

World Business Forum

October 5-6, 2011

Javits Center North - New York City - www.wbfny.com

MANAGING
TEAMS & TALENT



TRUE LEADERSHIP
& PURPOSE



MANAGEMENT
INNOVATION

THE NEW
ECONOMIC ORDER

GLOBAL
LEADERSHIP CHALLENGES

MEGATRENDS

World Business Forum 2011

INSPIRING LEADERS

The 2011 World Business Forum put the possibilities of change firmly in the hands of the over 4,000 global business leaders who attended. They heard how visionaries from a wide field of management disciplines define the process and commitments required to realize the potential for raising organizational performance in a time of lingering economic uncertainty.

From managing teams and talent and tackling global leadership challenges to spurring management innovation to unleash the true creative potential of your enterprise, a world-class slate of speakers inspired an exemplary audience to experiment, to fail, to learn and to grow during this extraordinary event at the Javits Center in New York City on October 5th and 6th.

Management guru Peter Drucker once observed, "The leader of the past was a person who knew how to tell. The leader of the future will be a person who knows how to ask." The spirit of inquiry into increasingly complicated global challenges does indeed call business leaders to a higher task, and individually, to a higher calling.

The challenges of an increasingly interconnected world economy are many, but for those enterprising leaders willing to challenge conventions and assumptions, form their own hypotheses, and explore new intellectual and technological boundaries, the possibilities are indeed endless.

The takeaways from this gathering of management gurus, business innovators and global thinkers were no doubt as numerous and varied as the backgrounds of each of the delegates. The common mandate was a call for all to explore the true potential of their own leadership and to summon the courage to ask new questions, probe the unexplored, hear with new ears and see with a new lens on the world.

These are, after all, the true mandates for business leadership in any economic environment and at any time.



This Executive Summary was prepared by business analysts from [ExecuNet](http://www.execunet.com), the private membership network for senior executives (www.execunet.com). Since 1988, ExecuNet has helped more than one-half million chief and senior-level executives connect to the peers, opportunities and expertise they need to lead successfully. Contributing analysts were: Mark Anderson, Joseph Daniel McCool, Robyn Greenspan, Robert Weber, Margaret Pisani, Anthony Vlahos, Lauryn Franzoni, Megan St. John, and William Flammé, publications editor. We hope this Executive Summary of the discussions during the 2011 World Business Forum will be a useful reference for you and one that you will share with your colleagues.

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Bill George

Rediscovering Authentic Leadership

In his presentation on rediscovering authentic leadership at the 2011 World Business Forum, Bill George (former CEO of Medtronic) tattooed a generation of leaders with the ink of trust-breaker and asserted that we are experiencing the effects of a leadership "lost decade" caused by those who have lost the sense of what they are there to do – whether it be Enron, hundreds of companies taking large accounting adjustments, or the recent Wall Street boomerang.

From his perspective, a whole generation of leaders has gotten caught up in the short-term shareholder value maximization movement and "breached the trust" with their customers, their brands and their people.

So what should you be doing to avoid falling into the trust-breaching trap and to follow your own "True North"?

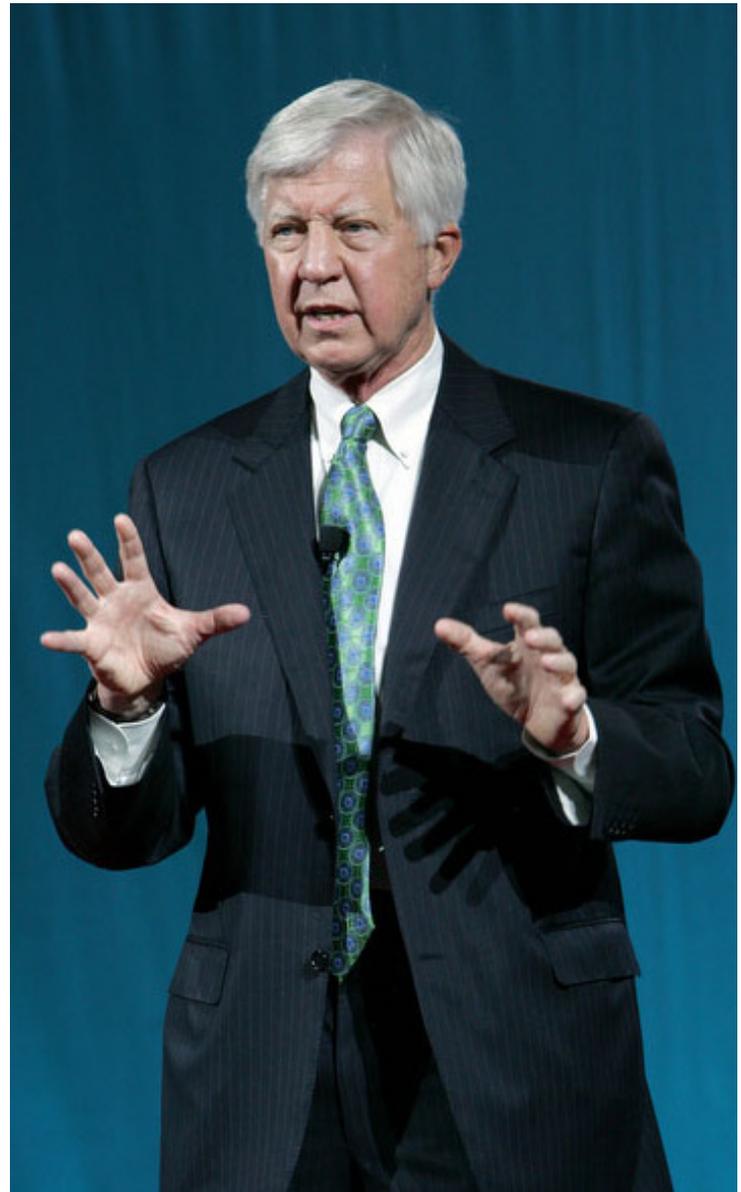
George said to ask yourself these three questions on a regular basis:

1. What's the purpose of my leadership and how will I make positive changes?
2. How will I stay on course for my True North and be authentic?
3. How do I develop myself as a leader and become the best leader I can?

What does one see in an authentic leader? A long-term view is required, not just "playing the game" to make their bonus. As stated by George, this is what needs to be done to regain the trust of all parties and become more transformational leaders, not transactional leaders.

A leader's True North is based on core values, principles and beliefs, not an old school "command and control" style that only releases 30 percent of the potential of the workforce. In the 21st century, people have wide spans of control and need less bureaucracy. As a leader, you need to do four things:

1. Align
2. Empower
3. Serve
4. Collaborate



Everyone has a "crucible" moment in life where they must choose to see events not from the point-of-view of a victim, but as a person who acts to overcome adversity.

Bill George's father wanted him to become a leader. While in school, he tried many times to get elected to class office but failed each time, even moving away from home to start over, learning "wherever you go, you are there" the hard way. A valuable input he derived from this experience was that he was moving so fast to get ahead that he wasn't taking time to help everyone else. In trying so hard to play the game, he'd lost his True North.

Being the smartest is not the main determinant in good leadership. Intelligence alone is not necessarily a differentiator (assuming we are talking about people with IQs over 120), but emotional intelligence (EQ) is a big differentiator.

George suggested that to help you develop your own EQ you need a group. People you trust with whom you can have honest conversations and who will provide feedback, whether it's advisors, friends you trust, or others to help you stay grounded and keep you on track. Great leaders are grounded in who they are and lead an "integrated" life.

Finally, in order to be a transformational leader you need to encourage people to fail. When asked how one creates an environment where people are encouraged to fail in pursuit of their goals, George suggested one should:

1. Empower people to see what they can do.
2. Define the "story" people tell themselves each day.
3. Let people fail in order to learn – it's a good thing. ■



Bill George

Bill George is one of America's most respected contemporary corporate leaders, best known for his time at Medtronic, the world's leading medical technology company. Under his leadership, Medtronic's market capitalization grew from \$1.1 billion to \$60 billion. George's leadership philosophy stems from the belief that the world's best leaders are the ones that have an authentic grasp of who they are and how they want to impact the world.

Currently a Professor of Management at Harvard Business School, George is also a best-selling author, compelling readers to confront their egos and be genuine leaders. His books include True North, Finding Your True North and Authentic Leadership. He proposes a new kind of leadership for the 21st century, one that empowers at all levels of organizations.

Malcolm Gladwell

Outliers: Why Success Can be So Personal

Influential author and columnist Malcolm Gladwell believes risk-taking is at the core of successful leadership. "We want leaders who do that." But, he inquired of the 2011 World Business Forum delegates, do we use the word "risk" correctly and with precision?

He argued that successful leaders and entrepreneurs are those who minimize operational risks but take enormous social risks.

Gladwell gave a number of examples of 20th century leaders and entrepreneurs to illustrate his point. The first example he gave was Professor Emil Freireich, the 20th century hematologist, who undertook a pioneering research project in the 1950s into childhood leukemia, one of the most common causes of death for children under the age of 10 at the time.

During the 1950s, Freireich researched four drugs used to treat patients with leukemia, which at the time did not cure the disease and had serious side effects. He had two insights: first, all four drugs attacked leukemia in different ways. Second, all of the drugs had different side effects with no overlap.

Freireich realized that if all four drugs were administered to the patient at the same time, they might defeat the disease, which wouldn't be the case if given independently. He also realized that if the side effects were dealt with aggressively, the patient could survive.

As a result, in the early 1960s Freireich undertook the first and highly successful combination drug study in the history of leukemia with 12 children. He administered the toxic cocktail to these kids. It worked, and the patients went into remission. We have Freireich to thank for the childhood leukemia survival rate.

Gladwell analyzed the characteristics of Freireich, which set him apart from his peer group and made him so successful. He argued that Freireich could be categorized as "a bi-modal risk taker" – operationally risk averse, but an incredible social risk taker.

He maintained that when you observe effective leaders and entrepreneurs, you see a similar pattern of bi-modal risk taking. He concluded that there are several characteristics that set great leaders and entrepreneurs apart – they work harder, earn less money and are generally much happier in their work. And, they don't really care what the world thinks because they believe what they're doing is the right course.

The social risk is enormous, Gladwell explained, because as humans we're "hardwired" to seek the approval of those around us

and do what everyone else is doing. Great leaders are capable of withstanding the exclusion of their peers. They have a preparedness to put their reputation on the line, whereas the rest of us want to be part of the "in" crowd.

To further illustrate his point, Gladwell told the story of Ingvar Kamprad, the Swedish founder of Ikea. Kamprad had such a conviction that inexpensive, yet stylish, furniture had business potential that when his Swedish supply was pressured by unhappy competitors he established a manufacturing presence in Poland, which was at that time behind the Iron Curtain. He was able to take advantage of lower labor costs, a quarter of those in Sweden. There was no operational risk in that, quite the opposite. But to take that kind of social risk at the height of East-West hostility made him truly great. He put his reputation on the line and continued to build his multi-billion dollar empire.

"It's really easy to be operationally risky and socially risk averse, because we are surrounded by a world that rewards the combination of traits that we don't want," Gladwell said. "What we want to do to encourage great leadership is the opposite." ■

Malcolm Gladwell



Malcolm Gladwell, influential author and columnist, has a literary repertoire as eclectic as his roots. Born to a British mathematician father and Jamaican psychotherapist mother, he grew up in Canada and has a family tree that includes West Indian, Irish and Igbo ancestors. He has developed into one of the most culturally stimulating and thought-provoking modern

American writers. Gladwell's professional journalism career began in 1987 with The Washington Post and in 1996 brought him to The New Yorker, where he has proven to be one of the publication's most followed columnists.

Gladwell's natural curiosity and ability to find the reflexive in the everyday allows him to connect seemingly unrelated events and put them into a cause and effect relationship. Gladwell is engaging in a way that merits reflection because he tells the stories we have heard before, but from a perspective that intersects and connects multiple ideas. Some of his published books include The Tipping Point (2000), Blink (2005), Outliers (2008), and What the Dog Saw: And Other Adventures (2009).

Tal Ben-Shahar

Positive Leadership: Why Happiness is Good for Business

Tal Ben-Shahar says the key to happiness is to focus on what works. Sounds easy, right? But if that's the case, why do we spend so much time trying to fix what's wrong? Most business leaders are "problem-solvers," and we have a natural tendency to identify a problem or obstacle, and then analyze the causes or what has gone wrong. But if we balance the scales between what is going well, in addition to what is not, we have a much better chance to inspire and motivate our teams toward achieving success.

lens of focus, causing us to miss almost everything else happening around us. Ben-Shahar gave the 2011 World Business Forum attendees a great example by showing a slide of various images and asking, "How many geometric shapes do you see?" The slide had pictures of a clock, a school bus and many random shapes. When the slide was removed and Ben-Shahar asked what time was shown on the clock and how many children were on the school bus, most of the audience could not answer.



The process starts with reframing our perspective by asking the right questions. Ben-Shahar referred to Peter Drucker who said that it's much more common to make a mistake by putting too much emphasis on finding the right answer, instead of on asking the right question. Questions create reality by defining reality. For example, when we focus only on answering a specific question, we are only looking for answers to that specific question. That narrows our

They were only focused on answering his initial question and missed the rest of that "reality."

Positive psychology, or the science of well-being, began in the 1980s. Studies were done of impoverished children and their inability to learn. Much of the focus had been on their environment and other causes of failure. Some researchers reframed the focus by asking

the question, "What makes some succeed despite unfavorable circumstances?" By doing this, they were able to identify the secrets of success and focus on their strengths, rather than their disadvantages. They found what ordinary characteristics led to extraordinary results: those who succeeded set future goals, had an optimistic outlook, and had identified role models. The focus shifted from their liabilities to their assets.

It's important to remember that we can't ignore the challenges and obstacles that impede success. But if we focus solely on the negative, then we miss a world of potential. We need to look for solutions outside the scope of the negative reality. Counting our blessings strengthens health and happiness. "Appreciate the good, and the good appreciates," Ben-Shahar said. We start to notice even more positives when our focus is shifted toward them.

Our experience of the world is heavily influenced by what gets our attention. By asking questions about what's going well and widening our focus to reframe reality to include the positive aspects of a situation, Ben-Shahar concluded. "Just imagine what we could create..." in our daily lives, at home or the office, in our communities, and indeed, in the world. ■

Tal Ben-Shahar



A self-proclaimed "recovering perfectionist," Tal Ben-Shahar challenges the common assumption that success leads to happiness. A writer and lecturer, Ben-Shahar takes his own flaws and emotions, and shows that we all share some of the same common obstacles to reaching happiness.

*Tal currently teaches at the Interdisciplinary Center, Herzliya, in Israel. He taught at Harvard on "Positive Psychology" and on "The Psychology of Leadership" — with a total of over 1,400 students. Tal consults and lectures around the world to executives in multinational corporations, the general public and at-risk populations. Topics include leadership, education, ethics, happiness, self-esteem, resilience, goal setting, and mindfulness. He is the author of the international best sellers *Happier* and *Being Happy*, which have been translated into 25 languages. An avid sportsman, Tal won the US Intercollegiate and Israeli National squash championships. He obtained his PhD in Organizational Behavior and BA in Philosophy and Psychology from Harvard.*

Angela Ahrendts

Leading Creativity-Driven Business: A Case Study

How to take a company whose origins were in trench coats and military wear and transform it into a global luxury brand? Further, how does a 155 year-old brand re-energize itself for the youth market?

Those were the challenges Angela Ahrendts faced when she joined the "underperforming brand" as CEO of Burberry five years ago. The luxury sector was booming, forcing us to change, she acknowledged.

Ahrendts pointed out one in 13 people in the world have a smart device, never more than 10 inches away from them, serving as direction for Burberry's core principle: "Burberry is a young, old company, and it's the job of this generation to make it relevant for another 150 years."

To achieve that end, Ahrendts said, you have to lead a creative business with the right people. "I'm in the human business. It's my job to put the right people in the right place at the right time, and if we do, we win."



"We had to create a modern brand, carve out our white space and rediscover our authentic core," said Ahrendts. There was a digital tsunami underway, and Burberry had to ride the wave using creative, design thinking and embrace social media as their greatest differentiator.

"We saw an opportunity to go younger and focus on Millennials," said Ahrendts, which would take the company from travel coats for the military and outwear for ordinary people to "democratic luxury positioning."

One of the big shifts Ahrendts made at Burberry was to develop a Chief Creative Officer. Christopher Bailey became the brand visionary, with a "laser point-of-view" for the brand. Typically, his responsibilities would be split among different departments, but Ahrendts felt it was important to have "one person intensely focused on the holistic brand vision," and today, every global brand needs a CCO.

Equally important is the Chief Technology Officer who was usually seated at the back of the bus. "Now, he is in the driver's seat and

key partner to the CCO. The CCO is the vision, but the CTO has to get the vision out to people worldwide. It's an unconventional relationship."

Other examples of unconventional relationships lie in the senior management team: 70 percent of Burberry's corporate executives are under age 30, and are who Ahrendts called "the next generation of new thinkers who make up the Strategic Innovation Council." Chaired by the CCO, they are charged to dream and are excited to try and test new ideas.

Alongside is the Senior Executive Council, who are roughly 50 year-old seasoned professionals, led by Ahrendts. Their mission is to implement the young vision. "We've flipped traditional hierarchy."

Also added to Burberry's organizational chart: a Social Media Director, Mobile Director and Customer Insights Department, which Ahrendts called "the new norm to keep pace with the way the world is changing."

The company aligns on a singular mantra: Put the brand first. "It's not what's best for you, or best for your division, or best for the region – it's what's best for the brand," Ahrendts reinforced. "Don't do it for me, or Christopher Bailey, do what's best for the brand." She said this universal mission removes self from the equation, neutralizes egos and elevates the brand to higher purpose where everyone can contribute.

Intuition, Ahrendts added, is a key component of Burberry's success, and they "respect it, trust it, hire for it, and retain creative people because of it."

"We are a big publicly listed company, so we confirm our strategies with facts but always lead with intuition. You can't prove something you haven't tried before will be successful but we have to enable and empower intuition."

The social revolution is a key driver behind the company's strategies, with Ahrendts noting that half their workforce is constantly connected and "always on." The demographics of their workforce and customer base inspired Burberry to launch a new fragrance on Facebook and reach nearly one billion fans.

The key challenge is staying more closely connected with what's happening outside of companies. "Social media is booming. It's the universal language of the culture. It's fast and scary and forces another level of integrity and transparency. It can put people in government offices and take them down. It can do the same for companies." ■

Angela Ahrendts



Born and raised in Indiana, Angela Ahrendts aspired at a young age to be involved in the fashion world. Combining this vocation with a natural talent for leadership, in 2006 she became chief executive officer of Burberry and has since overseen a strategy that has built on Burberry's unique British legacy.

Her strategy has sought to put innovation at the heart of the brand's future, creating a strong foundation from which to drive continued global expansion. Under Angela's leadership, Burberry has seen annual revenues increase by more than 60 percent, and is now widely regarded as one of the leading British brands in the world.

In 2008, with Burberry Chief Creative Officer Christopher Bailey, Angela established the Burberry Foundation, a charitable organization dedicated to helping young people realize their dreams and potential by the power of their creativity. In 2010 alone she was listed in Forbes' 100 Most Powerful Women in the World, Fortune's Businesspeople of the Year and Financial Times' Top 20 Women in World Business.

Gary Burnison

Leadership Lessons for the Journey

When you reflect back on one's life well-lived, it's usually full of fond memories, laughter, joy and a real sense of loss over how the individual changed your life. But the true essence of leadership, and of any special leader's life and career, resides in the multitude of ways he or she influenced the lives of others for the better.

That's how Gary Burnison, CEO of leadership consulting firm Korn/Ferry International, opened a truly introspective set of remarks to this year's World Business Forum delegates. Leadership should always be grounded in helping the other person, and making a transformational impact on any enterprise requires large amounts of authenticity and inspiration to generate followership. It's only with the commitment of others that leaders can get their organization, and themselves, to the top of the mountain.

The best leaders, Burnison said, learn early on that they can't do it alone. That is, after all, why effective leadership is the real divider between companies and workforces that reach their full potential and all the rest.

The defining quality of a leader in today's business world, Burnison offered, is their capacity to define a common purpose, to explain how others fit into corporate strategy, to outline what they can do to make a difference, and then to empower them to achieve the dream.

A recent survey conducted jointly by HSM and Korn/Ferry

International revealed that the biggest performance motivator for executives is not the money or potential financial gain. Rather, they reported that far more important to them is their sense of where they stand on these two important questions: "Why do I matter?" and "How do I fit in?"



That's remarkable, Burnison said, particularly at a time when the pressures on executive leaders continue to mount. But business executives are being far more contemplative when it comes to their own standing in and contribution to business success and how they can influence others to achieve it.

One model of this kind of other-centered leadership, Burnison said, comes from the high school gridiron and in the form of legendary football coach John McKissick, whose recipe for leadership is actually quite simple. "You see," Burnison shared, "Coach doesn't coach football; he coaches kids." And there are some very powerful parallels to the business world.

What if more chief executive officers came to the realization that they don't run a company, but rather, they coach people? At the end of the day, Burnison said, business leaders are in the people business. Leadership, therefore, doesn't

translate only to charisma or authenticity or any other individual attribute – but rather, to helping people make decisions and apply their talents in ways that elevate business results.

"People make businesses," Burnison said; and business leaders should see their role as painting the horizon, telling people how they can uniquely contribute to team success, and leading by example. In the meantime, as you grow your business, don't lose sight of the here and now. "Never forget today," Burnison said, "because it defines where you go tomorrow." ■

Gary Burnison



Gary D. Burnison is Chief Executive Officer of Korn/Ferry International, the worldwide leader in executive recruitment and a premier provider of talent management solutions, assisting global organizations to achieve extraordinary outcomes through talent. Korn/Ferry employs more than 2,500 people in 40 countries. He is also a member of the firm's Board of Directors.

Burnison is the author of The New York Times bestseller No Fear of Failure: Real Stories of How Leaders Deal with Risk and Change – a book offering insightful conversations with some of the world's top leaders in business, politics, education and philanthropy. He is also a regular contributor to CNBC, CNN, Fox Business and other international news outlets.

Benjamin Zander

The Art of Possibility

Ben Zander is an acclaimed musician and is the conductor of the Boston Philharmonic Orchestra. He also wrote *The Art of Possibility* and brought both his vision and inspiration to the 2011 World Business Forum.

His message – that possibilities exist and can be taken advantage of, but you need a new language and a new viewpoint – is one that challenges current management approaches and assumptions. He called them the current "downward spiral" and "the language of wealth, blame, fault, and power."

The new world is the most exciting in human history. To take advantage of it you have to get away from the language of the downward spiral and the habit of constantly comparing and measuring. A voice in the mind drowns out the "music" of possibilities and prevents organizations and people from taking the risks necessary to radically expand their opportunities.

The secrets to success:

1. Visualize your role as a leader, not as the central figure of control, but getting players to explore the possibilities. When you make a mistake, or others do, respond with "How fascinating!" and don't place blame.
2. Opportunities always lie in reframing the question and examining the assumptions you and your teammates are taking for granted and don't realize you are making. Anyone in the organization can identify and challenge assumptions, so get started today and engage in the exploration.
3. You'll never live a full life complaining. Today's reality often seems fixed with strong competition and grim goals. Take the perspective of "what if" and "what's next" and never lose sight of the broader vision.
4. Distinguish the "downward spiral" from "radiating possibilities," reliably and consistently. When things are defined as WIN/LOSE you constrain possibilities.
5. The secret to life is "all is invented" and "all is in the perception and framed in your perspective."
6. Remember Rule #6 (when others are overcome by problems): "Don't take yourself so seriously." Essentially, turn everything to a positive and never complain, and you will stay closer to the track that will open possibilities. Tension never releases possibilities.

His own experience demonstrates what you can do. In re-imagining the interpersonal relationships and drive toward success that will lead to possibilities, he announces at the beginning of every music class he leads that everyone will get an A in his course. The requirement: write a description of what being an A student would mean to your playing ability; what you would have to become; what you could be. By the students imagining the possibilities, they are bought into a new process; they open opportunities and they take focus away from the fixed tension on getting a "good" grade. It is also a recognized fact of interpersonal relationships that it is only when you give someone an A that you can tell them the TRUTH. His approach consistently produces personal expansion and results.

You'll know when you have achieved something great in your team when you see "their shining eyes" – a term Zander equates to exhibiting their passion and excitement.

His constant refrain: "Look at life as an inquiry and ask the right questions, and the possibilities will emerge. Possibilities are only one sentence away and a vibrant authentic community driving toward possibilities will unleash the energy and creativity you need for success." ■

Benjamin Zander



Conductor of the Boston Philharmonic Orchestra since 1979, Ben Zander is more than just an acclaimed musician and director; he has the gift to inspire. He grew up with a classical music education, his talent recognized at a young age and nurtured by some of the best mentors in Europe (including Benjamin Britten and Gaspar Cassadó). His recordings of Mahler's 9th Symphony and Bruckner's 5th Symphony (with the London Philharmonia) were even nominated for a Grammy Award.

Zander demonstrates that a conductor does not only direct orchestras, but with the right ear can conduct through words and actions. Ben Zander is a conductor, teacher, orator, and most importantly, a humanist who has the rare gift of connecting, advising, and inspiring those around him.

Marina Gorbis

Toward a Human-Centered Future

"As a futurist, being an immigrant from the Ukraine is an asset," said Marina Gorbis, executive director of the Institute for the Future. She feels that immigrants always are forced to adjust to new environments and see things in different ways. The future is often a "foreign land" and new perspectives are often needed.



In 2010, we became an urban species with more than 50 percent of the world's population living in cities. As a result, we will be "social structuring" in an urban environment and in the information community. Large networks are democratizing expert opinion and creating value and enabling "micro" contributions.

Some examples she cited are:

- **BioCurious:** An online community and budding biotech hacker space/community lab in which all levels of biological engineers can come together to learn and share ideas.
- **Genomera:** A crowd-sourcing health discovery organization which helps anyone create group health studies and even organize and conduct clinical trials by bringing together people online.

Community organizing is replacing management and activating communities to come together to do great things. Value is about doing something for the community and not necessarily for money. This future trend is changing the landscape – right before your eyes. ■

In her view, the 40-year investment in technology infrastructure and the expanding information age have transformed and stimulated the transition from centralized management to decentralized management and now is leading us to distributed management decision making – a path that will really change our lives.

Signals of this change abound:

1. A grassroots movement of startups and citizen hackers is leading to the democratization of technology and information.
2. With the growth of smartphones, computing no longer means being chained to the desktop.
3. Open source technology is opening new horizons to control life. Now there are even apps available to tweet you that your plants need water.

Marina Gorbis



Marina Gorbis is at the forefront of researching and understanding the psychological and behavioral implications of the modern digital world on both an organizational and individual level. From growing up in a three room, crowded apartment in Odessa, Ukraine to working in Silicon Valley, her voyage from "Odessa to the Future" (the same name of her blog) is an inspirational one.

Currently, she is the executive director of the Institute for the Future (ITF). Gorbis believes adamantly in a global perspective, and has led international development projects in China, Japan, Vietnam, India and Eastern Europe as well as initiated the Global Ethnographic Network within ITF, a multi-year ethnographic research program to be integrated into the organization's forecasts.

Michael Liebreich *Clean Energy*

The global megatrend toward clean energy is a "revolution in slow motion," said Michael Liebreich, head of Bloomberg New Energy Finance, a provider of information and research to senior investors,

executives and policymakers in clean energy and the carbon markets. It will cost trillions of dollars, take decades to implement, and will be funded largely by private capital, he added.



Liebreich's message was one of three presentations at the 2011 World Business Forum that focused on several key future trends, including the urbanization of the world, and the localized, even individualized distribution of everything from data to energy to water, shifting supply to fill a need almost instantaneously, anywhere.

It's clear that the world needs to continue to develop sources of renewable energy in the face of limited supplies of fossil fuels and the attendant volatile markets. But in the last 18 months, there have been several dramatic events that emphasize our need to invest in developing clean energy sources.

The first was the explosion of the Deepwater Horizon oil rig in the US Gulf, underscoring the hazards and sometimes catastrophic consequences associated with deepwater drilling. The Arab Spring highlighted our dependency on foreign sources for oil, and heightens questions and concerns about the security and availability of supply. In Japan, we saw a nuclear crisis unfold in the wake of a devastating earthquake and tsunami, reiterating the vulnerability of nuclear power.

These events have re-priced risk in the energy arena. Recently, investments in clean energy have accelerated and currently are almost equal to the amount invested in fossil fuels.

There are three major trends powering investment in clean energy, Liebreich said:

1. **Cost reductions:** Clean energy is now less expensive, even without subsidies, than the cost of fossil fuels, and the savings are accelerating.
2. **Widespread electrification:** In keeping with the trend toward individualized distribution, power sources are now globally available.

3. **Asian investment:** Asia has made huge investments in clean energy. China alone has already invested more than twice as much as the United States.

Liebreich's last point illustrates an important change in the United States.

Once a major producer, and even exporter, of energy, the US has become a "price-taker" or importer of energy. It is yet to be determined whether this trend will be reversed in the worldwide pursuit of energy that is clean, distributed and secure. ■

Michael Liebreich



Michael Liebreich is the head of Bloomberg New Energy Finance, the leading provider of information and research to senior investors, executives and policy-makers in clean energy and the carbon markets. Bloomberg New Energy Finance has over 140 staff working out of 11 offices around the world. Liebreich founded the company in 2004 and acted as chairman and chief executive until its acquisition by Bloomberg at the end of 2009.

Liebreich serves as a member of the World Economic Forum's Global Agenda Council on Sustainable Energy and is on the selection committee for the Zayed Future Energy Prize. Prior to founding New Energy Finance, he was an entrepreneur, venture capitalist (with Groupe Arnault), and executive, helping to build around 25 successful companies. In the 1990s he acted as deputy managing director of Associated Press Television, founding director of Sports News Television and non-executive director of Interactive Investor. He also spent five years in the London office of McKinsey & Company. He is a two-time finalist in the Ernst & Young Entrepreneur of the Year Awards.

Anthony Townsend *Smart Cities*

Should we crowdsource the evolution of our cities?

Much of the future evolution of our cities will be determined by data. More data is available today regarding various aspects of our cities, how we use municipal services, what needs are being met and not, by humans and technologies that may not have been extant just a few years ago. Managing and planning for the city of the future (and how to maximize the utilization of the cities we live in today) is clearly more and more about tapping into data feeds and making sense of it all.

In his remarks at the 2011 World Business Forum, Anthony Townsend, director of technology development for the Institute for the Future (ITF) in Palo Alto, Calif., stated that there is a "battle over the plan for the evolving 'smart city.'"

According to the information Townsend presented, at the beginning of the 20th century only 13 percent of us lived in cities – now it's 50 percent. By 2100, 90 percent of us will be living in cities, doubling the current urban population.

The rate of growth in cities is mind boggling, particularly in places like China. Townsend stated, "By the end of the century we will have built all the cities we need for the next 200 years."

Technology is playing an even more important role. Townsend projected that by 2020, 50 billion "things" will be connected to the Internet, some personal devices, some government. Just today, data is collected in massive quantities from such sources as: traffic sensors, tallies of tons of garbage, gallons of water and sewage, population counts, weather data, KWHs of energy consumption, rail passenger counts, number of airplane flights and routes, and air quality data.

Technology is being democratized. As the price continues to drop, smartphones have become ubiquitous, allowing one to input and access all kinds of information. "Apps" invented by grassroots "hackers" are available to do just about anything.

Companies such as IBM, Siemens and others are in the race to utilize data from millions of sensors and help us devise the smarter city, or even the smarter planet.

Who should be able to collect this data? One environmentally minded group in Paris created 100 ozone monitoring watches and in just a few days had more collected granular data on the ozone footprint in that city than the government had collected in several years.

Townsend asserted that major leaps forward will happen as government empowers the grassroots by opening up urban data to everyone. But who should have access? In Portland, the public transit database was made public so it is possible to get real time locations of trains and buses. The result? Already there are more



than 25 different apps helping people find an un-crowded train or getting to the bus stop in time to board – even one letting you know which train cars can accommodate your bicycle. However, one can only imagine what might happen if that data were used with malevolent intent.

It's starting to sound like the decades old technology debate around open standards, or open source, vs. closed standards. Both have pluses and minuses.

Townsend pointed to a major issue that swirls around urban data: there is a fundamental disagreement about what information should be collected.

This issue, Townsend said, raises many questions:

- Who has control of it?
- Who can have access?
- How should it be archived?

This raises the thought-provoking question: as more and more of our cities run on data, who does it really belong to? Will future innovation be limited if that data is only available to municipal agencies or the large corporations they contract with? There can be a real argument be made for: "Data to the people." ■

Anthony Townsend



Anthony Townsend is research director of the Institute for the Future, and an authority on the impact of new technology on cities and public institutions.

His research spans several inter-related topics: mobility and urbanization, innovation systems and innovation strategy, science and technology parks and economic development, and sustainability and telework.

Anthony believes that foresight can play an important role in shaping public policy, and is involved in policy and planning networks throughout the United States, Europe and Asia. He has served as a member of the National Foreign Trade Council's Global Innovation Forum Brain Trust, as well as has served on the mayoral municipal broadband advisory boards in both New York City and San Francisco. He holds a PhD in urban and regional planning from Massachusetts Institute of Technology.

President Bill Clinton

Positive about Interdependent Future

President Bill Clinton is uniquely qualified to offer perspective and potential solutions for bolstering the American economic system.

It's an interdependent world with a lot of inequality, and it's also highly unstable, in the form of organized crime, narco-traffickers, militant Islamic groups, and the financial crisis.



"The modern world is too unequal, too unstable, too unsustainable. It's the job of every thoughtful person to figure out how to live a responsible life and pursue your business career in ways that build up the positive forces and reduce the negative of our interdependence," President Clinton implored.

He called for America to "get back to basics" and look at our assets first. The US is younger than major competitors, with more immigrants, diversity and innovation, but other countries are catching up in every way.

"Be positive about the future. People have been betting against America for more than 200 years and they have all lost money. We always found a way to work together and put our country back in the future business." ■

President Bill Clinton

Founder of The William J. Clinton Foundation

The 42nd President of the United States of America

William Jefferson Clinton was the first Democratic president in six decades to be elected twice – first in 1992 and then in 1996. Under his leadership, the country enjoyed the strongest economy in a generation and the longest economic expansion in U.S. history, including the creation of more than 22 million jobs.

After leaving the White House, President Clinton established the William J. Clinton Foundation with the mission to strengthen the capacity of people in the United States and throughout the world to meet the challenges of global interdependence. Today the Foundation has staff and volunteers around the world working to improve lives through several initiatives, including the Clinton Health Access Initiative (formerly the Clinton HIV/AIDS Initiative) which is helping 4 million people living with HIV/AIDS access lifesaving drugs. Other initiatives -- including the Clinton Climate Initiative, the Clinton Development Initiative, and the Clinton Giustra Sustainable Growth Initiative -- are applying a business-oriented approach worldwide to fight climate change and develop sustainable economic growth in Africa and Latin America. As a project of the Foundation, the Clinton Global Initiative brings together global leaders to devise and implement innovative solutions to some of the world's most pressing issues. In the U.S., the Foundation is working to combat the alarming rise in childhood obesity through the Alliance for a Healthier Generation, and is helping individuals and families succeed and small businesses grow.

In addition his Foundation work, President Clinton has joined with former President George H.W. Bush three times – after the 2004 tsunami in South Asia, Hurricane Katrina in 2005, and Hurricane Ike in 2008 – to help raise money for recovery efforts and served as the U.N. Envoy for Tsunami Recovery.

Building on his longstanding commitment to Haiti as President and through his Foundation, President Clinton was named U.N. Special Envoy for Haiti in 2009 to assist the government and the people of Haiti as they "build back better" after a series of hurricanes battered the country in 2008. Following this year's devastating earthquake, President Clinton dedicated Clinton Foundation resources to help with immediate and long term relief and assistance, and at the request of President Obama, joined with President George W. Bush to establish the Clinton Bush Haiti Fund, which supports highly effective organizations on the ground in long-term rebuilding efforts. Additionally, President Clinton serves as co-chair of the Interim Haiti Recovery Commission with Prime Minister Bellerive.

President Clinton was born on August 19, 1946, in Hope, Arkansas. He and his wife Secretary Hillary Rodham Clinton have one daughter, Chelsea, and live in Chappaqua, New York.

Patrick Lencioni

The Unwavering Truths and the Heart of Great Teams

"Teamwork is a choice," management consultant Patrick Lencioni told delegates at the 2011 World Business Forum. It's a powerful choice, one that is rooted in the team's ability to solve conflicts and act swiftly.

"All conflict can work (even with deep set cultural differences) as long as you know your people are speaking up and don't hold back, no matter what it looks like. People who don't commit to conflict don't make decisions; if they don't weigh in, they don't buy in."



"All teams are potentially dysfunctional," said the author of the global best-seller, *The Five Dysfunctions of a Team*, largely because all teams are comprised of fallible, imperfect human beings. And to work well together, those individuals must share an awareness of themselves and each other.

"Teamwork requires predictive trust and vulnerability," Lencioni said. Predictive trust means predictability of behavior – I know that you will do what you say you will do and will likely react the way you normally do, he explained. Vulnerability means everyone on the team feels comfortable admitting errors, asking for help and making apologies. "When people can and will say things like: 'I think I messed this up' or 'Can you help me?' or 'I apologize for...' the team will outperform those who don't."

"Vulnerable people earn trust. Vulnerability is that critical," Lencioni said. "To find people who build trust, we need to hire people who are competent but also vulnerable. We need people who are capable of being completely human."

Another key behavior of a high-performing team is to be able to engage in conflict. "Passionate debate around issues can be uncomfortable, but teams need to be able to engage in constructive debate," Lencioni said.

Calling "consensus" a four-letter word, Lencioni reminded delegates that decisions made too late are "disagreeable to everyone."

When disagreements haven't been aired and teams set about to agreeing to disagree, the results normally derail, Lencioni believes. "Great relationships are based on the ability of people to passionately disagree about things that are important. We need people to do that so that we can make decisions and know that people are bought into it."

Rather than watching your team members passively commit and then deliver poor results, Lencioni reminded, "As leaders, we have to find people who will debate, and disagree. Then we can do our job to break the tie. If they've debated and shared their opinions, we can then say, 'Here's the direction we're going.' Most times, people around the table will support the decision once they know that they had input and were heard."

That support will lead to holding themselves and others accountable. "You want employees to hold one another accountable for what they've agreed to," Lencioni said. "The primary source of accountability on teams is peers – not leaders."

Finally, Lencioni adds, the last key to a superior-functioning team is

to have recruited people who are focused on the collective results. When people will put the results of the team ahead of themselves, you then have what Lencioni said are "humble and hungry people – the people who are more interested in sharing credit rather than getting it and you'll have hungry people who are interested in getting things done." ■

The Six Questions to Ensure Alignment

1. Why do we exist?
2. What are our core values?
3. What business are we in?
4. What is our strategy for succeeding?
5. What is most important right now?
6. Who has to do what?

Answer these questions and tell people the answers repeatedly.

Patrick Lencioni



Patrick Lencioni is a best-selling author, consultant and an expert on how to build winning teams. Concerned with developing what he terms "healthy" organizations, Lencioni uses his past experience at Sybase, Oracle and Bain & Company, as well as a gift in understanding human psychology, to help companies realize their potential through

improving teamwork and leadership. Lencioni is currently president and founder of The Table Group, a management consulting firm that specializes in enabling organizations, and the people within them, to become healthier and ultimately more effective. Some of the agency's clients have been AT&T, Visa, The Make-A-Wish Foundation, Southwest Airlines, and the US Military Academy.

Lencioni believes a great team is the ultimate competitive advantage because it produces a group whose best interest is that of the organization, a culture of core values. Both the operational and behavioral components of a business need to be considered in order to understand how to work together. He argues the universality of teamwork; from marriage to a Fortune 500 company, all teams have to be aware at an individual level first. Lencioni discusses these themes in his fictional, best-selling fables: The Five Dysfunctions of a Team; Silos, Politics and Turf Wars; and Getting Naked.

Tamara Erickson

Managing Across Generations

How can teams align and accomplish goals when individuals approach projects through different filters? "Teams can be so tough, but we don't get to choose and some just drive us crazy," said Tamara Erickson, author of multiple books about generational differences and demographic trend expert. "Some people on our teams react strangely to what seems obvious."

But where do these strange reactions come from? "We all look at the world through a unique lens, and form snap judgments through that lens."

Using the United States as an example, Erickson pointed out there are five generations, each shaped by the events that occurred during their most developmental years – ages 11 through 14.

Those events can be from parent views, religion, or socio-economic status, but there are national and global events that give common perceptions to entire generations who were born during the same span of time.

The "Traditionalists" were born between 1928 and 1945; they saw the end of World War II and the availability of consumer luxuries for the first time. They have a strong need for affiliation, are respectful of positional leadership, and see money as an important measurement of success.

Born between 1946 and 1960, the Boomers experienced a different world – one where protests, conflict, civil rights and women's liberation movements were prevalent. "Accepting hierarchy and leadership 'as is' is not natural for their lens," said Erickson, adding that Boomers wanted to make a difference and have an impact on the world.

Most importantly, she found, this generation grew up during a time where there weren't enough seats for them in classrooms, and many went to school in temporary buildings. "The world has always been too small for Boomers. Not enough spots in class, on sports teams, in first jobs."

Feeling like slowing down will enable someone else to take one of the limited number of seats has driven Boomers to be competitive and see work almost like a constant game of musical chairs where they are always poised to grab that last chair away from someone else.

Whereas Boomers shun hierarchy, Generation X (born 1960 to 1980) doesn't trust institutions. Xers saw their parents become victims of mass corporate layoffs; were from an era when divorce rates rose to

50 percent; and watched the Challenger Space Shuttle blow up live in classrooms while surrounded by their friends.



These three circumstances alone symbolize institutions that failed – sending a message of mistrust to Generation X and making them feel they have to take care of themselves. Additionally, Xers' status as

"latchkey kids" left home alone to care for themselves and younger siblings while both parents worked, reinforced their feelings of independence.

That sense of mistrust causes Xers to always create career options for themselves, providing them a sense of security "just in case." As the generation who grew up playing computer games, it is common for them to want to occasionally "reboot" or start over.

Generation Y, born 1980 to 1995, were imprinted with an exposure to terrorism, in a "random world where things could happen tomorrow." Erickson said this generation does not live in fear, but they are likely to "live fully today" without deferred gratification.

What separates them most from previous generations is that they are the first unconscious users of technology. Erickson gave the example of Boomers making dinner plans by scheduling all the details well in advance by telephone. In contrast, Generation Y would text each other in the moment or post a message on Facebook and "request coordinates and hone in on each other until they happen to meet at the same time and place."

These inherent differences inform our world views – and our work views – equally enhancing and frustrating teamwork. "This is why we work differently in teams and why we should have empathy for the other guy's point-of-view," reminded Erickson. ■

Tamara Erickson



Dealing with generational issues in the workplace and how to most effectively engage different groups, Tamara Erickson helps build and manage successful, innovative organizations. Combining an undergraduate degree in Biological Science from the University of Chicago with an MBA from Harvard, she offers a humane perspective on modern management. She explores the fundamental differences between generations in today's workforce and the specific changes and challenges this presents. Erickson's most recent research, in collaboration with the London Business School, investigates how teams work within multinationals. This work has been recognized as the most extensive academically grounded study of industry-based teamwork ever. Erickson has also co-authored four publications in the Harvard Business Review, and discusses these themes weekly in her blog "Across the Ages" on the Harvard Press site. A McKinsey Award-winning author, she is well-respected for her expertise in collaboration and innovation.

Erickson is presently working with The Concours Group, an international, research-based management consulting and education firm. Additionally, she is a part of the senior management team for Moxie Software (previously nGenera). Her capacity to understand the effects of technology on business helped make the software platform corporation one of the Top 10 Venture Funded Companies in 2010. Her latest book What's Next, Generation X? Keeping Up, Moving Ahead, and Getting the Career You Want was published in 2010.

Seth Godin

Changing the Way Leaders Think

Seth Godin acknowledged from the start that challenging him to talk about management and the future could land him in turbulent waters really quickly.

"I'm not very interested in the future. I'm not so interested in what's next. I'm really interested in what's now. I'm really interested in helping you understand how we got here, how the company that sent you here generated enough wealth to be able to do that, and most importantly, what you should do with the resources that are suddenly available to you."

"So at the heart of what most businesses do, what your business does, is one word: "More." We built a factory, we built an organization, we built a [network] of insurance agents, we built a technology, we've got it rolling. Now, you, Mr. Executive, Mr. Marketer, Ms. Sales Person, go get us more...We need more. More growth, more sales, more noise. More, more and more. And Betty Crocker and mass marketing supported that."

That model worked in a world with a scarcity of choice, Godin said. Today, however, there are thousands of brands calling out to the



"First, there are three ways that corporations generated wealth over the last 100 years. If you don't understand them, and you don't understand where they're going, you're not going to be able to do anything about it," Godin said.

Godin cited Betty Crocker as the fictional poster child for mass marketing because the brand helped General Mills create a business of over \$1 billion. "The lesson was simple. You could build a big company if you just used enough advertising...the more you did that, the more you pushed it...the more money you made."

consumers anytime they walk into the supermarket, or anytime they turn on a television, or anytime they walk into a big box retailer.

But before you can consider how to stand out in an overcrowded market and beat the competition and truly maximize your company's potential, you have to consider how revolutions work. "The music industry used to be perfect," Godin said, holding up a black vinyl record album and inquiring how many of the World Business Forum delegates remember them. "And every revolution destroys the perfect before it enables the impossible." But the

perfect music industry ultimately woke up and realized it wasn't so perfect because the world had changed all around it.

"That's what's going to happen to every industry. Every industry, one at a time, is going to discover that everything that made it perfect isn't so great anymore," Godin said. "And when that happens, when one little piece of the infrastructure dies, the question's got to be, 'What are you going to do about it?'"

The business leaders of the future will address this question by any one of a number of means, but they'll do it by seizing on what Godin described as "the connection economy."

Business growth and brand building will depend on "the value of connection. Connecting to customers, customers connecting to each other and most companies hate this," Godin said. The "connection economy" is what matters now, he added, because "The asset of the future is something I call permission."

What smart companies are figuring out is that when you achieve the privilege – not the right – but the privilege of delivering "anticipated, personal and relevant messages" to people who want to get them, that is the asset you can take to the bank. What's essential for these organizations is finding products for customers, not finding customers for products. ■

Seth Godin



One of the most innovative thinkers in modern marketing, Seth Godin staunchly believes that to succeed in a world overloaded with information and products you must stand out. From business endeavors to book marketing, he practices the same strategies he preaches and has turned himself into his own most successful brand. His excitement rather than fear of the implications of the free, unlimited digital world has allowed him to use creativity to achieve success.

Godin rejects traditional marketing, choosing instead to invent his own strategies that give him an advantage in the digital age. He is in constant contact with his followers through books, articles, blogs and personal projects. A modern entrepreneur, every professional project he undertakes demonstrates his creative vision. He has established two intellectual social networking sites that aim to share information and ideas, ChangeThis (now 800-CEO-READ) and Squidoo. The author of 11 books, his unique marketing strategy is demonstrated in recent publications such as Purple Cow: Transform Your Business by Being Remarkable and Unleashing the IdeaVirus.

Claudio Fernández-Aráoz

Great People Decisions

Claudio Fernández-Aráoz has interviewed thousands of business managers during the course of his 25 years as a partner with Egon Zehnder International, and during that time he has come to an important conclusion: "Nothing is more important for our career success than making great people decisions."

training in this art form, Fernández-Aráoz observed that only about 20 were raised from an audience of over 4,000 attendees.

One of the key barriers, he explained, is that people, much like primitive ancestors, have a tendency to hire people who look like them, share common experiences and backgrounds and who



Fernández-Aráoz, the Buenos Aires-based author of *Great People Decisions*, said the paradox for business leaders is that their own future performance and capacity to reach their potential is inexorably tied to perceptions about how they've attracted, developed, nurtured and inspired greatness in others on their way up the corporate ladder.

Yet why do people decisions seem so hard to master?

For starters, Fernández-Aráoz argued, the craft of making great people decisions is something that most business leaders aren't taught in school. When he surveyed the 2011 World Business Forum audience for a show of hands by those who were given formal

typically convey a sense of fit and harmony with a certain tribe. But this works against many of the stated diversity goals of global organizations and also has the effect of curbing innovation and diversity of thought and new ideas.

What's more, poorly selected interviewers also make snap judgments about people because they've lost their ability to see what's possible since their interviewing experience clouds their capacity to start from a clean slate when engaging with any new job candidate.

Fernández-Aráoz explained that emotional intelligence is a better predictor of management performance than are experience and

intelligence quotient. Particularly considering that judgments and interaction with other people are so critical to career success, it's important to recognize that one's own self-awareness and one's ability to understand how one's behaviors impact other people's behaviors is a critical factor when it comes to predicting future performance.

That is, the more one knows himself or herself and how they engage with and get the best performance from other people on their team, the more they contribute to their own performance and future business success.

Particularly when it comes to assessing talent, Fernández-Aráoz said, it's vital that business leaders refrain from making early or reflex decisions about people. "Making great people decisions is a craft," he said, and it's one that draws on the best of behavioral interviewing, communication and reference-checking. "It is not a gut feel." All too often, business leaders make irrational decisions about people and future leaders based on their emotional connection or false perceptions about candidates, and in the end, that costs their organizations dearly. ■

Claudio Fernández-Aráoz



Claudio Fernández-Aráoz is a top global expert on hiring and promotion decisions, repeatedly chosen by Bloomberg Businessweek as one of the most influential search consultants in the world. A senior adviser of the leading executive search firm EgonZehnder International, he has been a member of its global executive committee for over 10 years, having also globally led the

firm's management appraisal practice, its professional development, and the development of its intellectual capital. A frequent author at Harvard Business Review, his highly acclaimed book, Great People Decisions, has been rapidly adopted by many major organizations and incorporated into the curriculum of several of the world's leading business schools. With a unique global exposure, his advice has been sought by the CEOs of several of the largest companies on earth in the Americas, Asia and Europe, as well as by some of the most progressive civil services and governments in the world.

After 25 years of executive search practice, Fernández-Aráoz is convinced that nothing is more important for our career success than making great people decisions, because everything we achieve as managers will depend on the people we've chosen. In addition, circling the world at least 10 times a year as a consultant and a speaker, meeting thousands of CEOs, senior executives, middle managers, and young professionals, he realized two things: first, the most successful leaders are incredibly focused on people decisions. Second, most of us find these decisions brutally hard, and are quite clueless about the best practices.

Jack Welch: A Dialogue on Management Innovation with Andy Lack, CEO of Bloomberg LP

Q.) What are your thoughts about Management Innovation?

A.) You've gotta be out there on the "lunatic fringe." Let's say you have a quality problem. (Welch role played how he would address his team.)

"Our quality is awful. We've got to put our best people on it." An appointment makes more impact than 100 speeches. Every personnel appointment needs to match the intensity of the issue.

Q.) How do you judge passion in a person?

A.) Passion is measured by the intensity of their questions. Probing, desire to get at the issues and push back at you.

Q.) Anything different today about being a leader?

A.) Everything is faster; there are no secrets; employees have more information. You've got to stand up in an authentic way – gotta be straight...If you're pompous, you haven't got a chance.

Q.) Change Management?

A.) No one talks about it for the employee – does it mean a salary increase? A promotion? Job security? What's in it for them?

Q.) The nature of corporations?

A.) The 2008-2009 financial collapse accentuated the latent animosity toward corporations. Corporations are PEOPLE! They can be depicted as buildings and brands – they are really the sweat and blood of everyone there, not a building. We really work for communities, groups of people. Everyone is family – they are human beings.

Q.) The Jack Welch School of Management – are students coming to you with a different view?

A.) It's an online school. We are training middle managers, 300 MBAs, and it's as intense about people management as you can get. It teaches: hiring, firing, how to motivate, build and lead. It's a big turn-on (vs. a fancy MBA) because it teaches them how to do business, how to build companies.

Q.) What is the most important thing in a career?

A.) Careers are like pinball machines – no plot, a series of bounces. If you have a career plot plan – burn it! You over-deliver, over-perform and it works out. Love where you are, over-deliver, but be ready to move on.

Q.) What about Steve Job's legacy and how he fits in as a great leader?

A.) He clearly was a genius – not only a creative genius, but an execution genius – get it from the idea, out the door, and then he retooled it. From kids in college to their grandmothers, Steve Jobs defined the word "cool." No business leader I've ever seen has defined "cool."

Q.) The economy?

A.) There's a huge difference between how you get output and dollars. Manufacturing output in the US today is higher than it's ever been. Jobs are down, output is not! We're becoming an increasingly efficient country due to technology.

Look at how technology is changing businesses:

1. If you are standing in line at Hertz for a rental car and you're the guy who's in a hurry and late and wants to jump the line – Hertz has a kiosk with a person on the screen.
2. Pricing models today can practically tell them when you're perspiring.
3. Accounts payable: Working capital today in the US is down 15 to 20 percent in the past 24 months because of better technology.

I went down more technology rat holes than anyone else. Every system cost \$100M+, was 18 months late, and everyone in the company hated the results. Today, you might spend \$2M for a big one and be done in two months. After 25 years of promise, technology is delivering and driving productivity.

Q.) What about jobs?

A.) I have a five-pronged approach:

1. Cut discretionary spending
2. Freeze every regulation in the country until we get below 6 percent unemployment
3. Go after entitlements, meaning test Social Security
4. Tax reform
5. Drill! Drill! Drill! – make the US energy efficient; get enormous royalties; and put a lot of people to work on renewable.

Q.) Can you grow without credit as a small business?

A.) I think credit for reasonable risks is available. Problem is we can't take fliers the way we could due to Dodd-Frank and Basle Rules, the cost of reserve requirements...can't take the risk needed for entrepreneurs any more...the idea of a venture capital company having to put more money up to take a risk because of Dodd-Frank is insanity.

Audience Questions:

Q.) What was missing – human capability – why don't we perform even better?

A.) If you think about what's happening since WW2 and vs. emerging markets like India and China, the human spirit around the world is working – not always perfectly. A whole society of 1 billion new consumers has been created – business is the engine that raises all boats in turbulent times.

Q.) Regarding Welch's notorious DYOB [destroy your own business] memo

A.) That was part of the lunatic fringe component of leadership. I saw the Internet coming. There were enormous fights. We brought in the best people...They had to beat their businesses to death, lots of friction.

Q.) Regarding the Internet: I made everyone in the leadership team find an intern and make them their boss [to learn the Internet].

A.) Don't do anything half way – if you believe in something – go for it!

Q.) Instance where you really made a mistake??

A.) I once blew up a factory. I had to go see the boss of my boss, who asked me: "What did you learn?" The Socratic process. I learned through that never to kick anyone when they're down.

And there was Kidder Peabody – I was on an acquisition roll. It was the wrong culture. But it was all about "my bonus." It was a disastrous acquisition – culture counts.

Q.) What advice would you give on a tax code to incentivize companies that would raise boats at the bottom of the scale?

A.) We've got to have policies that create the Steve Jobs of the world. Businesses create jobs – not government! Tax policy is crazy – we shouldn't get taxed twice. It needs to unleash free enterprise. You can't have bureaucrats sitting on people and smothering them.

Q.) About disparity and the poverty line?

A.) The job of government is not to take dollars from you and give to them, but to grow the pie – not transfer payments.

Q.) What recent US president do you like?

A.) I admire George Bush (the first), and Bill Clinton did quite a job when he was there.

Q.) Vision on globalization and what BRICs are doing and growing so fast?

A.) It's great to be in China where you can really do business with a capitalistic country. Like in the post-Vietnam era – selling us low-cost junk. The challenge is brand! China has no brands – gotta get brands to defend against "brandless" countries.

Q.) Where do we go globally?

A.) Gotta deal with Europe. We don't know how big the crisis is. In Europe, the government and financial system are the same. Sovereign debts are part of the EU system. They don't have a machine like the Fed to print the dollars. Fifty-seven percent of Germany's exports are to Euro countries. Europe has to take action. ■

Jack Welch



Jack Welch is the most admired CEO in the world. During his 20 years as Chairman and CEO of General Electric, he transformed the company from a bureaucratic behemoth to a dynamic and revered powerhouse. During his tenure, GE's market value grew from \$13 billion to \$400 billion. In the process, Welch's management innovations made him the most influential CEO of his era.

He has been named Manager of the Century by Fortune magazine and the World's Greatest Leader today in a Fast Company magazine survey. Welch is the author (with John A. Byrne) of the international bestseller JACK: Straight from the Gut, and Winning, written with his wife, Suzy Welch, which provides an intimate glimpse into his life and management concepts.

Gary Hamel *Inventing Management 2.0*

Leading business strategist Gary Hamel, professor at the London Business School and director of the Management Lab, greeted the delegates at the 2011 World Business Forum by contending the world has reached an inflection point when it makes sense to "tear up the 100-year-old playbook we have" on how to mobilize people and other resources in companies because it no longer serves the needs and objectives of global businesses.

Described by *The Wall Street Journal* as the most influential business thinker and by *Fortune Magazine* as the world's leading expert on business strategy, Hamel spoke of a historic shift in bargaining power from producers to consumers. But there is another momentous move underway. It is one that transfers free-market influence from institutions to individuals.

That should come as no surprise, Hamel argued, because "today, large institutions – governments and businesses – are society's least trusted institutions. It represents a significant loss of trust," he added, and "it's certainly not a pretty picture."

The data that reveals that loss of trust isn't only tied to the financial market crises and economic challenges related to individual organizations, but rather, a deeper loss of trust that large institutions actually represent their customers' best interests.

Over the last decade, there has also been a "centralizing tendency" with more power moving to the center in governments and businesses, at least with respect to controlling the financial levers of performance and returns to shareholders. "People who have power generally want more of it. They construct wonderful reasons for getting it. They talk about shared services, harmonization, best practices, economies of

scale – all code words for, 'How do we move power to the center?'"

But against those forces, Hamel explained, are arrayed a whole world of new technologies that are putting more influence and control in the hands of individuals, many of whom would like to take back control over their institutions. So how do you recognize this conflict and how to you manage within it and use information to drive improved performance?



Hamel suggested the World Wide Web at first was used as a tool to inform corporate decision-making. It then evolved to include many tools for involving more people in key idea creation and decision-making, and now has enabled true collaboration. But what's about to happen is far more radical.

Looking ahead, Hamel predicted, the work of managing and the work of leadership is going to get pushed out to the periphery of the organization. In fact, it may indeed invert long-standing hierarchical management structures to concentrate power among the many as opposed to the few – which has proven a risky

proposition for many enterprises.

Hamel pointed to Apple as a modern-day example of an enterprise that has combined the best of "penny-pinching efficiency and continuous, break-the-rules innovation." Apple, he says, is the only example of a company that has reinvented four industries, including the music industry, the mobile phone industry, retailing, and computer manufacturing and mass production.

Drawing on that example, and expounding on his own business experience, Hamel cited transparency, disaggregation, and communities of passion and openness as some of the key signposts of innovative management that will serve the corporate and community good for the long-term.

"If we're going to reinvent management," Hamel said, "we have to start with a different set of principles. You don't have to start big, you don't have to be heroic. You have to be able to experiment right where you are, in small ways." ■

Gary Hamel



According to The Wall Street Journal, Gary Hamel is the world's most influential business thinker. An authority on innovative management, he has proven to be an instrumental force of change in how businesses are run and organizations function. A visiting professor of Strategic and International Management at London Business School since 1983, Hamel is in the process of developing the world's first Management Lab, an agency that connects the leading scholars with the most progressive companies in order to accelerate the adoption of innovative management knowledge and practices.

He has worked as the consultant and management educator for companies as diverse as General Electric, Nokia, Nestle, Shell, IBM and Microsoft. Hamel is author of the progressive books Leading the Revolution, Competing for the Future, and, most recently, The Future of Management.

Martin Feldstein and Robert Rubin

Uncertainty and Confidence: The New Economic Landscape

In a conversation moderated by Alan Murray, deputy managing Editor of *The Wall Street Journal*, Martin Feldstein, a former economic advisor to President Reagan, and Robert Rubin, the former Treasury Secretary for President Clinton, traded perspectives on the current economy.

The President's stimulus is not well-structured to catalyze a major recovery. The most important ingredient is if the housing market can stop the decline in prices.

Rubin: The debt ceiling negotiations really undermined confidence.

The President's stimulus is important now, but fiscal tightening three years out is also very important, as is solving the housing crisis.

Feldstein: Things will change after the next presidential election, as the parties will need to move forward on broad compromises to their current positions. He favors starting with the Simpson Bowles Commission of December 2010.

Rubin: The current state of politics in Washington is in a worse situation than ever before. Previously, there were different viewpoints but still a commitment to govern. I don't

think there will be an improvement after the next election unless the public forces their representatives to address this intransigence.

Feldstein: In the 1980s one could have a conversation: O'Neill, Reagan and Rostenkowski came to agreement, despite having very diverse views. They could find middle ground. In the 1990s, Trent Lott and Bill Clinton passed the balanced budget agreement. It is possible and does not mean the extreme positions of either side need to be brought into the compromise – just an agreement of those in the middle.

The 10-year Economic Outlook for the US

Feldstein: After the election, we can get back to 3 to 4 percent growth as in normal recoveries and have job creation. I am confident that Congress and the new administration will address the problems: tax reform, long-term fiscal health, and the housing market while the Fed controls inflation.

Rubin: The US has major long-term advantages: 1) flexible labor and capital markets, 2) better demographics than other countries, 3) if a sound fiscal regime is put in place and investment in education and



The US Economy

Feldstein: Looks slightly worse than most people think. GDP growth will rise in the second half of this year, but growth will be less next year. The economy is in a "precarious" position and there is an "even" chance that economy will end up in recession next year.

Rubin: There are many headwinds for the economy: Euro zone crisis, state government imbalances and loss of consumer confidence. He is still looking for slow growth and continued uncertainty. He agrees with many economists who don't think there will be a technical double dip next year, and there is potential for improvement long-term. The fact that consumers are deleveraging and companies are re-investing in technology and productivity could lead to greater growth if consumers start to spend.

Whether Washington's Lack of Cooperation is Affecting the Recovery

Feldstein: It is clear that political dysfunction is affecting growth. The two parties are locked into positions and not likely to take actions to really address a full recovery before the next election.

basic R&D are made, the US competitiveness can be restored versus the rest of the world.

Entitlements

Feldstein: It is recognized by most people that the best way to address entitlement is to raise the retirement age for Social Security and for Medicare and to limit amounts for higher income seniors.

Rubin: It may or may not be appropriate to change entitlements once the questions above are addressed.

China

Feldstein: China's recently ratified five-year plan is to shift their economy from export-oriented toward domestic consumer expansion. I think this is good for the US as ultimately their expansion of their domestic markets would bring down the US's trade imbalance with China. Soon China's economy will be as large as the US's, which will impact our Asian relationships. The threat is that they will continue to build their military and unduly influence their neighbors as they have started to do. China's focus on developing domestic consumption is good for us.

Rubin: China is an opportunity. Our problem is getting our house in order. China's government is not monolithic and that is good for us. They are opening up their society, and as the CEO of Coke said, "China is one of the most capitalist countries you will find in the world, despite their communist history."

Whether Income Distribution is a Problem

Feldstein: Poverty is a problem and should be addressed. We need to provide a safety net and assure there is the opportunity to advance out of poverty. Education and transfer payments can support this without chaining the economy and opportunity to any income level.

Rubin: It is a problem. The government's policy role should be to assure we have a vibrant middle class. ■

Martin Feldstein



One of the most influential economists of his generation, Martin Feldstein has advised and affected economic policy for over two decades. The current George F. Baker Professor of Economics at Harvard University, he is well known for his work on the national economy and the public sector. Over the years, Feldstein has served as a director of several public corporations. He was president of the National Bureau of Economic Research, the nation's leading nonprofit economic research organization, for more than three decades and is currently its President Emeritus.

Early in his career, Feldstein's skill and insight catapulted him into the political arena, and his expertise has made him respected across the political spectrum. He was the former chairman of the Council of Economic Advisers and the chief economic advisor to President Ronald Reagan from 1982-1984. He also played an important role in President George W. Bush's administration, serving as a member of the President's Foreign Intelligence Advisory Board. In 2009, he was appointed by President Obama to be a member of the President's Economic Recovery Advisory Board. He is a frequent contributor to The Wall Street Journal and other newspapers.

Robert Rubin



Few people are better qualified than Robert Rubin when it comes to understanding the current state of the global economy. After receiving a law degree from Yale, Rubin began in Goldman Sachs and rose to be member of the board and co-chairman from 1990-1992. His political career was jump-started when he became director of the White House National Economic Council from 1993-1995, and shortly after he was appointed as the US Treasury Secretary under President Clinton. After the Clinton administration, Rubin became chairman of the Local Initiatives Support Corporation, a nonprofit offering nation-wide community support organization to distressed neighborhoods. Post-politics, Rubin spent four years on the executive board of Citigroup.

Transcending political affiliations, Rubin's philosophy in the economic-political arena has been described as always putting policy over politics. These policies have emphasized free trade, deregulation and deficit cutting. Currently, he is working for a boutique investment bank, Centerview Partners, as well as works closely with the Hamilton Project, an economic policy group.

Bruno Ferrari

Global and Regional Trends: Mexico's Role in the North American Economy

Secretary of the Economy of Mexico, Bruno Ferrari, remembers the day when a devastating earthquake hit his native Mexico and dramatically altered the landscape of his country, both physically and socially. He also remembers how the events of September 11, 2001 reshaped the world and put history on a new course.

He believes that the same kind of partnership, the same kind of humanity and commitment that lifted both the United States and Mexico from the darkness of both of those times is the same steely resolve that can help both countries tackle the economic challenges at hand.



"We have faced many different problems in the history of humanity. And what we're facing now in terms of the economy is something we can solve, and something we can solve together," said Ferrari, who has been a tireless advocate for a win-win business partnership between Mexico and the United States. But new challenges require new solutions and new ways of thinking in order to reach the desired outcome.

"We need to look for different solutions," Ferrari said. "The problems are not going to be stronger than you, nor us."

Ferrari reminded the 2011 World Business Forum attendees that the United States and Mexico now have highly interrelated economies, and that one of the best proof points of that is the reality that Mexican jobs mean American jobs. In fact, 80 percent of the goods made in Mexico are exported to customers in the United States.

Ferrari said that US/Mexico economic relations are grounded in trade – including the trade initiated as part of the North American Free Trade Agreement (NAFTA) – and that the more manufacturing

and other segments of the Mexican economy flourish, the more the Mexican populace has the capacity to import new goods and services from its key neighbor and business partner: the United States.

Mexico has contained inflation, has grown its manufacturing sector and has built more than 100 new universities "from scratch" because it recognizes how an educated workforce provides real potential for future economic and organizational growth. Ferrari also said that the unprecedented action of the Mexican federal government, led by Mexican President Calderon, is helping confront a major drug and crime problem that has had the impact of reducing confidence in Mexico.

"We need to fight for principles, such as the rule of law," Ferrari said. He added that representatives of the Mexican government are talking to 950 companies monthly about the potential of doing business in and with Mexico, and that new business partners are asking about the Mexican government's commitment to crime fighting and are already seeing progress being made in that ongoing and very high profile fight.

But the fight against crime isn't the only area in which Mexico is making progress. Ferrari said the government has eliminated more than 16,000 regulations because, when their impact on business and economic development was researched, they were seen to be standing in the way of real progress.

Looking forward, Ferrari sees business growth and significant economic potential because of the strides the country has been making to help business take root and prosper on Mexican soil. ■

Bruno Ferrari



Bruno Ferrari is the current Secretary of the Economy of Mexico, having previously served in the Ministry of Foreign Affairs. From 2007 to 2010, he served as CEO of ProMéxico, the Mexican government institution charged with strengthening the country's participation in the international economy. An active entrepreneur, he has had a successful career in a variety of industries focused on Agribusiness and was president and CEO of Seminis, Inc., the world's largest developer of fruit and vegetable seeds, with operations in 155 countries. He has also held a variety of corporate positions at Grupo Pulsar, which was one of the largest corporations in Mexico.

Daniel Lamarre *Managing Creativity*

Following an amazing live performance from Zarkana that included a troupe of performers flying through the air, Daniel Lamarre, CEO of Cirque du Soleil, told Carol Massar of Bloomberg TV there are just two keys to success for the enterprise:

1. Significant investment in research and development. The organization has universities across Canada and 10 in the US involved, and 50 scouts traveling the globe.
2. There is a dedicated trends division looking for the latest in fashion, music, architecture, and live shows.

Cirque du Soleil keeps from getting "old" through trend-spotting.

believe in this. Let's debate and disagree on things to ensure the best idea prevails," said Lamarre. "It doesn't matter if the best idea comes from me or my assistant. We want to enhance the quality of the organization."

With Cirque du Soleil's high-level and continuous innovation comes risk – not only the physical risk that performers take, but creative risk as an organization. Lamarre related a recent failure when Cirque attempted a comedy show, and "the fans were insulted."

The New York Times called the show "a \$25 million debacle," but Lamarre said the founder of the company was nonplussed because the experience was a demonstration of risk.



Where creative risk was rewarded, however, was with Cirque's show built around Beatles' music and the upcoming show featuring Michael Jackson songs. "At the end of the day, the public is the ultimate judge," said Lamarre.

Failures, said Lamarre, wind up in Cirque du Soleil's "museum of errors," where some become springboards for new pieces of equipment. "We have to have those failures before we succeed. Some of that equipment led to breakthroughs in the industry."

Where Lamarre is strongly committed to success is in leading

his performers, who are from 50 countries speaking 25 different languages. "My job is to create the best conditions for them to perform. At the end of the day, we always say, 'Let the show do the talking.' If the show is great, you'll have a great business. If the show is no good, you'll have no business," said Lamarre.

"If you don't let the young people challenge you, one day you will become outdated. And that's the fear we have," said Lamarre, concerned about becoming a "has-been" company.

Creative development can only be achieved through the free exchange of ideas and healthy conflict. "Sometimes people go into a meeting room and say, 'Don't hurt me. I won't hurt you.' I don't

The one thing Lamarre said he learned from Cirque is to "fight the normal business because it is bound to fail." Companies must be extraordinary to succeed. "It means you have to do what Steve Jobs has been doing all his life. You have to always come up with new ideas."

Guy Laliberté, the founder of Cirque du Soleil, still owns 80 percent of the company, and Lamarre is charged with listening to his dreams and bringing them to life. "He will call me from anywhere, like the Space Station, and say, "I have an idea!"

The next step for Cirque is to create new shows, go to new countries and expand the delivery of their content. "We have a global brand and amazing content. I see the multi-platform presentation of content on the Internet, and I see us going from entertainment to content provider."

Lamarre is constantly looking to break new ground toward the next reinvention, for example, working on a 3D movie with James Cameron and learning about new technologies.

But Lamarre is primarily focused on the lives of the performers. "We are an important employer of musicians. Because of Cirque, they can have a stable life, good income. I love creating jobs for artists. They don't have good jobs, and I am offering that to them. That is my daily reward." ■

Daniel Lamarre



As president and CEO of Cirque du Soleil, Daniel Lamarre is in charge of developing strategies related to both business development and operations. He is also responsible for ensuring the financial sustainability of the company and for perpetuating its culture and values.

Before joining Guy Laliberté's team in January 2001, he served as president and CEO of TVA Group, Quebec's largest private television broadcaster. In addition to his day-to-day management duties, he was also responsible for strategic planning and business development. While holding a seat on the TVA Group board of directors, he also served as an administrator for McDonald's Restaurants of Canada, the Canadian Association of Broadcasters, and the Montreal Heart Institute Research Fund.

From 1984 to 1997, Daniel Lamarre worked with National Public Relations, the largest private public relations firm in Canada, first as executive vice-president and senior partner, then as president starting in 1995. He became president and CEO of Burson-Marsteller in 1981, and opened a first Montreal branch for this, the world's largest PR firm. In 1977, he served as public relations director for the cable operator Cogeco. Before that, he was communications director for the Fédération des Caisses Populaires du Centre du Québec.

How I Built it: *The Wall Street Journal* Panel Session

Every business owner has them. They are the deeply personal tales of opportunity, risk-taking, unbridled failure and often surprising success that shaped their path to business growth and which still define them as leaders and frame the cultures they've created for their companies.

These truths were especially resonant in the stories told by real estate maven and ABC's "Shark Tank" investor Barbara Corcoran, Tate's Bake Shop Founder and President Kathleen King, and the Dallas Maverick's Owner Mark Cuban as part of *The Wall Street Journal's* series of discussions with entrepreneurs and business leaders across the country. The discussion was moderated by Kevin Delaney, managing editor of *The Wall Street Journal Online* (wsj.com).

Barbara Corcoran, founder of the Corcoran Group, opened the session by describing her first two "lucky breaks" as being born to two adoring parents and having a boyfriend hand her \$1,000 to start her first business. She said learning how balancing toughness with kindness is the real key to business success. Ultimately, she parted from the boyfriend, but not before he told her that she'd never realize her dreams.

In so directly doubting and challenging her resolve and work ethic, Corcoran recalled, "He gave me an insurance policy for the rest of my life...because I'd rather die than let that guy see me not succeed." As she grew her real estate business, Corcoran committed to throwing parties and infusing fun into her fast-paced business environment. "Fun," Corcoran opined, "is the most underutilized tool for [employee] retention...used in business."

She also purposefully hired people and attracted business partners who could complement and embody the opposite of her skill set, remembering one in particular. "She could do everything I was not good at," Corcoran said, and that's what made her valuable to the growing business.

But growing her business wasn't always easy, Corcoran recalled, especially when the economy was working against the real estate market. Despite challenging economic conditions, Corcoran shared, there's always opportunity for small companies because it's often during a recession that "every big rival is asleep at the wheel." Looking back on the tough decisions she had to make, Corcoran recalled, it was seldom a good time to make new investments.

"In the worst times, the whole universe is open to anything that is new," Corcoran said. And as it turns out, she added, "The best time to move ahead was always the worst time [to do just that]."

Corcoran's experience struck a chord with panelist Kathleen King, founder and president of Tate's Bake Shop, a gourmet bakery in Southampton, NY, which grew from a failed business to one that now holds a valuable brand and sells 60 million cookies nationwide each year.

Reflecting on the collapse of her first business, King said, "The most difficult times of your life – when you're on your knees – and you pass [through it] is when you make your biggest gains, because after you've been through that, what else do you have to fear?"

King said one of the most elemental lessons she has learned over the years is that business owners must create some emotional detachment from their business. "If you take the emotion out of it, things become clear," King said. Many business leaders, particularly entrepreneurs who've built a business from the ground up, allow emotion to dictate business decisions. "You tend to weave emotion into all your decisions," King said, and that often leads to frustration and failure.

Detaching emotionally from the business is critical to take it where it needs to go, King said. "It's not that you don't care...it's just that you're clear." And this newfound clarity, she added, "It's a gift you give yourself." That's important to remember, especially when you make a mistake.

Mark Cuban can live with a mistake, but not if it's one borne out of a lack of information or the drive to find answers to pressing business challenges that aren't readily apparent. The self-professed "basketball junkie" who saw his Dallas Mavericks become champions of the National Basketball League in 2011, said "There's always a way to outwork people, and if you can outwork them, then you can find a competitive advantage," Cuban said. "Give yourself an information edge and you'll be successful."

Cuban said the secret to his business success has been the capacity to fast-track his own learning of new business issues and then develop the data to inform decisions, sway customers and build confidence among his teams.

Asked about the kind of traits he looks for in business advisors, Cuban replied that it's their initiative to learn more about what's influencing a business sector and what new innovations hold the potential to transform it. "The answer's out there somewhere. It's up to me to find it," Cuban said. Often, that resolve to get it done and to see what others cannot is all it takes to grow and sustain a winning enterprise. ■

Practicing the Art of Possibility is an Act of Anti-Gravity

Private delegate discussion with Benjamin Zander, hosted by AT&T

Benjamin Zander, the conductor of the Boston Philharmonic Orchestra, has what seems to many an impossible objective. He readily disputes that "only 3 percent" of the world's population likes classical music. "It's entirely possible," Zander said emphatically, "that everyone likes classical music...they just haven't found out that they do yet."

Possible? Why not? On the opening day of the 2011 World Business Forum, the energy force that is Ben Zander walked briskly into a

Zander, that a composer had created that sound defines the art of possibility.

"Possibility" he explained, "is a realm, a domain that exists beyond what we know. We don't even know what we don't know. That's possibility. We don't know what is available to someone every day. We give a simple answer to the question, 'How are you?' We shrug and say 'could be better.' You don't always have to say what has always been said."



luncheon gathering of executives, smiled broadly and with palpable emotion said, "I am extraordinarily moved that 350 people will walk away with the Bruckner Symphony number eight. This is totally unimaginable."

The recording, nominated for a Grammy in 2009, is a two-disc set which includes the orchestra performance on one CD and Zander himself, introducing the music on the second. It was the first of several tangible reminders of Zander's core message of seeking possibility during the lively question and answer period with the delegates.

Zander explained why this particular piece of music is so personally compelling by recalling his father. During World War I, Zander's father was separated from his wife and family and sent to fight on the front lines in Russia. His father also had a musical gift – the ability to read musical scores and to "hear" the complexity and the beauty of the music in his head. The Bruckner symphony was one he "listened" to repeatedly while in his foxhole. He had encouraged his son to conduct it many times, but it wasn't until 15 years after his death that Zander said he considered the score and developed the work.

"When I did, I realized it is one of the greatest symphonies ever created. The sound of Bruckner is the sound of the voice of God." For

For some, Zander's "possibility" may seem like simply taking a more positive outlook on a situation. "Possibility is not the same as positive thinking," Zander exhorted with a few examples to demonstrate the triviality of the superficial emotional veneer over the substance of trying to redefine a situation or outcome.

"My father, after the war, had lost everything. He didn't go around telling people how great it was to be alive. He started a university. No books, no paper, but he and others talking to each other. Sharing knowledge, they had a curriculum and a class schedule," Zander recalled.

"Possibility is when you free your creativity and say 'What do we do about it? What's next?'" Describing most executive teams as being capable but not the desired "virtuosos of possibility," Zander reminded delegates that leadership is not only seeing and describing the vision, but taking people with you toward it.

How do you know you are succeeding? "One way to check whether I'm doing an adequate job is to look in my musicians' eyes. The eyes never lie. If the eyes are shining, then I know that my leadership is working. Human beings in the presence of possibility react physically as well as emotionally. If the eyes aren't shining, I ask myself, 'What am I doing that's keeping my musicians' eyes from shining?'" ■

Canada #1 for Business

Private delegate discussion with Malcolm Gladwell, hosted by Invest in Canada

According to the recently released *Forbes* "Best Countries for Business" Canada ranked first among the 134 countries studied, up from #4 last year. Canada outpaced its larger, more southern neighbor, the US (which ranked #10) in several areas, including GDP growth, investor protection, ease of starting a new business, and reduced tax burden for businesses and employees. One of the main factors boosting Canada into the top spot was the 2010 introduction of its reformed tax structure.

Forbes 2011 Top 10 Best Countries for Business

- | | |
|----------------|-------------------|
| 1. Canada | 6. Singapore |
| 2. New Zealand | 7. Sweden |
| 3. Hong Kong | 8. Norway |
| 4. Ireland | 9. United Kingdom |
| 5. Denmark | 10. United States |

During a wide ranging interview with Malcolm Gladwell by Pat Kiernan (both Canadians) Gladwell (who has resided in the US for many years) was asked about the special relationship between Canada and its neighbor to the south, particularly Canada's role as a "marginal" player – not as in the first definition that comes to mind, but his own:

"What is the benefit of being a 'marginal' player – a secondary figure, not number one? One of the advantages is that you have more freedom. The more non-threatening you are, the more you can get away with. In the US, your hands are tied by your size and your strength. If you're marginal, you have more freedom."

It was asserted by Kiernan that the role of "marginal" might also apply to comedians, as some of the most successful hail from Canada (Dan Aykroyd, John Candy, Seth Rogan and many SNL stars, just to name a few). Gladwell's response, "Comedy is the art of saying something disruptive, and that's easier to say if you are not being threatening, not powerful," might well apply to the international arena as well as comedy. In being a smaller, more unified country than the US, Canada has been able to try new things in its social programs and government policies that would not be politically possible in the US – often with very positive results.

For example, the Canadian healthcare system, which, although perhaps not meeting everyone's expectation, is at least a real "system," according to Gladwell, as opposed to what exists or is proposed for the US. By "system" he means that people rationally choose between alternate choices, make tradeoffs and agree to live with the results – rather than the multiple approaches being proposed in the US, each of which appears to assert a mutually exclusive solution.



An astute observer of people and social conventions, when asked whether Canada's six year election cycle was a positive thing, Gladwell noted the "dysfunction" in Congress this past summer with the US so close to default. He stated: "There is such a disconnect between the government and the culture in the US. It seems like the US is saddled with a political culture from a different time."

What Gladwell worries about most in the US is the rising level of income inequality, and a measure he uses called the GDC (Greatest Deviation Correlation) Coefficient; it's a measure tracking the difference between the 20th percentile and the 80th income percentiles over time as the best indication of a country's economic health. As this gap widens, he fears societal division: "If the poor have less or if they believe they have no chance, there is also less innovation as the GDC diverges. The cost of education is more out of reach. At the point at which the gap is too great – access is cut off." ■

Train to Innovate

Private delegate discussion with Gary Hamel, hosted by Lufthansa

"We live in a world where the returns on incrementalism are going down and the returns on real innovation are going up."

That's how Gary Hamel – one of the world's most influential business strategists and author of multiple books including *The Future of Management* – framed the business challenge for companies that are trying to get ahead in a world filled with choices, distractions, challenges, and big opportunities.

Companies that truly want to innovate, Hamel said, must be willing to seek out the information they need to create the right conditions for new innovations to germinate before they can expect to achieve innovation. One way, he offered, would be for management to take the following questions to their front-line, entry-level employees:

- How have you been trained as an innovator? How has the company invested in your skills?
- If we gave you a few thousand dollars and some work time to experiment with one of your ideas, what would you do?
- Does anyone in the company really know what you're doing, how you're doing it or allow you some flexibility or autonomy to try new ways of doing your job?

The heart of the matter, Hamel said, is that without teaching and coaching, most people won't be able to realize major improvements in their technique and performance; as with golf, which Hamel has taken up but realized can only amount to "four hours of therapy and anger management" if it's not accompanied by some level of tutelage.

Attaining breakthrough advances in business requires an investment in mentorship, yet it's one that many organizations fail to realize or invest in. And without that solid foundation, even the highest-potential employees may fail to achieve their full potential. Multiply that over dozens, hundreds, or even thousands of employees, and you begin to understand the true cost of missed opportunity at the enterprise scale.

The promising thing about innovation, Hamel said, is that "you can teach it to anybody at any level of an organization." However, if you're the kind of organization that doesn't effectively train employees and doesn't enable them to innovate, your competitors will have leapfrogged your company by the time you realize an agenda for change is what's needed.

There are four things that companies can do to help move the needle on individual and organizational innovation, Hamel said, and they are:

1. Teach people to be contrarians.
2. Teach people to probe for the deep, unarticulated needs of customers.
3. Teach people how to see the early warning signs that portend business opportunity.
4. Teach people to look at the world as a reservoir of resources and talent and possibilities that can be combined and then reconstituted in new ways over and over to serve business needs.

Investing in people so they invest their time, talents, and energy for organizational good is some of the wisest money spent by organizations that realize they must innovate to grow and prosper in the future. ■



Healthier Organizations will have the Advantage

Private delegate discussion with Patrick Lencioni

Great teams are at the heart of healthy organizations, and renowned management consultant Patrick Lencioni believes the ultimate competitive advantage comes from the culture, not necessarily the intelligence of the organization.

"I just finished writing a book on Friday, and it is the hardest book I've written," Lencioni confessed to an early morning gathering of delegates less than a week later. The topic, he said, is: why organizational health trumps everything else in business.



Using two of his favorite examples from his client pool, Lencioni described what the unlikely duo of Southwest (airlines) and Chick-fil-A (fast food) have in common. "They are both in industries that aren't very attractive," Lencioni admitted, yet people are dying to work at these companies and no one ever leaves. Yet when you look at their competitors, you see boredom and misery." These organizations, he said, have built cultures that work and the proof, he noted, is in how many of their competitors have failed just by copying their strategies but not the cultures.

Every organization that succeeds in any industry (of any size), whether entrepreneurial or large, has to be good at two things, Lencioni said. You must be "smart" at things like strategy, finance, marketing, partnerships, all the things learned in business school. "At Bain our job was to help people make smarter decisions.

But it's only half the equation. In most businesses today most leaders spend 95 percent of their attention on the smart side."

The other half of the equation is harder and more likely to be ignored. "A healthy organization is one with minimal politics and confusion," Lencioni said. "People come to work, psyched to be there, they want to get a lot done and there's very low turnover."

Admitting most business leaders have done almost all they can do on the smart side. Lencioni has a four-ingredient recipe for the ultimate healthy organization.

1. **A behaviorally cohesive team at the top.** They don't have to be best friends, but they have to behave well together.
2. **Clear intellectual alignment.** Whether they get the strategy right or wrong, they need to be in agreement.
3. **Over-communicate the clarity.** Research says you have to repeat something seven times before your employees believe it. Lencioni said he once asked leaders at Southwest, for example, why they thought their competitors don't do this, and one replied: "I think they think it's beneath them. Maybe they're too cool to do this. Most executives don't like to repeat themselves; they think it's uncool, redundant and wasteful. I told you. I don't need to repeat myself."
4. **Appropriate formal structure.** We have to put just enough structure in place in our organizations to reinforce the clarity to institutionalize our culture without bureaucratizing it.

The aspect of agreement is something Lencioni noted was of critical importance. "So many leaders want to drive alignment down the organization, they don't spend enough time at the top," he explained. "Most executive teams say they'd 'be mature' about it and 'agree to disagree' and then they create processes that spread the dysfunction into the organization," Lencioni warned.

"If all you do is get your team and their teams aligned, you will not be able to prevent it from permeating the organization." ■

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