills so you can help advise the team.

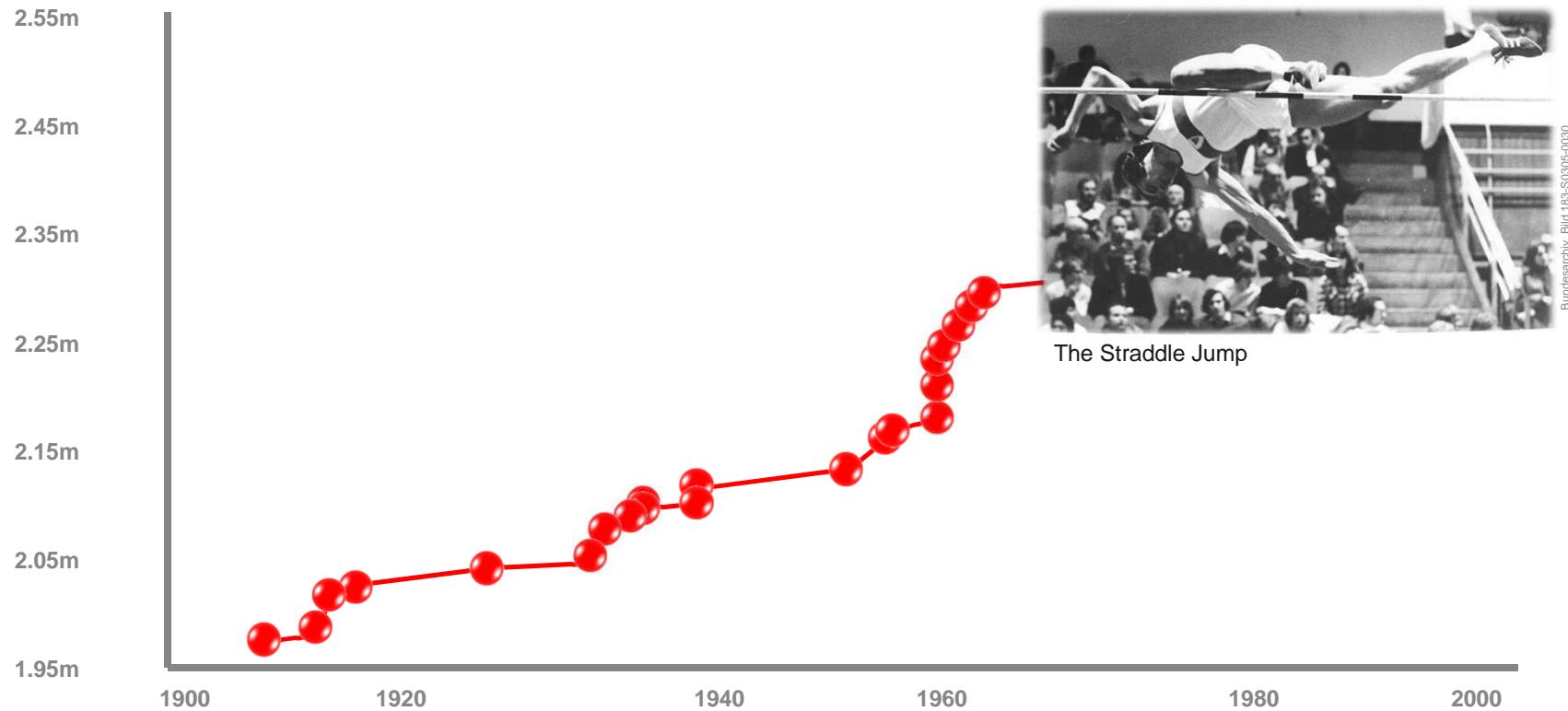
Adam Bryant, New York Times, March 12th 2011

And what does this mean for the employee?

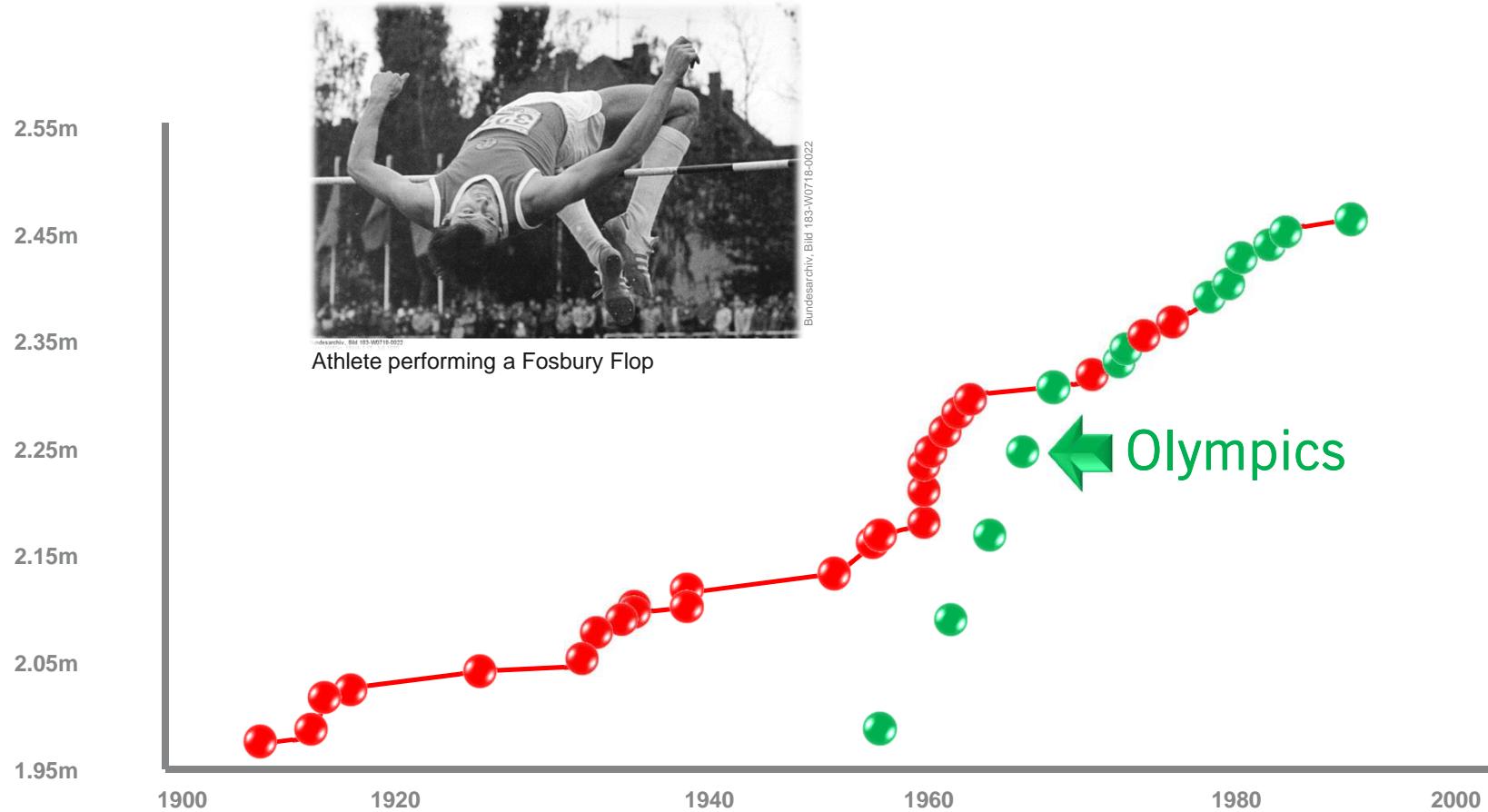
Consider the men's world high-jump record...



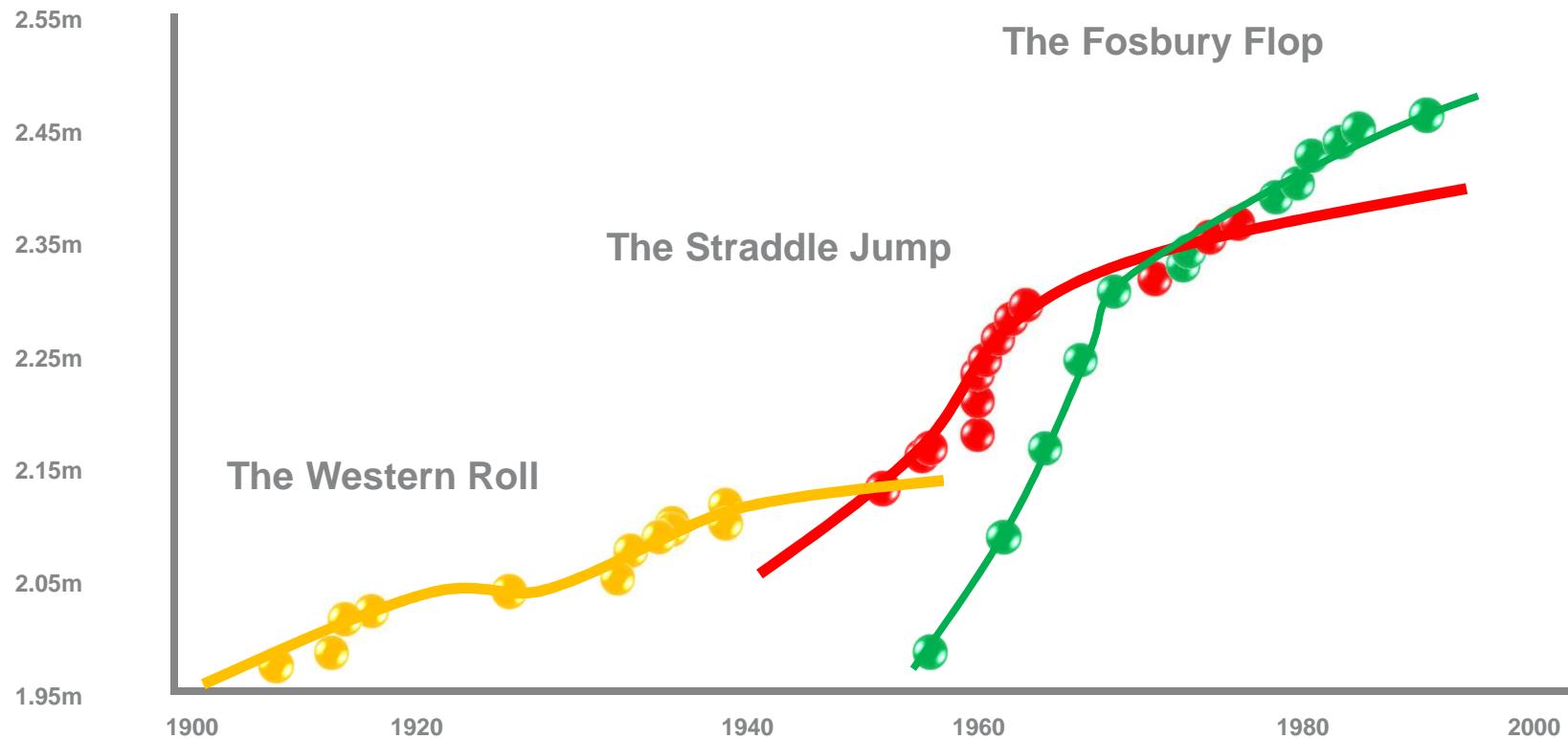
John Thomas vs. Valeriy Brumel



Dick Fosbury: Mexico Olympics Gold



Three waves of innovation in the high jumping industry



George Bernard Shaw:

Progress depends on “unreasonable” people



Elon Musk and the “Hyperloop” proposal

What does this mean for me?

- Understanding the changing world
- Evaluating the old and new ways of managing
- Managing others more effectively
- Taking the initiative to help shape the company of the future