

# THE QUEST FOR RESILIENCE -

*Encounters and Learnings in Strategy and Innovation*

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SUMMARY

# My background

- Work History
  - Helsinki School of Economics, 2007-
  - (London Business School)
  - Woodside Institute & Strategos (California)
  - Stanford University & SRI International
  - Keio Graduate School of Business (Japan)
  - IMD (Switzerland)
- Current Research Interests
  - Creeping strategic commitments
  - 'Engagement' in virtual and distributed teams
  - Resource scarcity as an innovation catalyst
  - Ideas as encounters
  - The role of humor in strategy
- Innovation Democracy, Inc.
  - Entrepreneurship and innovation in extreme conditions

Not good enough:

**"A turnaround is a transformation  
tragically delayed."**

Hamel and Valikangas,  
The Quest for Resilience, Harvard Business Review,  
September 2003

The world is becoming  
turbulent faster than we are  
becoming resilient.

Why is strategic innovation so often crisis-driven?

## Have but don't need:

'You seek to create a new business with revenues of \$1bn a year. I make \$1bn in profit every quarter. Why don't you just focus on Job 1.'

Andy Grove to an Intel manager in charge of corporate venturing

## Need but don't have:

“I wish we had not cut so deeply.”

A lament by a Silicon Valley CEO [after a financial crisis in search of new growth opportunities]

Innovation is a  
distraction until it  
pays off.<sup>tm</sup>

# Our managerial DNA:

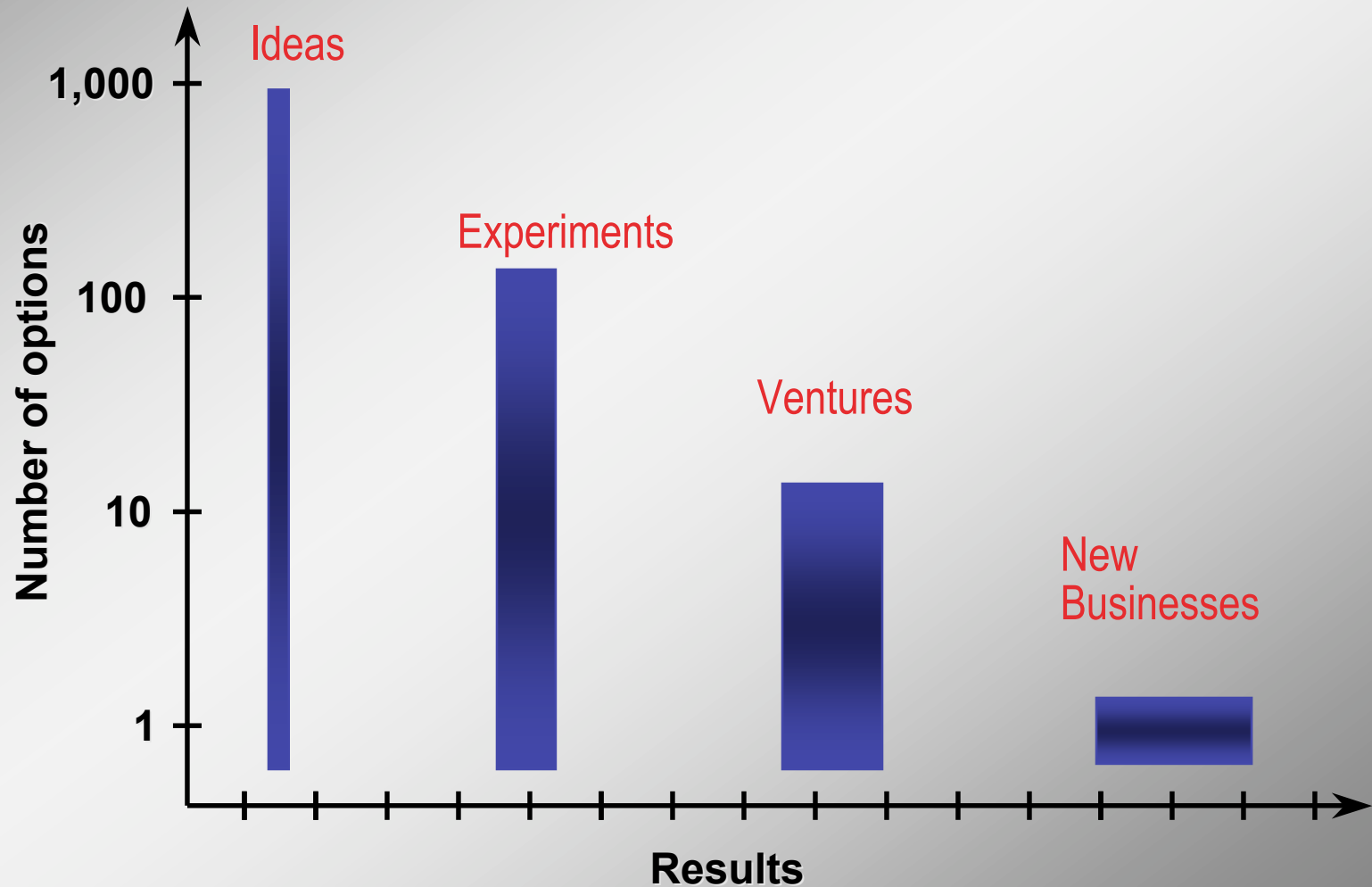
## Principles

1. Specialization
2. Standardization
3. Hierarchy
4. Planning & control
5. Extrinsic rewards

## Toxic side effects

- Limits cross-boundary learning and circumscribes opportunities
- Forgoes innovation in favor of conformance
- Over-values experience and under-values new thinking
- Creates a dangerous illusion of extrapolation-based predictability
- Discounts the power of self-organization and passion

# Google: Try everything, or it is better to be wrong than late



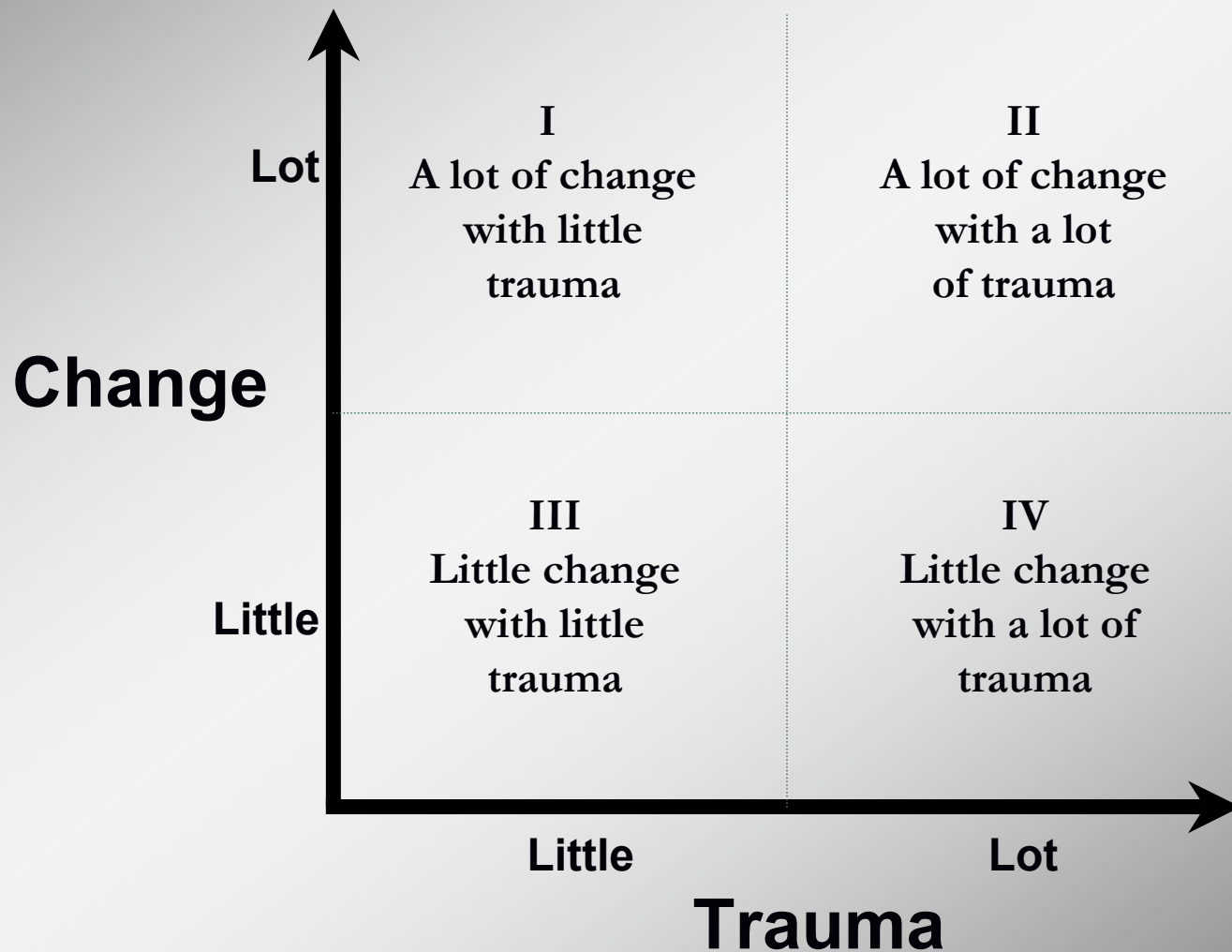
# Resilience defined:

Frequency and  
magnitude of strategic  
transformation

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Time, expense  
trauma

# Which quadrant best fits your company?



# Changing the way we change:

## Programmatic

CEO-led  
Mandatory  
"Experts"  
Programmed  
Detailed SOPs  
Roll out  
Episodic

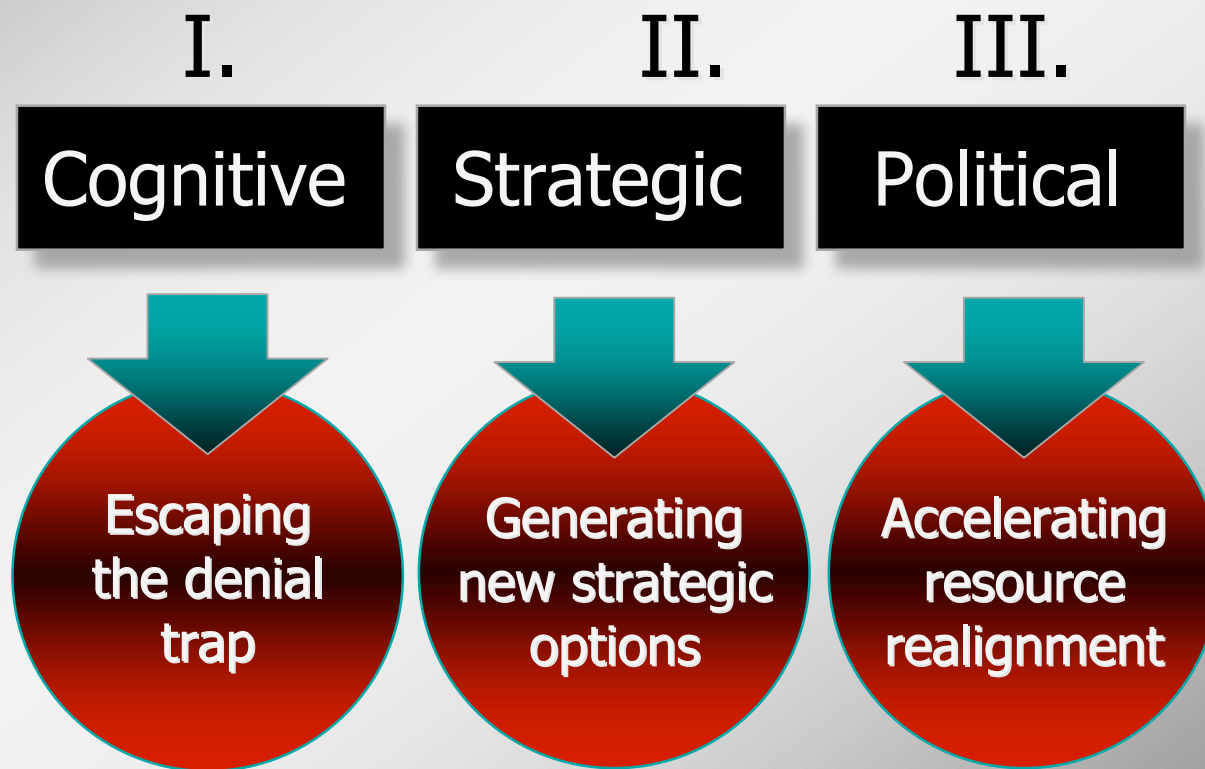
## Evolved

Passion-led  
Voluntary  
"Users"  
Emergent  
Simple rules  
Roll up  
Continuous

## From “The Future and Its Enemies”, by Virginia Postrel:

“...unplanned, open-ended trial and error - not conformity to one central vision - is the key to human betterment. Thus, the true enemies of humanity's future are those who insist on prescribing outcomes in advance, circumventing the process of competition and experiment in favor of their own preconceptions and prejudices.”

# From road to resilience:



# The road to resilience:

I.

Cognitive



Success is a  
self-correcting  
phenomenon.

# The Economist

Meet The Ideas People

Are you an Ideas Person?

They don't live in our world.  
We live in theirs.

If you think about it, there isn't much in existence you can claim ownership for. This world we live in, with its ever-accelerated marvels and tried-and-true-tested institutions, is pretty much the produce of other people's minds.

The ability of each generation to produce and implement new thinking determines the degree to which the world evolves.

Ours is the age of innovation. Ideas are the currency of the modern economy. Entire new industries and many existing ones have turned from creating products to producing ideas.

The stars of the 21st century are the pioneers, catalysts and builders of new ideas. The world belongs to them.

## The Ideas People.

# The road to resilience:

I.

Cognitive



II.

Strategic



**humbitious** adj.

a state that combines the humility to recognize that one does not know everything with the ambition to be bold in fulfillment of one's mission

**ignorance map** n.

a map that charts the critical information of which a company is ignorant

**magic feathers** n pl.

implicitly and intentionally indefinable concepts that companies believe are necessary for success. Offering a "magic feather" as a solution stops all useful strategic discussion.

**stratlets** n. pl.

hallway or elevator strategies; small pieces of strategy with the potential to grow into something larger

# The road to resilience:

I.

Cognitive



II.

Strategic



III.

Political



# The road to resilience:

