Talent- First Organizations

- In tumultuous times, a company's talent is its most valuable and reliable asset

- But CEOs running a talent-first organization must help the board see that talent is the value creator and therefore belongs at the top of its agenda. The talent-driven CEO wants the board to focus on two forms of "TSR": not just total shareholder return, but also talent, strategy, and risk.

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- Ogg identified the pivotal roles in the 12,000-person organization. He boiled it down to 37 critical positions, one of which could single-handedly generate $60 million in EBITDA.

- Thirty-seven people in a 12,000-employee company! In almost every organization, success depends on a small core of people who deliver outsize value. The success of the talent-first CEO largely depends on how he or she leverages this critical 2 percent of people. (That 2 percent figure is merely a guideline; in big corporations, the "2 percent" may be a group of fewer than 200 people.)

- Tadashi Yanai, CEO of Fast Retailing, whose brands include Uniqlo and Compte des Cottonniers, believes that digital changes everything for anyone selling anything. To prepare Fast Retailing for that future, he isn't relying on his most experienced people. As he puts it, "To tell the truth, my high-level executives are very good in the day-to-day nitty gritty, but we need a fresh perspective." Instead, he's turned to 38 young workers from all corners of the globe and all levels of the company.

- Leading a talent-first organization is something that must be managed incrementally.

- The steps it requires—alignment at the top; continual development of talent; a commitment to link talent and strategy; an agile, flexible corporate structure; and others that we discuss in our book—are each important. But built one upon the other, they trigger a multiplier effect that can exponentially increase the value that talent delivers to the organization.

- Agile working—establishing cross-functional teams and institutionalizing a try-and-fail approach, for example—that are the basis of agile.
- In large and complex companies, speeding things up means reducing reliance on hierarchies, and leveling hierarchies requires reliance on collaboration.
- They are successful at cross-functional reorganization. Multidisciplinary teams start to work in scrums and sprints. But these companies do not follow through with critical organizational enablers such as redesigned career paths and incentive program

Strategy

More than ever, companies need to devote time to strategy. Nearly one-tenth of public companies disappear each year—a fourfold increase in mortality since 1965.

Agility is great, but it's more powerful when paired with preparedness.

Successful companies:
1. They explore strategy at distinct time horizons.
2. They constantly reinvent and stimulate the strategic dialogue.
3. They engage the broad organization.
4. They invest in execution and monitoring

The Long Term. The purpose of long-term strategic thinking should be to define, validate, or redefine the vision, mission, and direction of the company

The Medium Term. The purpose of medium-term strategic planning should be to enumerate the steps necessary to realize the vision—typically over a three- to five-year period. The focus is on developing clear, actionable business plans that describe the multiyear strategic initiatives required to transform vision into value

The Short Term. The purpose of short-term strategic planning should be to challenge the current strategy, evaluate progress, and explore options to accelerate execution. Is execution above, at, or below plan—and why? Do the plan's strategic assumptions remain valid

Clearly, long-term vision, medium-term strategy, and short-term plans need to be revisited with different frequencies—and those frequencies need to reflect the particulars of the sector. The key is to match the rhythm of the process to the "body clock" of the sector

As noted management consultant and writer Peter Drucker once said, "The most common source of mistakes in management decisions is the emphasis on finding the right answer rather than the right question."

Matrix Organizations. Many companies have at least a three-dimensional matrix: for example, brands or product lines, geographies, and functions

Winning the 20s

- When the 2010s began, the world's ten most valuable public companies by market capitalization were based in five countries, only two of them were in the tech sector, and none was worth more than $400 billion. Today, all of the top ten are in the US and China, the majority are tech companies, and some at least temporarily have surpassed $1 trillion in value.

- Master the new logic of competition. Internet and mobile technology ushered in the information age and profoundly affected technology-intensive and consumer-facing industries such as electronics, communications, entertainment, and retail. But the emerging wave of technology — including sensors, the Internet of Things, and artificial intelligence — will turn every business into an information business. The combination of an exponential increase in data, better tools to mine insights from that data, and a fast-changing business environment means that companies will increasingly need to, and be able to,

- Scale will take on a new significance in the learning economy. Instead of the "economies of scale" that today's leaders grew up with — based on a predictable reduction of marginal production costs across a relatively uniform offering — tomorrow's leaders will pursue "economies of learning," based on identifying and fulfilling each customer's changing needs by leveraging data and technology.

- Design the organization of the future. Big data and deep learning have transformed our ability to learn, and the next generation of technologies will undoubtedly bring even more possibilities. History has shown, however, that applying new technologies to existing processes and structures generally yields only incremental gains. To unlock the learning potential of new technologies, leaders need to reinvent the enterprise as a next-generation learning organization.

- To learn on multiple timescales, leaders will need to design organizations that synergistically combine humans and machines. Algorithms should be trusted to recognize patterns in data and act on them autonomously, while humans should focus on higher-order tasks like validating algorithms, imagining new possibilities, and designing and updating the hybrid "human + machine" organization itself.

- Such organizations must be designed with flexible backbone systems, evolving business models, and, above all, a new model of management — one based on such as experimentation and co-evolution, rather than traditional top-down decision making and slow cycle planning.

- Diversity also . Like biological communities and organisms, companies that encompass more heterogeneity are likely to withstand unanticipated changes better. Enterprises that embrace diverse talent, ideas, and sources of growth will have an advantage in understanding and adapting to external shocks — which increasingly threaten the survival of individual businesses.

- Leaders need to focus on their companies' total societal impact — in other words, they need to make sure that their businesses create social as well as economic value.

CEO ActionPlan for Workplace Automation

Efficiency
- Affectiva, a Boston-based company, uses advanced facial analysis to monitor emotional responses to advertisements and other digital-media content, via a webcam.

- Citibank works with Persado, a start-up that uses AI to suggest the best language for triggering email openings. The results are a purported 70 percent increase in open rates and a 114 percent increase in click-through rates.

- Improve industrial operations. GE uses machine-learning predictive-maintenance tools to halve the cost of operations and maintenance in certain mining activities and so extend the life of its existing capita

- Meanwhile, the Coca-Cola Company's Black Book model uses algorithms to predict weather patterns and expected crop yields to inform procurement plans for their Simply Orange juice brand, so that no matter what the quality and quantity of the crops, they can be blended to replicate the desired taste

- Increase scale and speed. The potential for AI-enabled automation to create scale, boost throughput, and eliminate errors creates a range of opportunities for discovery in R&D. For example, GlaxoSmithKline's machine-learning-enabled model-selection process helps the company analyze many times more models in a matter of weeks as it could in several months using traditional processes.

- In the automotive industry, Nissan has cut in half the time it takes to move from final product design to production, thanks to digital and automation.

- And BMW has reduced machine downtime significantly in some of its plants through AI-enabled condition-based maintenance, effectively generating fresh economies of scale with minimal investment.

The second imperative is for leaders to look beyond their current business processes and start imagining how automation will enable them, and others, to make bolder moves.

- Having analyzed energy usage in Google's data centers and cut consumption by 40 percent, DeepMind went on to enter discussions with a grid operator in the United Kingdom to help them balance electricity supply and demand. No wonder that the titan who takes on your company in the future may come out of left field

- Companies will of course have to recruit automation-savvy talent, from experts in sensory or pattern-recognition technologies or natural language processing, to data scientists able to interpret and integrate massive amounts of information, to roboticists who can build, train, and repair intelligent machines.

Agile Transformation

- Simply put, the dominant traditional organization model evolved primarily for stability in a wellknown environment. It is based on the idea of an organization as a machine, with a static, siloed, structural hierarchy that operates through linear planning and control to execute one or very few business models.

- Agile organizations, viewed as living systems, have evolved to thrive in an unpredictable, rapidly changing environment. These organizations are both stable and dynamic.

- They focus on customers, fluidly adapt to environmental changes, and are open, inclusive, and nonhierarchical; they evolve continually and embrace uncertainty and ambiguity. Such organizations, we believe, are far better equipped than traditional ones for the future.

- From certainty to discovery: fostering innovation. A reactive mind-set of certainty is about playing not to lose, being in control, From authority to partnership: fostering collaboration. From scarcity to abundance: fostering value creation. -> Shifting from reactive to creative mind-sets

- In stable markets, companies maximize their shares at the expense of others. This win–lose approach reflects a reactive mindset of scarcity, based on an assumption of limited opportunities and resources.

- Today's markets, however, evolve continually and rapidly. To deliver results, leaders must view markets with a creative mind-set of abundance, which recognizes the unlimited resources and potential available to their organizations and enables customer-centricity, entrepreneurship, inclusion, and cocreation.

- Originating in industrial and other forms of design, design thinking is a powerful approach to developing innovative customer solutions, business models, and other types of systems. This begins with understanding the entire customer experience at each stage of the customer journey.

- In organizations that are agile, each team is viewed as a value-creating unit, or as a "business."

- To design and build an agile organization, leaders need a different set of skills based on a different understanding of organizations. They must learn to design their organization as a distributed, continually evolving system. Such an organization comprises a network of smaller empowered units, with fewer layers, greater transparency, and leaner governance than a traditional model

- The third organization-level skill leaders need to develop is the ability to shape a new culture across the organization, based on the creative mind-sets of discovery, partnership, and abundance and their associated behaviors.

- The term "agile" as applied to a way of working originated in 2001 with a new approach to software development. As organizations increasingly sought to become more agile in the sense of faster and more flexible, they recognized that principles of agile software development could be applied much more broadly to organizations as a whole.

How to Select Individuals for Agile Teams

- Much depends on the talent, whether developed or recruited. Broadly, people who flourish in an agile organization need to have the following three capabilities:
    - they handle ambiguity without losing focus
    - second, they concentrate on outcomes Priorities for a conta Priorities for a containe

- The prominence of agreeableness, more highly ranked than openness or conscientiousness, was the most surprising result.
  Agreeableness is the secret sauce of great agile teams. Most cultures teach and reinforce a culture of competition, but we are increasingly seeing other ways to build a high-performing, agile organization. Google reinforced this view in its study of high-performance teams.

- The customer is the inspiration of agile organizations; Agile teams are customer-centric: they engage with the customers and learn about their needs.

Questions
1. What motivates them?
2. What do they expect from others?
3. Are they proud of the work they have done?
4. This seems a simple trait that would apply widely, but caring about their craft, the work they do, and the outcomes it delivers are very important traits for a member of an agile organization.

- If there's one single thing we'll owe Design Thinking for the rest of our lives, it's the call for empathy. Put the end user at the very center of your innovation process, and you'll design new solutions that customers will love.

- Stop being an employee how about an intrapreneur instead?

- The goals of an Accelerator? To embrace innovation in a structural way within your business strategy and spread entrepreneurship within the organization. The first move: ask 5 innovation consultancies for information and discuss with your team.