BI Radio
Episode 01
Innovation & Leadership

(00:00)

Montage:
- We are walking through this world half asleep. Discipline, discipline. On the surface, it's a very simple idea.
- Do something no one else in the industry is doing.
- Work is something you do, not a place that you go. What do you think about that?
- We've all seen products that are difficult to use or are of questionable value.
- But on the geeky side, I love having the latest and greatest device.
- I have to admit, I miss the good old days when it was really hard to use computers.
- You're not supposed to say that!

Ken Seeley: Hi there, and welcome to BI Radio. I'm Ken Seeley. On the show today, stories of innovation and transformation, and leadership in the extreme. Contributing Producer, Delaney Turner, examines the resurgence of innovation on the corporate imagination. And our talented Technology Soup round table looks at how consumer technologies are transforming corporate IT. But first up, a look at extreme leadership. Our own Kelsey Howarth talks to the man who coined the phrase extreme leadership. Author and Cognos Forum Keynote Speaker, Steve Farber. We'll have that interview right after this.

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(01:56)

Kelsey Howarth: Hi. I'm Kelsey Howarth. What does it mean to be an extreme leader? Well Steve Farber has the answer. Steve is an author and consultant who has conducted hundreds of engagements for companies such as Sun, Wells Fargo, Eddie Bauer and Intel. In 2004 his book, the Radical Leap won Fast Company magazine's Readers' Choice Award. Here, he and I discuss his new book, The Radical Edge. What do you feel are the essential qualities of an effective leader? What differentiates an extreme leader from the rest?

Steve Farber: Well first of all extreme leadership is just my way of saying the real deal, the real leader. I think what's happened is we've gotten to the point where leadership has become another buzzword and we use it too loosely. What happens is people get into, in a corporate situation for example, they get into positions of authority, they become quote/unquote, the boss, and the assumption is that now that I'm a boss I'm also a leader. And that's not necessarily true. Leadership doesn't automatically come with the territory. It's more important the higher up you go, but it doesn't automatically come with the territory. So I think we've gotten to the point where we wear the word "leader" as a label or a title without giving a lot of significant thought to what the implications really are, and what the personal stakes really are. So extreme leadership is just my way of saying, somebody who is really acting as a leader beyond their position or their title.

Kelsey Howarth: You recently have written a book called The Radical Edge. Can you tell us a little bit about that and how one achieves the Radical Edge?

Steve Farber: Yeah. The Radical Edge, the subtitle to the book is really also the description of what the Radical Edge means in my estimation. The subtitle is stoke your business, amp your life and change the world. My argument is that we should strive to do all three of those things simultaneously. In other words, it's about stoking the fires of your business, getting it being as successful as you could possibly be in the context of your work. It's about amplifying personal joy in meaning. And, as I mentioned earlier, changing your piece of the world for the better all at the same time. These are not mutually exclusive ideas. I've never seen the universal law written anywhere that says they are. We don't have to sacrifice who we are in order to survive, let alone thrive at work. And work, being successful at work is not contrary with having a positive influence on the world. So it's doing all three of those things simultaneously, which I know is a, shall we say, it's a modest promise, otherwise known as a tall order. But I don't think it's beyond our capabilities as human beings to do that. And certainly there's no downside in striving for that that I can think of.

Kelsey Howarth: One of the ideas I found particularly intriguing was that you asked people to create a wake-up pad to help them find the symbols behind the constant information they receive. How does a wake-up pad work? Can you explain that more fully?

Steve Farber: Sure. A wake up pad or WUP for short, is really, on the surface, is a very simple idea. If I want to make it as simplistic as possible all I'm suggesting that people do is carry a notebook. But the real elegance in that is what you do with the notebook. So the underlying principle here is that we are, many of us, most of us I would say, walking through this world half asleep and are unaware of what's going on in the environment around us. And if we can wake up and pay attention not only does it make our experience as human beings more fulfilling, but it gives us ideas. I mean there are great ideas all around us. So the wake up pad is just a methodology to help people do just exactly that – wake up. So you're starting to collect your observations. When you're hearing something, you hear something on the radio, you overhear somebody speaking in a conversation, a couple of people standing behind you in line

at Starbucks and it strikes you as interesting, an interesting term or phrase, or some observation that you hear from somebody else, you write it down. Write it down. Write it down. Write it down. That's the key. That's the whole discipline in all this because if you don't write it down you're going to forget about it. So every so often, now that you have all these notes of your observations you sit down and you think about it. You ask yourself, what does this mean? Are there implications here? Where does this take you? Does it inspire a certain line of thinking? So you're having a conversation now. And you start to jot down some notes in your response to the things that you've observed you're having a conversation between yourself and the world. You're having a conversation between yourself and yourself. And just seeing where that takes you. And then the real sweet spot in all of this is every so often now that you've observed and you've pondered about it you get together with other people, another person, or a group of other people that are doing the same sort of thing and you talk about it. And you start to compare notes. Here's what I'm seeing. What are you seeing? Here's what that makes me think. What do you think? And then eventually what happens as a result of those conversations is some new idea pops out. This is where innovation is everybody's opportunity really comes into play. This is where it becomes reality because I guarantee you that eventually if you do this sort of thing some new idea as to how you're approaching your work, how you're approaching your family, your philosophy of life, I mean it can be any number of things, some new idea is going to emerge.

Kelsey Howarth: At Cognos we help organizations take the masses of data that they collect and create context around it – turn it into scorecards, dashboards, plans and more. A central theme in your book seems to be that people, individuals don't take the required time to really ponder and analyze the information around them. It seems a very similar principle at play. What are your thoughts on that?

Steve Farber: Yeah, I think that's exactly right. I mean, anything, any methodology for gathering intelligence and helping us make sense of the world and how it relates to the way that we work in our business strategy and all that, that's all towards the same end. So it's a very, very valuable thing and I think it's a very important thing. The other side of that though is the personal side. Technology is only helpful insofar as people use the technology. And I think it's not just a matter of collecting and making sense out of the data. I think the personal practice in all this is cultivating in ourselves a desire to bring in, consciously bring in more – quote/unquote – data. In other words, to be more awake and receptive to our experience as people. And what we can learn from one another and from the environment around us. So if we can cultivate that desire in individuals then they're much more likely to use technology like what Cognos offers. They're much more likely to carry around, for example, a little notebook we were just talking about. My approach is very low-tech. But that's not at odds with high tech. It's really an amazing age that we live in and I think one of the things that we have to be careful about is that we get so much and we think that we get too much data. And the ability through the technologies like what Cognos offers to help make sense of that data is I think a real gift for most people.

Kelsey Howarth: To read more of my interview with Steve please visit cognos.com/newsletter. To learn more about Steve Farber and other exciting speakers please visit the Sweeney Agency at thesweeneyagency.com. Now, more BI Radio in just a moment.

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(11:25)

Ken Seeley: Welcome back to BI Radio. I'm Ken Seeley. Here's a question: What happens when the technology from outside the workplace makes its way inside? In today's bowl of Technology Soup our panelists talk about the influence of consumer technologies on corporate IT and the way they're changing how we work.

Don Campbell: Hi. I'm Don Campbell, vice president of platform strategy and technology.

Stephan Jou: I'm Stephan Jou, technical architect.

Anastasia Valentine: And I'm Anastasia Valentine, product manager.

Don Campbell: Gartner has coined the word the consumerization of IT. To me that really means the experience that users have when they're outside of the workplace and how technology is being used out there. When they come to work the next day they actually expect to be able to use those technologies inside their office environment. What do you think about that?

Stephan Jou: I'm surprised they let people outside of the workplace. Oh sorry!

Anastasia Valentine: You're not suppose to say that!

Don Campbell: I think it's a growing trend. I think it's something that more technology is being accessible to more people on a constant basis. And when you come into work and you get these canned applications that are very restrictive that don't let you do the same types of access points, the same gestures, the same kind of experience that you have when you're at home on the internet. And I think that's a really driving force behind the change of IT.

Stephan Jou: It's true. Everyone knows how to use the search box compared to five, ten years ago. Even my mother and my mother in law both know how to search the Web.

So they go into work now and they're looking at these old antiquated systems which have been set up five ten years ago and it's completely different. So they're wondering why they can't get the same experience at work that they get at home.

Don Campbell: So we're starting to see some changes in that area. The ability to access information like you said on the internet through a Google search environment or a little search box inside your application is just expected nowadays. And we're now finally starting to see some of that come into a performance management kind of context where people can look up information by just typing in simple key words and expecting to get valid and valuable results.

Stephan Jou: It's certainly good for users in general. I think they've just raised the bar in terms of usability. And they've also really been trained a lot better now just by using the computer at home because it's so pervasive now. I would say that the users of today are a lot more sophisticated in using the computer just from that experience. So it really raises the bar for us to be able to produce software that is as easy to use for them in the office as it is for them at home.

Don Campbell: Well the training is a big part of it I think. When we would produce for many years software that required specialized training. And the cost of training your users is very expensive to an organization. Now if you can take advantage of the training that you get at home just sitting at their personal computer, they can reduce that training cost a lot because they really are being trained to do something simple like a search in a simple textbox.

Stephan Jou: I have to admit though, I miss the good old days when it was really hard to use computers. I used to get a lot of respect. Now, you can just move a mouse, and click a few buttons. Anyone can use it. I want to go back to the days of hexadecimal coding and assembly and forget the mouse. I want to be able to move iron pedals that you play like a piano. They should have giant spikes coming out of the keyboard so it's really hard to use. I had respect back then.

Don Campbell: That would be the geekization of IT, not the consumerization of IT. But we see that coming in a lot of different ways. I thin search is really a dominant one. But it's not just the way people use applications. I think there's other elements, other hardware devices and appliances and different ways that people just deal with technology outside of the business world that's starting to come into the business world.

Stephan Jou: We certainly see a lot of that in the mobile space which is something that Anastasia have been working a lot with. Most of the smart phones and PDA's are not purchased by the IT department. They're brought in by prosumers who use this, who purchase these devices and use them at home. And then they bring them in the workplace and then they wonder how can I get my email on this application?

Don Campbell: How come I can't login to my internet site? Why can't I do all these things?

Stephan Jou: So that seems to be driving a lot of demand for that sort of functionality. But it's interesting because I think we're starting to realize that the person who is at work in the office is the same person who is at home. They don't become someone else. So we're just sort of extending that persona to cover all our applications.

Anastasia Valentine: And I think at the same time it doesn't feel as intrusive if you have this little device wherever you are and you're able to answer a question, or you're able to look up information really quickly as if you have to plug in your laptop and be really, visibly working. You can sneak out your device and start doing email or something.

Stephan Jou: Except then you have these meetings and someone pulls out their Blackberry and they're all emailing and not paying attention to the meeting.

Don Campbell: But it's very true that work is something you do, not a place that you go. And nowadays there's a rapidly growing trend for individuals to be outside the work environment and taking that work environment outside of the building with them, whether it's executives at the airport or on a plane or something, or it's people just working outside the office or working from home. And those kinds of environments, if they can be mobile and distributed away from the office building they allow for productivity all day long rather than just at very restricted intervals.

Anastasia Valentine: And it's not just, I mean, traditionally we've been saying it's just the executives with these mobile devices. And now, it's really expanding into anyone who is out of the office. So any mobile worker. And it's not only just a mobile office worker, it could be a mobile field technician. It could be a baggage handler, was another example that we had. But all these people with their devices whether they're on the job wherever that may be, or at home, or in transit, it just makes that level of productivity so much higher than we've ever had before.

Don Campbell: What's causing all this? Is it the sophistication of the devices? Have they just reached a point now where they are capable enough to do the kinds of things we need to get done in an office kind of context so they can do it on these small devices? Or is it a social change, a cultural change that's happened?

Stephan Jou: I think it's all of those things together.

Anastasia Valentine: I think it's a combination.

Stephan Jou: The uptake of these smartphones is a lot higher now than it ever was before to the point where they're outselling computer systems. There are way more smartphone users out there today than there are PC purchases on an annual basis. So that's certainly driving it. And that's definitely from the consumer side as well.

Anastasia Valentine: But on the geeky side I love having the latest and greatest device. And it's when everybody else has the same one you know have to upgrade. Not necessarily when the new technology comes out, but still, there's that cool factor of being able to have this great device that does this, that and the other thing. So not

only do you work on it, but you can also chat, even video conference on some of the new ones that are coming out of Europe. So I mean there are so many advancements that we can take advantage of right now.

Stephan Jou: Chat is another good example, right? That's something that started out as strictly consumer things that I can I.M. my buddy, and it's something I would do at home. And now, there's lots of companies and people trying to figure out what makes sense from a collaborative point of view inside the enterprise. So you see companies providing software that allow groups within an enterprise to be able to collaborate with each other. And that's more of a reality now then ever before, especially given how all these teams are distributed all over the place. It's very much a worldwide corporate environment as well.

Anastasia Valentine: I think distribution is one thing. And that's really important. But I think also multi tasking, to be on the phone and then I.M. the person that you're on the phone saying, what do you think about this idea and then bring that aspect into the conversation as well.

Stephan Jou: Especially you. You're always moving.

Anastasia Valentine: Double, triple tasking. Multi-tasking!

Don Campbell: More people and more applications and more technology, more devices and all that stuff growing and changing all the time. I think it's a really important trend and we'll keep following it for sure.

Stephan Jou: Sounds like fun.

Anastasia Valentine: Sweet.

Advertisement: Hi. I'm David Axson, president of the Sonax Group and author of the book Best Practices in Planning and Performance Management. Over the next few months I will be speaking at a Cognos Finance Forum in a city near you. Please join me as a share how the traditional barriers to high performance are being swept away by a new class of finance professional and technology enabled proven practices. I hope to see you there.

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(20:47)

Delaney Turner: Hi. I'm Delaney Turner, editor of Cognos Performance Perspectives, the Cognos newsletter. Today I'm in the studio with Kelly Allen, our star contributor to each and every issue. We started off this year with a special issue on innovation, a topic that after years of flat budgets and cost cutting seems to have recaptured the executive imagination. Kelly contributed two fantastic articles to this issue and she's

here with me now to talk about them. Kelly, you've looked across a lot of commentators for these two articles. You've looked at the Harvard Business Review, Gartner, IBM, Accenture. All of these people at all of these organizations are promoting the value of innovation. Why do you think that is?

Kelly Allen: Well it seems that in tight economic times businesses are more focused on cost cutting. But with growing confidence in the economy there's more room for strategic investment and business growth and we seem to be seeing this sort of upswing happening now. And we're seeing this need for innovation across the board in terms of new products or services as well as business model improvement. So companies are putting money into both sides of the business. It's about gaining greater efficiency, working smarter, and opening up the business to new, hopefully, more profitable ideas. As the pundits say, innovation is an investment in the future, provides new products and services, it energizes people in organizations, and it's really an essential capability in achieving high performance, according to Accenture anyway.

Delaney Turner: So you looked at a lot of different ways a company can innovate. What I found really interesting was the ways that companies and mature industries can drive new growth. Can you tell us about one example there?

Kelly Allen: Yeah, in the research, I learned that you don't have to be an aggressive startup or pour tons of money into venture capital projects. Every organization can innovate. Look at Yoplait and Cemex, which I covered in the story. They both improved profits by reinventing their products and services in new ways. As another example IBM looked at innovation in the banking industry; things like better branch services, product integration and loyalty programs can improve customer profitability and create more shareholder value. Interestingly, IBM also suggested banks need to look outside the institution for new ideas, especially partnering opportunities. And this could be something like linking together healthcare service providers, insurers, and banks. By the way, collaboration was a theme that kept popping up in my research. This allows you to share the innovation workload. And one IBM CEO study on innovation suggested that companies should collaborate on a massive geography-defying scale to open up a world of possibilities. And a recent Harvard Business School article talked about Proctor and Gamble's new approach to research and development. What the company did was get rid of its cost heavy invent-it-ourselves model. And instead, it developed a new business model it calls Connect & Develop, which uses internal and external networks of collaborators to develop innovative projects. And this more open approach the company sees it as the dominant innovation model of the 21st century. So it's obviously very important.

Delaney Turner: Interesting. So looking beyond the organization. It's not, essentially, having a bunch of geniuses in the basement kind of cooking up new ideas. It's looking outside and having a perspective that's a lot wider than that.

Kelly Allen: Exactly. Again, it takes some of the cost away, and also it does open up more opportunities for ideas.

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Delaney Turner: So besides collaboration what's required for companies to innovate? I mean new ideas pop up all the time but only a few ever take hold and are really profitable. When you were researching the stories, what did you find?

Kelly Allen: You have to create the conditions to make innovation happen. So at one end you have to have the development and commercialization capabilities, of course, to take the ideas through to the end. But really what's most important is you have to start with good ideas. And so there's a lot of information about that and Harvard Business School says you need to brainstorm and listen to voices inside and outside the company. Gartner suggests organizations should seek ideas in every part of their business and beyond, customers, competitors, vender mergers, basically anything and anywhere you can find them. You also need to let everybody play a part. The guy in shipping who can see a better way of doing something. Or someone working in the storefront who is a frontline observer of consumer behavior. Customers can give you great ideas too. Just thinking as consumers, we've all seen products that are difficult to use or of questionable value. Wouldn't it be great to have a real feedback mechanism for suggestions where the ideas were actually considered by the company? And you could also take a different path from your competitors which is what Harrah's did. Instead of building bigger and better casinos, which is the more traditional approach, Harrah's decided to focus on customers and customer profitability. Harvard Business Review would call this a market busting move where you do something no one else in your industry is doing. I've got an audio clip I'd like to play. This is with Clai Selden who's director of customer marketing at Harrah's. Listen to what he has to say about their approach:

Clai Selden: Traditionally in the casino industry the way to grow revenues has been to build newer bigger better casinos and Harrah's decided not to go into that kind of very capital intensive game. Instead, we decided to focus on customers and focus on things that, it's almost like a very retail oriented method where you always hear same store sales growth. Well, through our total awards program of which the Cognos tools are a pivotal part with their reporting capabilities and the analysis capabilities we've done sustained, I believe it's over three years of same store sales growth. Recently, the last year, it was a 14% same store sales growth.

Delaney Turner: So basically, at Harrah's they were essentially treating casinos with a retail model instead of building much bigger, expensive casino's they went after what they call "same store sales growth" to get/increase the profitability of each individual customer. And they have a tremendous loyalty program because of that.

Kelly Allen: Exactly. It's been hugely successful. And they just used that customer information, that customer insight to improve the customer experience. And as you say, they would have a huge number of loyal customers and very successful business.

Delaney Turner: Really, to me, when I'm looking across these stories it's really the role of information and the free flow of information that really is the fuel for these ideas. Is that something that you found as well?

Kelly Allen: Yeah. I think you really need to have an information rich environment in order for these kinds of ideas to take hold and then bubble up and turned into profitable products or services. So it's definitely a key to have some kind of information management tools just to help you capture that and go from there.

Delaney Turner: And as well the other thing that I see is that innovation is really coming from everywhere. It's from the CIO or the CEO on down making it a corporate mandate almost. But as well, front line people who can contribute or find new ideas.

Kelly Allen: Exactly. I think you really need both directions because everybody has perspective; everyone has something to contribute. And I think the more successful companies it seems they're able to take from both sides.

Delaney Turner: Well thanks very much Kelly for coming in and giving us your perspective on that. To read more about the special issue on innovation and other articles about business intelligence and performance management you can visit Cognos Performance Perspectives online at www.cognos.com/newsletter.

(29:00)

Ken Seeley: Well, that's today's show. I'd like to thank our guests Steve Farber, Kelly Allen, and our Technology Soup panel of Don Campbell, Stephan Jou, and Anastasia Valentine, as well as our contributors Kelsey Howarth and Delaney Turner. I'd also like to acknowledge our producer and recording engineer Derek Schraner, for composing all the original music on BI Radio, and for making us sound so good. And finally, a big BI Radio thanks to James MacCuaig, Dave McDuff, John Blackmore, and Jane Baird, for paving the way for BI Radio. To download today's program, check us out at radiocognos.com. I'm Ken Seeley. We'll see you in six weeks.

(30:00)