future-
proofing

management
frameworks to
drive innovation

Singularity
group

introduction

The present is the perfect opportunity to prepare for the future you want. However, as a leader, you can't create the future alone. You must pilot your team and trailblaze a path they can follow – and create a space for the culture of innovation to flourish. So, prioritizing the most important steps to innovation is essential to future-proofing your company.

In our past future-proofing series, we have touched on six key principles to drive innovation and shift your mindset, emphasizing the important tool your mindset is when driving innovation. We also highlighted creating an innovation culture with massive transformative purpose. The secret to motivating individuals and teams to do great things is a unifying purpose, and establishing a culture of purpose within your team can mean the difference between growth and success or failed plans. Lastly, we detailed innovation sprints, prioritizing experimentation as another crucial mechanism for driving breakthroughs in

your organization. Encouraging your teams to celebrate productive failure through experimentation is powerful, and empowering them to explore the unknown and try out bold new concepts enables organizations to drive innovation and sustainable growth.

Once you've designed a good experiment and assembled an intellectually diverse team to tackle it, employing the best management principles to maintain your innovation culture is critical. It often boils down to empowering and enabling high-performance teams with the tools they need and then getting out of their way. Other times, it's a matter of keeping people motivated, engaged, and free to be creative.

Here are six pointers from well-known leaders who have perfected these techniques:

01 proactively create & sustain your culture

"Leaders are the culture bearers, the torchkeepers of culture in our companies. They might have change agents or those that actually help them amplify their culture, but the leader cannot delegate culture. This is a truth that a lot of us forget because we're so busy. Employees and teams really want to see it from their leaders. They want to hear the talk, and they want to watch them walk the talk all the time." Sue Siegel, CEO of GE Ventures. You can't delegate culture—this is absolutely critical when leading innovative teams. Culture can make or break a company—therefore, it a) must be very high on your list of priorities and b) must come from the top. While you cannot delegate culture creation, you can delegate culture keeping. Make sure you understand the difference.

always assume noble intent 02

"Trust is the highest form of human motivation. It brings out the very best in people. When the trust account is high, communication is easy, instant and effective. The ability to establish, grow, extend and restore trust is the key professional and personal competency of our time." Stephen R. Covey, Author of "The 7 Habits of Highly Effective People." It's important to trust your people and assume they have the organization's best interests in mind. It's remarkable what you can achieve when you assume noble intent. Ultimately, this goes back to your hiring decisions. Ensure you're hiring team players who are inspired by the company's mission and purpose.

03 don't be a bottleneck

"Your job as a manager is to give your team your recommendations and empower them to do whatever they think is right. Allow them to learn. I work super hard for me not to be the bottleneck at anything that goes on here. Ironically, that's a full-time job." Astro Teller, CEO of (Google) X. Not being a bottleneck means deliberately letting your team learn. Sometimes it's hard, but it's necessary if you want to derive the most value from your employees. Teller shares a funny story about two employees who experienced a major strategic conflict. They wanted him to decide as to which one was right. Instead, he said, "I believe I already know which of you is right and which of you is wrong. I can just make that decision right now, but I'm not going to. The problem is: If I tell the two of you who's right and who's wrong, in my opinion, the next time you have conflict, you will come back and ask me to do it again, and that does not scale. I will spend as much time as it takes to either train the two of you to work well together or figure out that you can't."

04 isolate & protect your team

"It's more fun to be a pirate than to join the navy." Steve Jobs, founder of Apple. Situate your innovation team outside HQ, far away from those who might tell your people how crazy their ideas are. True innovation is massively disruptive, and the average employee hates disruptive change. So Steve Jobs isolated his Macintosh team from the rest of Apple and proudly flew a pirate flag above the building.

leverage the value of secrecy 05

"The main value of secrecy is not 'to hide our awesome ideas,' it's to make it easier to kill ideas. Secrecy offers air cover. It allows the team to have the emotional space to solve the problems without outside pressure." Astro Teller, CEO (Google) X. Ambitious entrepreneurs (and companies) need to get comfortable with being misunderstood. Experiments are one of the most publicly misunderstood domains within a company. An experiment proving an idea won't work is just as successful as an experiment proving one that will. But some people associate failed experiments with a failed company, which puts enormous pressure and stress on your employees and investors. Thus, it can be useful to conduct certain experiments in secret.

06 prioritize progress & learning over success

"If you're going to invent, it means you're going to experiment, and if you're going to experiment, you're going to fail. And if you're going to fail, you have to think long-term. If you double the number of experiments you do per year, you're going to double your inventiveness." Jeff Bezos, founder and CEO of Amazon. If you're worrying solely about success, you may pay attention to the wrong indicators and misguide your team. Instead, focus on progress and learning, and success will follow. Rather than creating a culture that only celebrates big wins, create one that celebrates progress on tough projects and running good experiments. Resolve conflict proactively, expect the best from your people and fuel their energy to solve problems. You'll be amazed at the difference you'll see when implementing this mindset and cultural shift.

seeing beyond the horizon

Technology advances exponentially in today's highly competitive economy, and companies seem to form and fail overnight. Defining exactly what innovation means is more critical than ever. It's no longer helpful for organizations to define innovation as simply creating profitable new products or services. There's no one-size-fits-all definition—each organization must create its own actionable definition of innovation tailored to its unique priorities and goals.

Some of the world's largest industries are being transformed by agile companies that leverage exponential technologies to build disruptive solutions. To be successful, today's leaders must plan ahead and prepare to reinvent their organizations to succeed in an uncertain future. In fact, in this time of accelerated transformation and soaring customer expectations, reinvention is as crucial to an organization's survival as its leadership, balance sheet or business plan. To many

business leaders, exponential change means we're entering an era where our organizations must become better and faster at creating innovative products and services. Those who adapt to this accelerated pace of change win, while less agile competitors fall by the wayside. But accelerating product cycles and innovation is just part of the picture. We often underestimate the impact of exponential trends because they tend to start slowly before skyrocketing over time. In fact, we're entering a new era that requires us to reinvent not just ourselves and our organizations but also entire product categories and markets.

" *Since I became CEO, 87% of the companies on the Fortune 500 are off the list. Companies that don't reinvent themselves will be left behind.*

- John T. Chambers, former Cisco CEO

The last concept we will share as part of the Future-proofing series is a planning tool that has proven useful to map future growth called the Three Horizons. This framework first appeared in a book called, "The Alchemy of Growth." For optimal results, organizations must focus on innovation efforts in all three horizons concurrently, as shown below.

the 3 horizons

horizon 3

next

High risk and impact,
10% potential value creation

25%
focus

horizon 2

new

Products, services, solutions
and business models

25%
focus

horizon 1

now

Evolurion of core business
and incremental improvements

50%
focus

value

time

01

this stage reflects your organization's current core competencies

- The innovation here is focused on improving an existing product, service, or business model. For this example, we will focus on products and solutions.

- Incremental improvements drive value to existing core products or services. This is evolutionary innovation.

- Timing is often defined as a five-year phase, from the present through the end of your current product lifecycle. The timing will depend on your organization's unique products and services. Your current product roadmaps fit in Horizon 1.

in this stage your current roadmaps may end while new solutions & business models are introduced

02

- Innovations are new and not necessarily tied to your core business. The core competencies of your R&D, sales, marketing and executive teams are well-honed, with processes in place for capitalizing on emerging opportunities.

- Value can be found in identifying new revenue opportunities and replacing older products, services or businesses. Customer value is usually well-defined, using methods such as design thinking to help ensure success. This phase is revolutionary and can border on disruptive innovation.

- Timing is typically 5 to 15 years from today for most products and services. This is subject to change based on product or service life cycles. Horizon 2 typically begins when your Horizon 1 product or service has completed 75% or more of its life cycle.

03

this stage has the most potential risk & impact—and is the most important phase for long-term success

- It involves experimenting and working with solutions outside your current core competency. You may or may not have in-house capabilities to help you move Horizon 3 projects forward. It is critical to remain open and work with partners when gaps are present.

- It requires a VC-style mindset—know that 90% of your Horizon 3 projects could fail, but the 10% that succeed could cover all your losses. This phase is about thinking big. Singularity calls Horizon 3 projects moonshots in order to help create an ambitious mindset.

- Projects typically become the core competency of your organization. These projects help ensure ongoing value creation and positively impact your organization and customers.

- Value is often difficult to calculate until projects become more defined. When Horizon 3 projects are commercialized, they often achieve beyond 10x results. In creating your projections, these projects should be modeled with assumptions for cost and outcomes included. Innovators working in this phase should always ask themselves: will this solution create clear value in the future? If the answer is yes, then do it!

- Timing is typically 15 years in the future and beyond. You may find that some projects in this phase will immediately impact Horizon 1 and 2 projects underway.

If you're charged with leading innovation in your organization, we hope you've found the information shared in the Future Proofing series helpful. We've created a checklist to help you accelerate your innovation practice, loop in the appropriate resources, and achieve better results.

the leader's checklist for success

⬤ ## determine your current activities & optimize your allocation across all 3 horizons

Have senior leaders perform a candid assessment of your organization's progress using the 3 Horizons framework. Ideally, you will have initiatives occurring across all 3 Horizons. Rebalance your organization's focus among the 3 Horizons according to our recommendations, if necessary.

⬤ ## move beyond incremental growth & ad-hoc innovation

Create an action plan that will push the limits of your team and redefine your organization's vision for the future. Identify and remove organizational and cultural barriers to innovation.

⬤ ## understand the implications of emerging & exponential technologies

Develop an organization- wide understanding of exponential technology trends and their potential impact on your organization and industry. Understand how AI, robotics, IoT, blockchain and 3D printing are rapidly changing the future of commerce and society.

⬤ ## track relevant technology trends & their impact

Think of this as setting up a radar to track technology trends and assess future scenarios for impact on your organization. Study trends to understand how and when to take action.

benchmark your innovation readiness

Create an inventory of existing innovation resources, processes and areas of improvement in your current organization.

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track your progress

Follow your innovation projects as they progress through development stages to predict their market impact and revenue outcomes. Tracking all projects through stages provides a helpful view of overall innovation progress.

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monitor startups & commercial activity that may be potential disruptors, partners or acquisition targets

In hindsight, it's easy to see how innovators like Netflix, Instagram, Amazon, Airbnb and Uber used exponential technologies to completely disrupt their industries. Develop the foresight to spot competitors and seize opportunities before it's too late.

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use visual data tools to track your innovation pipeline

Use data visualization to assess your innovation activities, achievements and contributions to the business—and provide your entire organization with an actionable view of innovation progress.

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create opportunities to challenge existing patterns & legacy approaches

Connect your innovation team with talented peers outside your organization to provoke new ways of thinking—and generate new ideas, projects and partnerships. Join a global innovation ecosystem such as the Singularity community!

ensure you build a top-down & bottom-up innovation culture

For example, consider open forums with innovation stakeholders and development teams to discuss projects that will define your organization's future success. In turn, your executive team should support and allocate resources across innovation horizons.

Need a refresher? Click here to download our guide to creating an innovation culture with massive transformative purpose.

Progress doesn't have to be perfect for it to be groundbreaking. In fact, the precursor to innovation is failing forward through running good experiments. Empowering your team to embrace the necessity of failure is one of the most powerful things you can do to build a team that is not only ready to fail but also prepared to turn that failure into progress– into innovation. Implementing a mindset of proactive failure and prioritizing learning over success will fuel great minds and breed a culture of learning.

Ready to take your leadership skills and vision for the future to the next level? Our five-day Singularity Executive Program focuses on how technology will shape the future and inspire you to develop a future-proof mindset geared toward innovation. All while building relationships with other hand-selected leaders from around the world who are excited about what lies ahead.

If you've mastered the mindset and skills needed to lead in the future, then you're ready to bring that transformation to your organization. For over ten years, we've helped companies of all sizes understand the changing landscapes of technology and shifting your culture from fearing disruption to driving it with Singularity Enterprise Solutions.
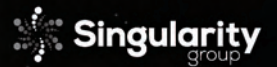
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6 key principles to drive innovation & shift mindsets
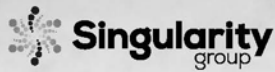

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creating an innovation culture with massive transformative purpose

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innovation sprints: a guide to experimentation & iteration

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management frameworks to drive innovation

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