

## Jeffrey Phillips | edison365 Podcast

**Stewart Noyce:** The edison365 podcast explores the best practices and deep insights of modern-day Edison's people who innovate 365 days of the year. This podcast is brought to you by edison365, the company that enables idea management from idea to business impact.

Hello everyone and welcome to the edison365 podcast. My name is Stewart Noyce, and I am joined today by my partner Dennis Hall. Our Guest is Jeffrey Phillips director of strategy and Innovation at RTI Innovation advisors Jeffrey, thank you very much for taking this interview with us today

[00:00:38] **Jeffrey Phillips:** Glad to do it.

[00:00:40] **Stewart Noyce:** Yeah, so let's get started by just maybe you could help us understand what you do at RTI Innovation advisors and how you came to be working.

[00:00:51] **Jeffrey Phillips:** Sure RTI Innovation advisors the team about 50 people that work with both commercial entities and also government agencies and a few not-for-profits and I am tasked primarily is to introduce Innovation capacity building. So, help them stand up Innovation teams to help them accelerate their innovation activities.

[00:01:15] We do a lot of customer and market research. We do some technology scouting, and we also do a lot of work around helping organizations. Bring their best ideas to market more quickly and we are beginning to do some work around the intersection of digital transformation and Innovation the Innovation advisors' team is a smaller team within larger RTI.

[00:01:44] Just for context RTI was the original tenant in the Research Triangle Park in North Carolina, and it's a large nonprofit private Research Institute. As far as my background is concerned, I came to RTI Innovation advisors about a year and a half ago prior to that. I led another Innovation team called Ovo innovation for about 15 years, and at Ovo had the same sort of responsibilities leading strategic front-end work primarily for commercial companies trying to either build an innovation capability improve their Innovation capability or you just needed help running through an innovation project to create a new product or service.

[00:02:31] **Stewart Noyce:** Okay. So, can you take us through the big problem that you address at RTI?

[00:02:36] **Jeffrey Phillips:** The big problem we address for their customers?

[00:02:39] **Stewart Noyce:** Yeah, exactly. So if you think about it from the point of view of your clients they come to you and they obviously need some help because they're coming to you as a consultant, so what is their Challenge and what is it that you're addressing for them?

[00:02:54] **Jeffrey Phillips:** Well, one of the things that we like to do is talk about Innovation as a journey, and so I need to answer your question in multiple parts. Some clients will come

to us at the very beginning of an innovation Journey saying we're not quite sure where to go where our Innovation Journey may take us what kinds of products and services even our customers may need.

[00:03:15] So we may do things like helping Define innovation strategy for that client and giving them Direction on where we believe the best emerging opportunities lie, we can do that through some trend-spotting and for citing and some scenario planning. In other instances, we may meet a customer Somewhere in the Journey where they may have begun an innovation process, but they may not have good insight into actual customer needs.

[00:03:40] So we'll do a lot of market research ethnography and voice the customer research dealt them really uncover needs that they can address or to help them find technologies that may complete a product or service. That's more like Tech scouting go out and find Technologies or Partners to help build a complete solution.

[00:04:00] Meet a customer further down the Innovation Journey who have done some work and created a viable technology or product but have difficulty getting it to Market. So, in that case, we can look at Innovation and IP portfolio help them evaluate which ideas and technologies have the most promise in the marketplace.

[00:04:18] And even develop through our Innovation ecosystem of Partners find the right partner the right joint venture the right licensing opportunity to get that product into the marketplace. So, as I've said Innovation is a journey and we can sort of meet customers and solve problems for customers anywhere along that Journey.

[00:04:41] **Stewart Noyce:** Excellent. So, the what's the typical engagement that you might have with a client and are these clients relatively large?

[00:04:50] **Jeffrey Phillips:** I would say the majority of our customers probably fifty percent fifty to sixty percent of our customers are Fortune 500 Fortune 5000 size companies in a number of different Industries.

[00:05:01] And then the probably another 30 to 40 percent of our customers are large government, primarily US federal government agencies. And then we do have a number of large nonprofit or not-for-profit foundations that are also our customers. Typically a project will look like something along the lines of a customer will present a need or an opportunity or a problem that they're facing and then we begin to scope it for them and with them so we understand back to the journey metaphor where they are in the journey what steps they've already taken or need to take and begin to Define how we might add value to that Innovation either Journey or building out of their Innovation capacity.

[00:05:48] So we can do things like lead a project end-to-end. We can help them stand up their capability and Coach them through the process and also deliver some Innovation training as appropriate

[00:06:02] **Stewart Noyce:** great. So, what makes RTI so special why are people coming to you as opposed to some other Consultants?

[00:06:11] **Jeffrey Phillips:** Well, I think we talked about a number of different differentiators, but there are probably three or four that would want to think about we tend to do what I would consider to be the sort of Soup To Nuts model of innovation.

[00:06:24] Meaning that we can help them frame up their strategic capability and build out an innovation capacity to find a team to find a process and run an innovation activity or sets of innovation activities against that defined Innovation model so we can look at things like, how is your team structure? Do you have the right people, do you have the right skills.

[00:06:46] Do you have the right governance? You have the right Innovation culture. So, there's a very almost an atmospheric side of that equation. Do you have the right Innovation environment? The second thing we do a lot of is that research whether it's customer Market or technology research and. We benefit in that from two things one RTI and Innovation advisors is over 50 years old and our team actually got its start doing technology commercialization for NASA just before the Apollo program.

[00:07:21] So we've been doing technology commercialization and tapping into these Innovation ecosystems for close to 50 years. And what that means is we don't just talk about the technology. We have a lot of Technology available to us both in our team and in the larger RTI organization. It's not well known but RTI has one of the largest numbers of PhDs per capita for a for an organization of its size in the US.

[00:07:47] So we have a lot of embedded technical skill within the organization. So, we really we really differentiate around our ability to innovate especially where Technologies are. And I talked a little bit about tapping into the ecosystem because we've done so much technology commercialization work and we worked with universities and research agencies and government entities and other corporations.

[00:08:12] We're very tied into and very trusted in the ecosystem. That means that we can find new technologies quickly. We can partner with third parties pretty quickly to bring good ideas to Market more rapidly.

[00:08:24] **Stewart Noyce:** Well, that's great. So, the company has been around for quite a while 50 years you said. Is there one particular achievement along the way that you would say was particularly amazing that you know or their number of achievements or you know, what would you say has been that thing that's been really special?

[00:08:46] **Jeffrey Phillips:** Well, I haven't been here all 50 years, but I would say that actually some of the early work that they were going commercialization did with NASA was really interesting because as you may know the law the Federal Law requires that if.

[00:09:01] An organization like NASA our national lab creates new technologies. They're required to find commercial uses our purposes for them. And so that's actually where our team got its start is finding Innovative new uses for technology spinning out of NASA so that that was the foundation but over time we've done a tremendous number of innovation activities.

For example, for one a commercial client. We've done over 350 Over the period of years helping them understand new technologies and how they fit in there and to their product offerings looking at new markets and the viability and availability of those markets. We also work with the Bill and Melinda Gates Foundation. You may be familiar with the some of the clean sanitation work that they're doing.

[00:09:51] We're actually managing a rather large portion of what's known as the step program. Which is to bring clean water and clean sanitation to underprivileged basically third world environments. So, a lot of the work that we do is really about bettering The Human Condition as well. We obviously have a focus on driving revenue and profit but we also because we're part of a nonprofit Research Institute.

[00:10:19] We have a large mission-driven mentality as well.

[00:10:24] **Stewart Noyce:** Well, that's excellent. So, what's coming up for RTI in the next 12 months are there specific objectives that you're driving towards?

[00:10:31] **Jeffrey Phillips:** Yeah. I think the new thing and it's not new but the new thing for us that we're really getting engaged in is. This idea of the intersection of the digital transformation that's occurring, and your audience will probably understand that, but all of the artificial intelligence and machine learning and Robotics on one hand, and we believe that what's happening is that that is going to coincide and intersect with Innovation and when those two things intersect, it creates a really interesting opportunity.

[00:11:05] But we believe it means that a lot of products that you could call dumb products today take for example, a drinking glass or you know a pencil sharpener eventually, it would be likely that a lot of these products are smarter that they're smart and connected to the internet through a set of sensors based on the Internet of Things capability - and when that happens, it opens up this New Vista of new innovation because those smart products are generating data and that data generates value, and it may change a customer experience or a revenue mode.

Maybe that I can provide products to come to customers and very little or no cost, but harvest value from their data usage. So, we think there's a really interesting opportunity that's about to emerge given the intersection between these digital transformation tools. All the data is going to be generated out of that, and the way we're going to innovate new products and services - that's an area that we're spending a lot of time focusing on and working with customers on as well.

[00:12:19] **Stewart Noyce:** Well, it's really interesting and hopefully we get a little bit more chance to talk about that later in this podcast. Thank you for going through that initial set of questions with me Jeffrey because we are very interested in what's not just you but what's going on at RTI Innovation advisors, but now I'm going to turn the mic over to Dennis Hoel and he's going to ask you more questions and we're really going to Proud have a time where we can learn a little bit more about you and about your approach to innovation.

[00:12:49] **Dennis Høier Hoel:** Thank you, Stewart. So, Jeffrey in your work as an innovation consultant and taking clients through their Innovation Journey. You said you've done a series

of scenario planning exercises. Now, I recently graduated from holding two national business school and we're taught amongst other things that scenario planning can be a very powerful tool. However, we often ended up with very utopian or very dystopian scenarios. How do you find these scenario planning exercises with your clients?

[00:13:20] **Jeffrey Phillips:** Yeah, I do think that that's a there is a like any tool these tools can be misused or they can be abused what we try to do with our clients is understand what I think of as emerging Futures which then will indicate emerging opportunities emerging threats, and emerging customers because too many companies think of the world as being relatively static.

The customers and markets and competitors they have today will be similar to the ones they will have in the future to put that into perspective. I did some work for the US Navy several years ago where we looked at the future of combat ships and the interesting thing about the Navy is they have a 30 to 50 year life for their for their ships. And they need to consider as they're building a new ship not just what uses or enemies or combatant that they would face today, but they need that ship to be able to react and respond to Future condition. So one of the things that you have to do is think about what is necessary for the near future, but also given over the competitive landscape of the timeline of the product or service what kinds of things is it likely to encounter.

[00:14:35] And then more grandly for the business itself what kinds of scenarios so your question really dealt with a dystopian scenario. I think that a lot of us are used to sort of Science Fiction thinking about well what happens if all these factors turn- are all these factors turn into specific direction do we get into this sort of a very narrow Canyon of the future where everything is negative?

[00:15:01] Well, we try to ask "are you looking across the right set of criteria?" So, we typically look across political criteria economic criteria, societal criteria like demographics and if you appropriately balanced the inputs, you're getting across at least those four inputs and some people will use other methodologies that's called the PEST methodology - political economic societal and technological.

[00:15:29] If you look across those and you balance your inputs effectively and you forecast then you can I use a very negative slant to your forecast or a very positive slant but generally speaking what we try to do is create multiple scenarios. And what you're looking for is that the realization that none of those scenarios is necessarily perfectly likely to happen.

[00:15:51] But what we often look for are the recurring themes in Threads across scenarios. So instead of looking at one really negative or one really positive what we try to do is create several that represent different outcomes and then begin to look for common themes and threads across them. And those are the things that we believe are more likely and more indicative of what happened exactly.

[00:16:11] **Dennis Høier Hoel:** So, when you've identified actionable opportunities and strategies with your clients. How do you proceed to create momentum and maintaining agility in the work ahead?

[00:16:22] **Jeffrey Phillips:** Well, the interesting things for a lot of organizations is at least in my experience. A lot of them don't do a lot of for citing or scenario planning and often when they're confronted with a potential future or a set of potential Futures.

[00:16:38] They're not really sure how to engage it because there's a number of cultural Inhibitions around making change most organizations are built to sustain the existing business model in the existing way of thinking. Less so, are they organized to think about where the future is? So, one of the first things we have to do oftentimes, is it get people to buy into?

[00:17:01] The possibility of that future that we defined and then begin to ask questions. Now if that future were to occur what things would we need to do in the next six to 12 months to address that future what are things we need to do in the next 12 to 18 months to address that future because you can begin to break it down for them and make it more palatable that we don't have to implement Everything at Once. Some things are going to take longer if I've talking about a five-year future in my product cycle life cycle, I need to get started now on that and there's new product.

But more than likely you have a shorter life cycle. And so, you can take things in bite-sized chunks to work toward that future, but the most important thing is to get people to. Indoctrinate themselves in that future get comfortable with it and lower the risk of adoption of what that future might involve.

[00:17:56] **Dennis Høier Hoel:** Right. So, related to that. What would you say usually go right with the clients that you're working with? Whether that be public or private entities.

[00:18:07] **Jeffrey Phillips** What goes right from a strategic scenario and future planning sort of.

[00:18:12] **Dennis Høier Hoel:** The part of a creating momentum and actually starting to work towards those goals and strategies. Yeah.

[00:18:20] **Jeffrey Phillips:** Yeah. I think that I think the thing that often works well as making sure that we do a good job communicating and rationalizing why we want to make that change because there is resistance to change in any environment. The second thing we're looking for is what are the burning platform? What is what is causing this change? And why do we need to be aware of it? And why do we need to buy into the fact that that change is happening?

It's important for us to change and once you do that, putting a time frame together to say we have to do two things simultaneously, a lot of organizations talk about being ambidextrous. That doesn't mean just because we're looking at the future that we can ignore or avoid the work today. So, you have to be both good and efficient basis on the products and services that you already have while you're balancing this idea of creating new products and services and offerings. For that Future model.

[00:19:11] So what we look for is the ability and try to introduce the ability to think I need to be efficient with what I'm doing today and harvest some of those resources and start

focusing on what I need to do in the future. So, it's moving toward what a lot of other commentators have called this sort of ambidextrous way of working.

[00:19:29] **Dennis Høier Hoel:** Are there any techniques that you use to overcome challenges like resistance and organizational culture and so on?

[00:19:37] **Jeffrey Phillips:** Well, we've done a lot of different things actually one of the books that I wrote a book called *Relentless Innovation* deals with the issue of resistance to Innovation from a cultural perspective. And in the research, we did we found that, and it won't be surprising to many of your audiences. Is that if you break an organization down into three components sort of executive leadership middle management and staff. You'll find that the staff deal with problems every day that they would like to overcome.

They want to innovate but often aren't sure how or why Executives want Innovation because they want change and they want more revenue and new products and services. But that leaves the middle management and they're often the scapegoat for a lot of this but middle-management is tasked with doing the most and getting the most out come with the least amount of resources, which means they're really focused on efficiency and a lack of variability.

[00:20:36] So the way to address a lot of cultural barriers is to First impress upon the middle management. How they need to be going back to that more. I that idea being more ambidextrous how might we introduce more Innovation while sustaining as much efficiency as possible and that's both a top-down and a bottom-up activity, but it also deals with thinking about good communication from the top about why we're doing this work and what's in it for us and also making sure people see the burning platform.

[00:21:07] Why is this an issue of change so important to us? And what happens if we don't do it. And I am not trying to paint middle management as a negative their operating models. And the way they're compensated are really tied to sustaining the operating model of today. And we need if we're going to change and we're going to get more Innovation - you have to change their thinking and get them bought into a new view of the future and their role in that future.

[00:21:37] **Dennis Høier Hoel:** It's very interesting that you're saying that. I also wanted to explore an article you wrote on LinkedIn in 2017. You call that "*What A Decade Of Innovation Consulting Has Taught Me Part One*" and in there you're challenging the statement that says everyone can innovate. What do you mean by that?

[00:21:58] Well, I think I think in the past many organizations have tried to be very inclusive. And I think that that's a fine attitude but not everyone is good at everything at Innovation. For example, if you think about Innovation is a journey and the activities across that Journey some activities are more strategic in nature.

They're forward-looking. They're more exploratory. They're more about Discovery other activities are about idea generation. Some other activities are around needing to go deeper into customer research to deeply understand the customer. What I like to say is not

everybody's good at everything in the journey, but more than likely everybody can find a place or add value somewhere within the journey.

[00:22:43] So you need to break it down when we talk about Innovation. We say, well everybody can innovate if Innovation is that entire Journey. Then there are very few people that are good all the way across that that Innovation Journey even in our team. We have people that are better at research and maybe not so good at going taking products to market or people are better at strategy and not so good at research what that what the point I was trying to get at is it's a very multi complex problem.

[00:23:13] That very few people can do the entire end-to-end but finding the people that can do a particular task within the journey effectively is probably what's best and I don't think many organizations really think through who in my organization is really good at doing this particular task instead.

[00:23:33] They'll grab they'll gather people and say, okay. This is my Innovation team. Good luck. So, it's both a question of gaining skills through training and also understanding their motivations what drives them extrinsic or intrinsic motivation. And then finally just asking what's this person good at they might be good at strategy and not a research that might be good at research and not generating idea. So, plugging them into the place where they can add the most value. Of course

[00:24:00] **Dennis Høier Hoel:** That's fantastic. I think that's brilliant Food for Thought for on all of our entrepreneurs out there or corporate intrapreneurs. Yeah. Thank you so much for that. Would that I think I'll pass the mic back to Stewart noise for a few more questions.

[00:24:15] **Stewart Noyce:** Thank you, Dennis. And I must say Jeffrey. I'm having a great time listening to your answers. This is a this has been a really good session so far and I we haven't even gotten into the part where we get to explore your expertise. So now we're going to kick it into gear, I think. You talk about the front-end of strategy and Innovation with a focus on trendspotting. So how do you spot trends? I mean you and you actually mentioned one you talked about digital transformation early on you know, let's talk about how do you spot that trend?

[00:24:53] **Jeffrey Phillips:** Well, it's interesting because I've talked about it and since Dennis brought it up. I've written I think a couple times in my blog post: That's the lowest hanging fruit for me from an innovation perspective - I tell this to all my clients: If you want to do the cheapest amount of innovation that drives the most value, there are two area. One is trend spotting in the other is prototyping. The reason I say trendspotting is so inexpensive to do is because we as humans are literally a wash in trends. Whether you read a magazine, you listen to a newspaper you listen to radio spot you read a newspaper. You see something on the web. We're constantly being told about trends - their fashion trends, societal trends, even in our politics. Even immigration is a trend. We're either increasing immigration or decreasing immigration.

[00:25:50] We're either the dollar is gaining value against other currencies are losing value in the car. So that the fact of the matter is that Trends are everywhere and if we begin to slow

down and take advantage of them to ask ourselves, if we were to take these Trends and begin that to combine them and assimilate them and ask what kinds of change are they likely to drive then we'll get a lot more insight about where the future is heading.

[00:26:17] So the funny thing is that Trends are literally everywhere if we will just turn on our filters and start paying attention to them and then begin to ask ourselves. Now that I've aggregated a few of these Trends, what do they mean in combination? Because pursuing anyone Trend by itself is pretty risky but aggregating up a number of Trends and asking what impact they may have on the future can be very insightful.

[00:26:44] **Stewart Noyce:** Okay, so we go from we see stuff around us that looks kind of obvious. Right? So, spotting of Trends is kind of theirs you know, like immigration. Yes, we're talking about it. We see it. It's changing we can measure it right and to what extent do you see yourself measuring things that look to be obvious opportunities and might and how do you measure them?

[00:27:10] **Jeffrey Phillips:** Well, then you measure both the with a trend what we're interested in is measuring both its potential impact on the future how long it will live in other words. Some Trends are just bad. I used to joke that you know, everybody had a pet rock at one time for about six weeks. That was really short-lived trend.

[00:27:31] That was actually a fad. Immigration on the other hand if we were to talk about that has been an ongoing source of debate for years and generally the US has been a net importer of talent. So over time that has an impact it will change the education levels. It will change how we think about things it will change the Dynamics of our culture.

[00:27:55] It has a lot of impact on our societal way of thinking, so measuring it is interesting both in terms of how much the trend how much longevity the trend has and how much impact it has but more importantly if you look at any one trend how much impact it will have on the future and from today that's hard to say because as an example, we don't know you can use continue to use immigration.

[00:28:22] We don't know if immigration will continue or not. There's a potential that it could widen, and we have more immigration. Or that loss could get past them we have less. So that's also one of the interesting things about trends is almost any of them can be turned on or turned off relatively rapidly, but I suspect that most of them will continue to change slowly and that's also another reason why we don't notice them as much because like a few degrees change in temperature, you may not notice it until the temperatures change seven or eight degrees, but you didn't notice the first one to one or two degrees change in temperature.

[00:28:58] I don't know if I fully answered your question about measuring it but I think it's both a measurement of how much impact it's likely to have how long it will last and then understanding the change it will bring about in the future. We're trying to anticipate.

[00:29:12] **Stewart Noyce:** Yes. I think that's a good answer. What I'm interested in, now, let's take it from the macro level and go into the micro and just ask ourselves; when do you know that you have identified an awesome opportunity for a specific client?

[00:29:26] **Jeffrey Phillips:** Right. That's it. That's one of the things that we look for what happens with a lot of trends and scenario planning is that people write stories about the future which will call scenarios but they don't necessarily consider the impacts and what we call the implication.

[00:29:41] So for a business what you're describing is, let's imagine we've written a story about the future scenario. The next thing we want to do is ask ourselves. Now, what are the implications to your business and they're going to be positive implications and negative implication. So the positive implications are there's a new emerging set of customers that are just becoming aware of your product or the need for a product that you could offer and if you spot that that set of customers as they emerge and offer them products and services that they need before anyone else recognizes them. You can lock into a nice market share and a nice niche and perhaps build a wall around it to make it defensible. So, there are opportunities in emerging opportunities, emerging customer segments.

On the flip side we may be able to tell a customer. You know, what if you're going into let's use battery power. If you're going in the battery power a lot of a lot of companies in a lot of countries are working on new batteries and new battery technology and what you're likely to see are what we would call emerging threat that there are new technologies new devices and new companies that are entering this Market really rapidly because there's an increasing demand for new battery power like we're generating lots of new electricity through lots of solar and wind but it can't be stored.

[00:31:06] So we know that a trend in the future is going to be battery life Improvement in Battery Technology Improvement. If you're in the battery business today, you can pretty much bet on the fact that they're going to be emerging threats to your business either from new battery technologies or new battery company.

[00:31:23] So both of those insights are valuable to customers one is here's an opportunity for me to expand my market position and gain new Revenue with new customers. The other is here's something I need to think about in terms of being defensive or perhaps trying to preclude a new offer from coming into my Marketplace a new battery technology or perhaps.

[00:31:45] I see a new emerging technology that instead of letting that come in as a commercial product. I acquire it before it becomes a commercial product that I offer is part of my Suite of products. Both of those kinds of outcomes are beneficial to our customers.

[00:32:02] **Stewart Noyce:** No, that's excellent. So, I think about what you're saying from this perspective of the client strategy and long-term strategy, which brings me to my next question. You're most your most recent book "Out Maneuver" received some very nice reviews on Amazon. Could you give us a quick overview of the book and why you wrote that book?

[00:32:27] **Jeffrey Phillips:** Sure. I wrote that with a friend of mine who was a military officer and he knew of my interest in Innovation and he felt that many companies suffer from what we call a attrition thinking so attrition thinking is saying; well Company A has a product and

if I'm Company B, I need to put a product out in the market that looks very similar and the two of us will compete and I'll try to take share from them and they'll try to take share from me. But what we end up competing on is price. Because the two products look so similar and acts similar that they become commoditized and there's really not much left to compete on other than price.

[00:33:11] If I want to drive more revenue or more profitability. I have to get take market share from that particular competitive. So, attrition is basically wearing down a competitor by offering a very similar product. What we looked at was there's an interesting military phenomenon turns out Napoleon and some others use that fairly, well that was called maneuver Warfare - and maneuver means moving rapidly and with intent to an undefended or a poorly defended position.

And so, when you use maneuver you're using agility and speed. So instead of using the full weight of like an attrition battle, like I'm going to line up all my soldiers against yours and we're going to go head-to-head what a maneuver what a maneuver process does is look at how can I be faster and smarter and more Nimble than my competitors.

[00:34:07] And ultimately what you're looking for is one of sort of three competitive position. You're either looking to preempt someone meaning I can find the market before you do. I can find a new market Niche a new market customer before you do, I can use just what we call dislocation meaning. I can attack your sets of products and services at a point at which you are weak at which my competitor is weak.

[00:34:33] So we would find through a set of analyses weaknesses in a competitor strategy and attack their and the third one is a distractive a scenario in which we try to distract our competitor who may be stronger than us. But we attack them based on areas that we think can distract them from their strategy a good example is you'll see a lot of this done.

[00:34:58] I'd say groups with very little power use the public microphone to call down a larger company on its Trade Practices or things like that. So the idea behind maneuvering around outmaneuver is how do you use Speed and Agility and insight and Innovation to win as opposed to just competing on a head-to-head basis when ultimately competing on that head-to-head basis becomes commoditization.

[00:35:29] **Stewart Noyce:** Okay, so you mention Speed and Agility as the Cornerstone of strategy in the next 20 years. Can I assume that it's come to some extent coming out of this your thought are your work on the writing of this book?

[00:35:47] **Jeffrey Phillips:** Well, we talked about Speed and Agility. Yes. We also talked about insight and Innovation.

[00:35:53] So the let's take each the stake each very quickly. Why speed if you look historically the pace of change is rather slow if you look if you look at today and in the future, we can see that people adopt products more fat more quickly technology involves more quickly and therefore speed is increasing and the speed and the nature of competition is increasing.

[00:36:17] So any company that still operating at the older speed when changes slower is by necessity going to have struggles. So speed is important and not only operating at this the new speed but operating faster than the new speed which means we always have to be accelerating and working just a bit faster than the whatever speed the current market is working at. And with speed it's also important to be agile. It's not important just to be fast because you can be fast but not agile. What we know based on if you look at agile methodologies and things is it's not just about being fast in a straight line, but it's also being able to learn quickly and adapt quickly.

[00:37:02] So a lot of organizations are struggling with this right now because they're a bit monolithic and not used to having to change very much in a time where speed is increasing and the need for nimbleness and Agility is increasing. So that's why we placed emphasis on those two things. And then if you take those two and you say now I need to innovate as well because I need to bring new products and new services and Market faster.

[00:37:27] There's your speed and I need to learn from putting those in the market and adjust that's agility. And that's how those three how there's three characteristics We Believe work together.

[00:37:39] **Stewart Noyce:** Okay. So, one of the things that is really interesting to me, is that as I was reading about you the organization that you work for, RTI and their approaches, I was struck by this context of agility and the need to in a way be an organization that is nimble that can move quickly to adapt and to survive. Did this is this in any way informed by Michael Reiner's strategy Paradox. So, around 2007 Rainer came out with a book that that referenced. The success of companies and companies with very strong strategies very tightly held strategies were more likely to either succeed wildly or fail utterly.

[00:38:35] And in many cases the smarter companies were the ones that may be held a little held their strategy a little less tightly and they were more will likely to change and to and to move as necessary. So, I just curious as it is this something that. Informing your opinion at this point or is this something that you've come to independently?

[00:38:59] **Jeffrey Phillips:** Well, I would perhaps suggest that third alternative. I appreciate what you said but I am not familiar with Rainer, but it sounds it sounds logical to me. But I think we also operate on the model that I think it was Eisenhower who said plans are nothing and planning is everything. Meaning planning and thinking about the future and understanding your different alternatives is vital but getting locked into a particular plan is deadly.

[00:39:30] So you need to have a strategy you need to be thinking for, but you need to understand that every strategy has Alternatives and be cognizant of those Alternatives. In fact, one of the things I often talk about from a scenario planning perspective is we jokingly call it practicing the future. So, if I'm if I'm exercising different scenarios, I'm investigating different outcomes in the future and becoming familiar with them since familiarity is valuable if one or more of those things emerge. Planning is everything but getting locked into one plan can be really fatal. And I think that may be what Rainer was saying as well.

[00:40:13] **Stewart Noyce:** Well, he did some original research on it that that put you know, some meat behind the comment. Anyway, thank you very much for that for that act for the Eisenhower quote. I'm going to remember that one. We've had a nice chance to talk here for a while this morning, and I wanted to ask you if there's before we end. Is there anything that we have missed that you would like to share with us?

[00:40:39] **Jeffrey Phillips:** I think don't I think the one thing beyond what we've talked about. I'd like to go back just for a minute and talk about this whole idea of digital transformation Innovation because I think what it's going to lead us to is a really interesting new future where a lot of products a lot of products even products that you might not think need to be smart and connected are going to be smart and connected and what that's going to lead us to ideally is a new way of interacting with our customers.

[00:41:06] Because now we'll know you know, whether or not a device in your house home is about to fail, whether or not the device in your home needs a new filter or a refill. Which means that we can establish a recurring relationship with those devices over time and we can also Harvest data and learn more about usage. And what sort of product features are valuable or not valuable. So, this hold the idea of how this digital transformation and all the data that's going to get generated in the tools we have at our disposable like machine learning and artificial intelligence to analyze that data, are going to generate new insights.

[00:41:46] So it's this really, it's going to be this really interesting recursive working environment where we put products out that are smart. Gather data from them, learn new things and create new features for those products, and have new relationships with customers and I don't want to sound like, you know, some sort of future Messiah, but I think in the next couple of years the way we think about product development the way we think about delivering products to the home the way that we gather data from those products. everything about that is going to be really interesting and really different.

[00:42:20] I don't know exactly what it's going to look like. I think we'll see some change the next day three to five years around this just because of the power that's coming online to be able to manipulate all the data and to get new insights out of that data.

[00:42:34] **Stewart Noyce:** Well, thank you very much. I'm hoping that that Insight will add some value in the world as well. We, Dennis and I I'm sure thank you very much for this time today, Dennis. Do you have anything to add to this before we sign off?

[00:42:51] **Dennis Høier Hoel:** Actually, I do have one question. So, Jeffrey, I'm incredibly intrigued by organizational culture and Innovation. So, I read on your LinkedIn profile that you know, you were part of launching a company simultaneously in different parts of the world. And I guess my final question to you is; how we might foster Innovation across organizations that operate in vastly different cultures around the world.

[00:43:19] **Jeffrey Phillips:** You know, that's a really interesting question because I've had the good fortune to do Innovation work in the US. I taught it in Mexico. I taught it in South Africa and parts of Europe.

[00:43:34] I've Had the Good Fortune to do some renovation work in the Middle East as well as in China and the interesting thing to me is there are differences. And the difference is stem from I think primarily corporate culture. But also, I want to go back even though more fundamental thing which is an educational paradox.

[00:43:55] I think that in countries and places where education is a bit more wrote and a bit more structured, that people often don't come out of undergraduate and graduate programs with as much creativity and as much, I'll call it Discovery and exploration for in other words, they occur in my experience doing Innovation work and training teams around the globe.

[00:44:23] I found that where education is a bit more freeform and a bit more demanding on the student to take initiative Innovation seems to flourish little bit more - and in places where the student was expected to learn from our wrote perspective Innovation seems a little bit more stymie. And I don't know that that's a core phenomenon, but it's one of my observations that both corporate culture and even down to how people were educated and the educational regime in which they operated in can structure the way they think so.

[00:44:58] I would think it'd be interesting to even go all the way back into secondary and primary education and ask questions around. How are we educating kids to think? Like how are they taught to think how expensive they allowed to be, how creative are they allowed to be in their Educational Systems?

[00:45:14] Because those students kids their students today are going to be workers and management in 10 to 15 years' time and what they learn in school dictates to a certain extent how they think now that doesn't exactly answer your question, but I have noticed differences in different geographies. And I would actually attribute it more to societal and educational structures than anything else.

[00:45:41] **Stewart Noyce:** Yeah. This has been an absolutely excellent session Jeffrey. We really appreciate your time today and looking forward to hearing more from you and reading some of your books.

[00:45:52] **Jeffrey Phillips:** Well guys, I really appreciate the time to talk with you and share some of my experiences. I found it really interesting and valuable as well.

[00:45:59] **Stewart Noyce:** Thank you. Have a great day.

[00:46:03] **Jeffrey Phillips** Thank you.

[00:46:05] **Dennis Høier Hoel:** Thank you for joining us on today's episode of the edison365 podcast. We certainly enjoy the conversation and hope that you're left with more knowledge of the Innovation space. We have more exciting guests coming up. So, make sure to like, subscribe, and share this podcast with your network.

[00:46:22] Also if there's anyone you'd like for us to interview next; make sure to leave that in a comment or send us an email to the email address in the description. Thanks again to our guests and we're looking forward to seeing you in the next one.