



Are You Truly Driving an Agenda that is Disruptive?

By: Paul Kinsinger, Lee Ann Del Carpio, and Karen Walch, Ph.D.

As we work with executives in legacy industries—those created before the digital age—who are trying to lead their organizations through disruption and leverage it for growth, one question keeps coming up: “Am I actually leading from a disruptor innovator perspective?” After all, much of what leaders do on any given day continues to be focused on ensuring that their businesses deliver results to their shareholders and stakeholders who all expect them to run their companies efficiently. Transforming organizational processes and business models has to be done simultaneously, while preserving the core business.

These leaders are trying to find the right balance between two very divergent sets of tasks, especially those who believe that their organizations must learn to disrupt themselves faster than other potential disruptors in the marketplace if they are to succeed in leveraging rapid and dramatic change for growth. They’re familiar with all the buzzwords about moving faster and taking more risks, but we also find them thinking: “How do I really know if I’m driving an agenda that is truly disruptive? Are the new things I am doing actually helping to push the organization toward a more disruptive business model and orientation?”

The Backdrop...

Why is this so important? First, leading with a Digital/Disruptive Age mindset is radically different than leading with the 20th Century Industrial Age mindset. The latter, buttressed by 75+ years of management science, has focused on maximizing operational efficiencies, and is averse to change, discourages risk and failure, and is fundamentally firm-centric. The former, while also driven by efficiencies, is much more focused on the *customer experience* and, hence, more open to change and more driven by experimentation and risk. We find that legacy companies attempting to leverage disruption for growth are having to learn to span these two approaches—a challenge we called, “managing the straddle” in our 2017 white paper on *The Case for the Humble Incumbent: Preparing Legacy Organizations for Disruption*.¹ This, in itself, is no mean feat, given the distances that need to be spanned.

Second, of course, most executives in legacy organizations are themselves still products of the Industrial Age of management and as a result, are far more comfortable with, and proficient at, its basic tenets. Conversely, they are far less adept at the emerging tenets of Digital/Disruptive Age

leadership. In practice, this has meant that they will often default to tasks that call upon the familiar, while effectively sidelining the less familiar. It’s like trying to learn to isolate and exercise a new set of muscles...it’s always easier to fall back on more familiar exercise routines because those muscles are used to it. The result? However well-balanced the company’s strategy for managing the straddle seems, leaders are often lop-sided in their leadership, and the “digital/disruptive” side of the business does not receive the level of attention and commitment that it needs in order for the organization to be able to leverage it for growth.

Thus, if executives committed to harnessing disruption and leveraging it for growth (as opposed to just trying to ride it out) are serious, they need a clearer sense of “what good looks like” with regard to what it takes to lead that will be disruptive. This is becoming increasingly important as recent research shows that a cautious, confused, or start-and-stop approach to a digital/disruptive strategy by legacy companies is very likely to render them “too slow” in *increasingly “winner-take-all” markets*.²

So, How Do You Know If You Are Driving An Agenda That Is Disruptive?

Based on our research with global executives across multiple industries over the last three years, we believe that legacy companies go through **five phases** as they face the potential of disruption and try to leverage it for growth. While not every legacy company is fully engaged in all five phases yet, in our ongoing research, it’s become clear that there are key questions in *each phase* that executives should be asking themselves to determine if they are truly pushing an agenda that is disruptive or not.

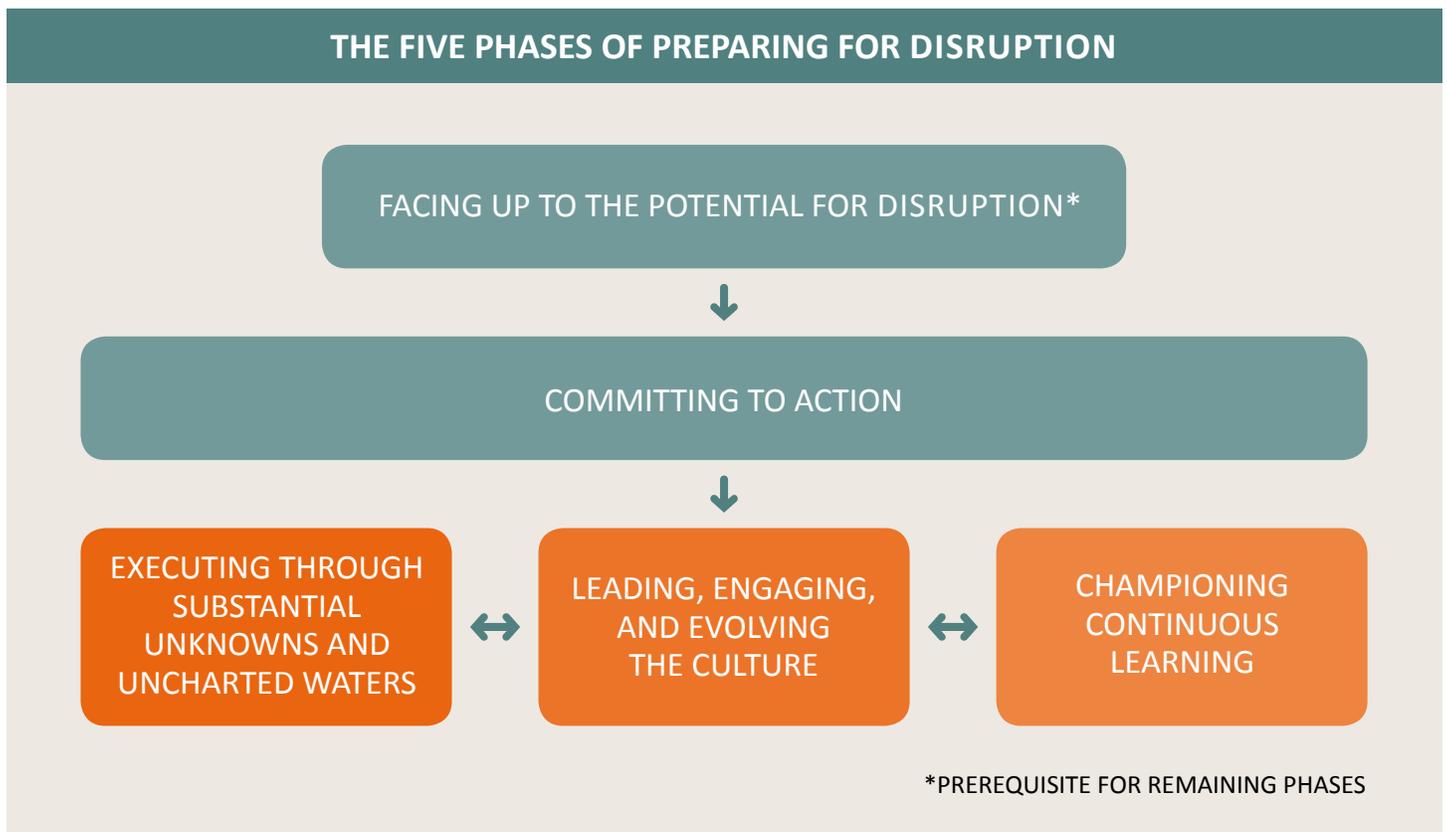
To help formulate these questions, we draw upon our recent research on the mindsets and behaviors of what we call, “the Disruptor Innovator Profile®.”³ This Profile addresses how legacy companies can identify the potential disruptor orientations among people already working for them. Building upon what we identified as the essential Disruptor Innovator behaviors and the underlying beliefs driving them, we have now developed key accompanying questions leaders can ask themselves to determine if they are truly driving an agenda that is disruptive.

How to Use the “Leadership Quiz”

First, as you scroll through the Leadership Quiz, be mindful not to fall into one of the traps we identify in *The Case for the Humble Incumbent: Preparing Legacy Organizations for Disruption*, where leaders will sometimes contort something they are doing into what they deem a “disruptive/innovative initiative.” Non-transformational change initiatives, incremental improvement approaches, and customer intimacy practices are important to running and growing the business, but they are **not** part of a disruptor agenda.

leverage disruption for growth and dealing with Phases Three, Four, and Five can still use the questions in Phases One and Two to make sure they stay on track and have not left themselves open to vulnerability.

Third, even if an organization is already grappling with Phases Three, Four, and Five, should all senior executives be checking “strongly agree” for of the questions below? Should they aspire to? We don’t think so. Just as “disruptor innovator” employees will excel at some but not all of the behaviors, so too will any given executive be drawn to some but not all of the activities below. The keys to success



Second, how many of the questions you can answer will also depend on how far along in the five phases your organization is. In some companies, especially those in industries that have not yet been hit hard by disruption, leaders may only be able to address questions aligned with Phases One and Two. For them, the questions aligned with the remaining phases provide a valuable guide path. Conversely, leaders in companies deeper into trying to

are twofold: First, as indicated above, can you *truly* say that you are engaging in these activities? Second, if the answer is “yes,” and is also “yes” among others on your executive team, then between all of you, are you covering the range of activities, or are some missing? On the best senior teams we work with in companies that are most successful leveraging disruption for growth, the answers to all these questions are “Yes.”

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The Five Phases of Leveraging Disruption for Growth

Phase One:

Facing Up to the Potential for Disruption

Leader Quiz: A Disruptor's Agenda

- We pay attention to technologies— or the combination of them— that could dramatically undercut our ability to charge current prices, reduce our market, or negatively impact a segment of our business. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
- We actively seek out what customers “on the fringes” of our market are doing with our products and services, as well as monitor start-ups emerging in these arenas. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
- We track socio-economic, and political developments that could draw our industry or company into the middle of cultural, electoral, or social media battles which result in campaigns against buying our products or services or force us to have to “take a side.” **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
- We challenge our core business model assumptions within our leadership team discussions. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
- We encourage the challenging of core business model assumptions within other leadership levels. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
- We regularly ask what might happen if some of these fundamentals were no longer true. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

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Leader Quiz: A Disruptor's Agenda

Phase Two:

Committing to Action

- We focus relentlessly on increasing our organization's ability to move faster. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We push for ways to conduct core processes at 1/2 or 1/3 of the time it now takes. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We constantly push to eliminate or reduce things that slow us down. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We resist the temptation to turn new, "radical" ideas into incremental improvements for our legacy businesses so we can meet targets. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We try to increase our organization's ability to access new ideas from outside our "four walls." **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We try to help our organization access substantially more ideas and engagement from our own employees. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We encourage our organization to get new ideas into play in the market as quickly as possible via using a Minimum Viable Product strategy, to gain speed and relevance. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

- We engage some customers in co-creation to gain speed and relevance in the market. **Provide an example:**
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree

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Phase Three:

Executing Through Substantial Unknowns and Uncharted Water

Leader Quiz: A Disruptor's Agenda

- We stake out the “boldest” options under discussion.
Provide an example:
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We consistently push for speed, vs. certainty or predictability.
Provide an example:
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We advocate for our organization to push itself to “go further.”
Provide an example:
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We actively seek the learning out of things that don't go as well as expected, or that fall flat. **Provide an example:**
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We are aware that our company may have to cannibalize some of its legacy business in order to go for growth in new arenas, and make others aware of the same. **Provide an example:**
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We push ourselves and support others in our teams to reach for breakthrough levels of outcomes or goals that would require radically new ways of thinking to achieve them. **Provide an example:**
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We model bold targets that require us to release old, limiting beliefs.
Provide an example:
 Strongly Agree
 Agree
 Disagree
 Strongly Disagree

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The Five Phases of Leveraging Disruption for Growth

Leader Quiz: A Disruptor's Agenda

Phase Four:

Leading, Engaging, and Evolving the Culture

- We engage in observing and listening deeply from a place of empathy to our customers as they engage with our product or service. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We focus on understanding the points of friction our customers experience when they interact with us and with our products and services. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We try to inspire the organization with stories of leaders and teams going from impossible to possible, and to encourage tenacity in the face of doubt. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree

Phase Five:

Championing Continuous Learning

- We are actively learning about things in at least 6 topics outside our industry. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We engage in 2-3 initiatives to learn more about ourselves as people, partners, parents, colleagues, or leaders, and we share insights from such initiatives with others, and support them to do the same. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We actively practice the art of inquiry, not just asking more questions, but asking more powerful questions that open up dialogues to new insights. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree
- We actively practice deep listening, especially to customers and employees, and listen beyond what we know for what the emotional tone of the conversation is and for what is seeking to emerge from the future. **Provide an example:**

Strongly Agree
 Agree
 Disagree
 Strongly Disagree

¹Kinsinger, Del Carpio, Walch and Schotter, *The Case for the Humble Incumbent: Preparing for Disruption in Legacy Organizations*, July 2107, all rights reserved.

²See, for example, Bughin, Catlin, Hirt, and Willmott, *Why Digital Strategies Fail*, McKinsey Quarterly, January 2018

³Kinsinger, Walch, and Del Carpio, *A Disruptor Innovator Profile@: Spotting the Disruptors in Your Midst*, July 2018, all rights reserved.



What Does True Disruptive Impact Look Like ?

There have been several well-known examples of companies that have achieved the status of a “disruptor” in the market, and, of course, the phenomenon of disruption is not limited to the digital age. Throughout history, there have been many celebrated examples of radically innovative breakthroughs where new industries were born, and existing ones sidelined or even rendered obsolete.

Still, in today’s fast-moving economy, it’s fair to ask, “what does true disruptive impact look like?” Much depends on the pace of change in a given industry, but here are three guiderails for achieving a disruptive impact on a marketplace:

- Have you been able to launch 10X initiatives into the market? 10X refers to the rate of increase and is generally

accepted as a yard marker for creating a disruptive impact. For example, is your latest product ten times faster, better, or more effective than what’s defined the market in the past? Have you been able to cut costs, or production time, or return rates by ten times?

- Has what you have launched into the marketplace effectively “frozen” your competition, in that they cannot readily approximate what you have done and launch their own versions within a market cycle, thus giving you a significant market clear-out?

- Are you altering customer behavior as a result of your latest move, so much so that you are commanding much greater loyalty and a clear price premium that your competitors are struggling to match, even with the same quality?

OVERVIEW

This white paper is part of a new series focused on navigating through the Era of Disruption and the Dawn of Exponential Times. The aim is to illuminate the opportunities available in this extraordinary era and to clarify the unprecedented transformations needed at the organizational, leadership and individual level in order to meet the challenges at hand and leverage them for growth. Papers in this series include:

1. What Got You Here Will Leave You Here – Explore how this Era of Disruption is dramatically different than living in a “VUCA” world – where volatility, uncertainty, complexity and ambiguity reign. The dawn of exponential times promises to deliver 10x and higher benefit only if we can reinvent our organizations and ourselves for new ways of leading, thinking, and relating. (June, 2016)

2. How Can We Develop Leaders for Exponential Times?
The ways we have developed leaders in the past will no longer be enough to face the unprecedented challenges inherent in this era of disruption. Not only must the leadership skills for this era be reimagined—we must also reinvent how we develop leaders for exponential times. (September, 2016)

3. The Key to Conscious Reinvention for Exponential Times – We are at a stage of human evolution that demands elevated levels of thinking and collective reinvention to thrive in the face of constant disruption. As individual leaders, we must slow down to unearth personal beliefs that hinder rapid transformation and then accelerate new practices to move exponentially forward. This will require identifying key accelerator beliefs and practices that each of us can utilize to advance our thinking and development. (December, 2016)

4. The Case for the Humble Incumbent – Many incumbent companies in industries that predate the digital era will fail to make the transition through disruption and into the exponential era, and many factors will contribute to determining that. Our experience is that those that we call “Humble Incumbents”—organizations fundamentally infused with, and built around, humility—will have the strongest base to work from. This paper shares the results of our research with senior leaders of global organizations across several legacy industries that are being confronted with the challenges and opportunities posed by disruption and reveals key insights and winning practices of those who are mastering the journey. (July, 2017)

5. A Disruptor Innovator Profile®: Spotting the “Disruptors” in Your Midst – Leaders in legacy organizations often believe they must look outside for the kind of talent that can spark and lead disruptive initiatives. We agree, but we also think they should not overlook the latent talent that might already exist inside their organizations as well. The key question is, “how do we identify potential disruptors within our own workforce?” This paper outlines nine key behaviors of what we call “disruptor innovators®”—employees who could be harnessed to help accelerate the process of leveraging disruption for growth. (July, 2018)

6. Are You Truly Driving an Agenda that is Disruptive? As we work with executives in legacy organizations trying to leverage disruption for growth, questions that often comes up include: “Am I actually leading from a disruptor innovator perspective?” “How do I really know if I am driving an agenda that is truly disruptive?” This paper identifies several guiderails leaders can use to help them, or others in their organizations, to better gauge if they are thinking from a disruptor perspective or driving a disruptor agenda. (October, 2018)

7. What is Exponential Leadership? While many organizations have been focusing on developing greater adaptability and agility in leaders in the face of increasing turbulence, our experience is that this approach does not go far enough. Disruption and exponential times are already demanding more extreme tolerances in leading, so as companies disrupt and reinvent their business models, so too must leaders reinvent themselves. (coming soon)



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