THE CASE FOR THE "HUMBLE INCUMBENT":

PREPARING FOR DISRUPTION IN LEGACY ORGANIZATIONS

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EXECUTIVE SUMMARY

Within the growing body of literature about disruption today, there is substantial focus on the daunting business model challenges faced by legacy organizations—those formed before the digital age—and calls for greater boldness, audacity, and agility on the part of leadership. We set out to research with more specificity what leaders in those incumbent organizations are thinking and practicing as they try to prepare for disruption to hit their industries. We noticed by working with many such companies and leaders that, in addition to boldness and audacity, there was also an important foundation of 'humility' when it came to how they and their companies have been dealing with the complexity and exponential change presented by disruption. We call those legacy organizations and leaders that are managing to cope with these challenges, **"humble incumbents"**. We asked leaders of such organizations three questions:

1. What, in your mind are the attributes of a "humble incumbent" organization and its leaders?
2. What are the traps that such organizations can fall into as they try to navigate disruptive times?
3. What are the leadership mindsets and skillsets needed to lead an organization through disruption and forward into an exponential era?

In exploring these questions, we interviewed 15 senior executives across 11 different companies in eight global industries during 2016 and early 2017. These executives were serving in six regions—the US, Europe, Asia-Pacific, South Asia, the Middle East, and Latin America. Three were presidents or CEO's; five were at the senior vice president level or members of the C-suite; two were vice presidents or general managers; two were country managers; and three were heads of global functions. All were in companies and industries facing disruption; some sooner than later; one has been helping to lead it.

KEY FINDINGS

We found that the need for humility resonated clearly with all respondents and that furthermore, it undergirded our three main conclusions regarding how incumbents will fare as they try to prepare for the potential of disruption:

- Incumbent companies go through **five phases** in preparing for disruption including (1) facing up to the challenges and opportunities, (2) committing to action, (3) executing through uncharted waters, (4) leading, engaging, and evolving the organizational culture, (5) and championing continuous learning.
- There are also **traps** corresponding to each of the five phases. Organizations that prepare successfully will embrace humility and proactively spot and manage through the traps in reinventing themselves and their leadership.
- **Humility**—when embedded in organizational and leadership practices—can ignite the necessary forward momentum through the five phases and help organizations thrive in the era of exponential change.

BACKDROP: THE CHALLENGES AND OPPORTUNITIES CREATED BY DISRUPTION

Today many industrial age companies are being upended by the waves of disruption and exponential change rolling over industry after industry. Incumbent companies are particularly vulnerable to the impact of disruption, as they come under attack from digital tech start-ups and huge platform businesses like Amazon that are increasingly expanding into more conventional business lines.[1]

Research shows there are varying levels of concern and preparedness about the challenges and opportunities posed by disruption and exponential change[2]. Our 20+ years of experience in working with many large incumbent companies across numerous industries around the globe mirrors this. Some incumbent companies are leaning forward to digitize their businesses through creating or acquiring potentially disruptive "smart" components or entities, or have launched internal initiatives aimed at disrupting themselves and their industries by, for example, luring top talent from Silicon Valley[3]. Others are in a "wait and see" mode, still focusing on managing their current business while becoming more aware about the possibilities of disruption in their industries. Regardless of how they are responding in the short-term, the way how they ultimately adapt to the opportunities and challenges

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1 Indeed, for example, 2017 is turning into what many are calling, "Retail Apocalypse," as more retail stores and malls pass the extinction tipping point under disruptive attack from e-commerce and instant logistics—much of it wielded by Amazon.

2 For survey results from CEO's across industries reflecting this, see, for example, Digital Vortex, Cisco and IMD, July, 2015.

3 Three legacy companies—Haier, General Electric, and The Guardian—have been particularly recognized for their bold strategies in the face of disruption and the dawn of exponential times. See Ismail, et. al., Exponential Organizations, Singularity University, 2014, for discussions about how these three have embraced the hallmarks of exponential organizations, (ExO's), as well as http://top100.exponentialorgs.com for a list of where they rank on the list of the top 100 ExO's Ismail's team compiled in 2015.

posed by disruption and exponential change will likely be the most important determinant of their future success.

In the face of this upheaval, we see incumbents taking three basic paths. (A) Some — probably no more than a handful in most industries — will elect to take a major leap into a future digital state, quickly exiting their analog businesses altogether. Schibsted, a Norwegian media group that jettisoned its print business, is an oft-cited example of this. (B) On the other end of the spectrum, another handful will consciously opt to "play out" the analog space, driving industry consolidation and efficiencies in pursuit of maximum shareholder return for as long as possible. One example might be 3G, the well-known investment company which imposes a strict, highly focused operational efficiency framework on its acquisitions in the fast food and beverage sectors.

However, we believe many incumbents will opt for (C) what we call, "a straddle;" continuing to manage their core analog legacy businesses while trying to convert what they can to digital to gain maximum efficiencies AND striving to acquire or develop new digital, potentially disruptive initiatives. Managing this straddle will create a new set of leadership challenges related to managing two very different types of organizations at once.[4]

Regardless of the paths companies can choose or default to, our experience is that those that have the best chance for success in the face of such unprecedented opportunities and challenges are what we call "humble incumbents".

What do we mean by this? A humble incumbent is characterized by two facets: they have humble leaders and a humble organizational culture. They are fundamentally infused with and built around humility as a true guiding principle. But what does it mean to be humble in the face of disruption and exponential change?

THE PRIMACY OF HUMILITY IN THE FACE OF DISRUPTION

Accepting the gravity of the exponential level of change and disruption for many companies and leaders will require them to be humbler than they have ever been and to personally challenge the confidence, experience, and success that has gotten them to their current levels. Being humble does not mean that we diminish the value of our past successes, business models, strategies, or personal contributions, nor does it mean one cannot be bold or audacious. Certainly, owning the power of our unique experience and competencies to creating value – organizationally and personally - is not only smart in terms of building on what works, but it is positive creative energy essential to taking charge in challenging times. Recognizing, leveraging and owning our strengths helps us create momentum forward and achieve ongoing excellence.

Strengths overused, however, quickly become liabilities, as they blind us to what is needed in changing circumstances. It reduces our receptivity to expansion and growth. Strengths overused can become dangerous and debilitating. For example, self-confidence helps us own our strengths and build on success until we dial it up a notch too far, and it becomes arrogance that blinds us to other possibilities, shuts down dialogue of differences, and stunts growth. On an organizational level, strength in using key performance indicators to measure and improve performance can be overused to the point where business units get locked into almost automatically chasing numbers, resulting ironically in reduced performance.

In our work with hundreds of leaders and dozens of global organizations, we have seen that no single leader or company is immune to overusing strengths, or of becoming overly comfortable and self-congratulatory. Even the most grounded and well-balanced leaders can fall prey to over-relying on certain strengths, as they can't imagine that what has worked in the past might not have the same relevance going forward. In fact, we have noticed that the stronger the strength, the greater the risk of leaders and their companies in taking it too far. Why? Sometimes we just can't imagine too much of a good thing. Or, it's just the default approach, under stress. Other times, we identify so strongly with our past successes and unique strengths that we perceive any questioning of those core strengths as an existential threat and we dig in further, defending our processes, our approaches, and ourselves.

Humility is the antidote to the risk of over-confidence in our strengths and accomplishments. Humility allows for acknowledging that there are many paths to excellence and invites reflection and receptivity to change. Humility leads to recognizing that there is something bigger that

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4 A great example of "the straddle" is the BBC, a company in an industry deep into disruption. In January, 2017, BBC director general Tony Hall was quoted as saying, "We have to ride two horses: doing brilliant things on our existing channels and services, but also innovating in the digital space. Our task therefore is to reinvent public service broadcasting so that it works for all audiences, so that everyone gets value from the BBC." Cited in digitaltveurope.net.

we are in service to creating. Humility encourages healthy inquiry, seeks contrasting views and looks to forge a middle ground between differing perspectives. Being humble at leadership and overall organizational level is ultimately about understanding that everything is always evolving—especially in an age of exponential change—and while we have contributed value or achieved excellence in the past, there is something greater seeking to emerge now, if we can create enough space to hear, see it, and embrace it.

Humble leaders know that 'space allows' for true dialogue among those with divergent views; it allows for inquiry, exploration, experimentation, innovation and change. Without space to pause, challenge our assumptions, widen our perspective and let go of limiting beliefs, we become trapped in protecting existing ways of thinking, doing, and being and overly attached to past pathways to success.

Of course, there is a balance to be had in embracing both deep humility and possessing self-belief, strong leadership voice and clarity of vision in order to drive true change. This means meeting people's needs for leadership presence while at the same time inspiring contribution, collaboration and commitment, from a place of humility, especially across different cultural contexts. A colleague of ours recently co-facilitated a strategy session in Asia with a team of ten where 4 members were recent joiners, including their Executive Director. She found the Executive Director moved very well in the space of expert leader and humble co-creator with the team, which was used to a patriarchal top-down leadership, as is the norm in that Asian culture. He had a clear vision of how he wanted to reinvent and run the organization but also allowed the space for input from his team. He recalibrated his own ideas coming into the role while respecting the legacy of the organization. The team felt more supported, heard, and thus bonded with each other in an accelerated fashion, while walking away more confident in the new organizational vision.

HUMILITY PRECEDES REINVENTION

We believe humility is a precursor for true reinvention. This paper examines what we discovered about the attributes of organizations and leaders that are infused with humility and the traps they can fall into as they try to prepare for disruption. The next paper in our series, "What is Exponential Leadership?" dives deeper into the mindsets and skillsets needed to lead humble incumbents forward.

When one of us was living in Japan in the 1990s, this concept of humility as a balancing mechanism, integrated with the power of creating from strengths, became clear on a visit to the famous Ryoan-ji Rock Garden in Kyoto. Sitting on the wooden steps that overlooked the austere arrangement of fifteen moss-covered rocks resting on a bed of white gravel, surrounded by low wooden walls, the quiet minimalism invited space for profound reflection. Exhaling into the openness, we recognized that our days had become so full of busyness, distraction and a constant striving for excellence that there was not enough space to expand or evolve our thinking or leadership. The Japanese word "MU" immediately came to mind.

"MU" means "nothingness" if you translate it directly from Japanese into English. But the Western connotation of "nothing" usually means the *absence of something or something lacking, something negative*. If your gas tank is empty, it's not a good thing. If your bank account is empty, it's not a positive. With this lens on the world, space becomes something to fill, and quiet reflection something to avoid, as we strive to constantly fill the void to "be somebody", to feel complete. In Japan, however, "nothingness" is positive and receptive - it means *an open space or void in which everything is possible.* An emptiness that is pregnant with possibilities.

Martial artists apply this concept of "MU" in retraining their brains to create space needed to drive performance. "Mu-shin" literally means "no mind", and is used to describe the mental state into which very highly trained martial artists are said to enter during combat. When you are in a state of "mu-shin", you are receptive, open to discovering insights and breakthroughs in the free space.
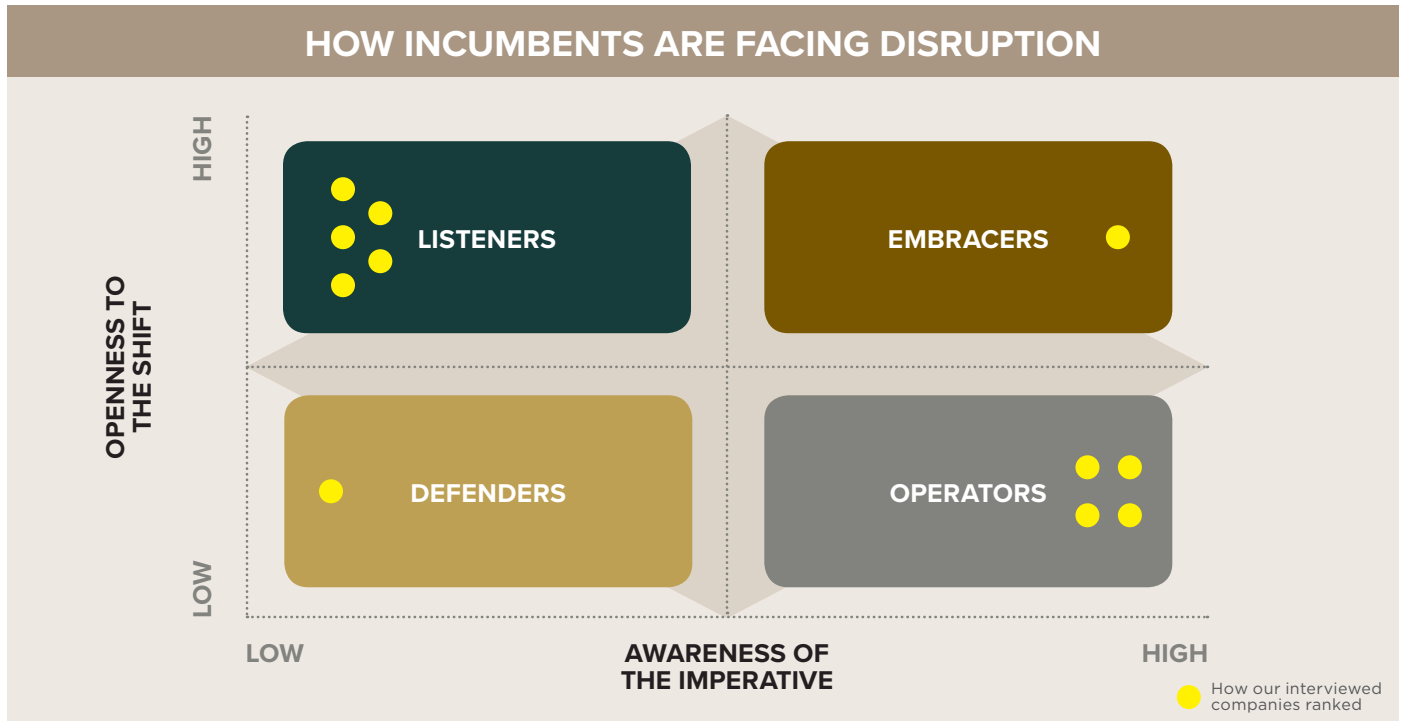
For us, this concept of "MU-shin" is central to the role of humility in leading organizations in exponential times. You cannot achieve the next level of excellence if your cup is overflowing with what you already know, what degrees you have, what expertise you possess. To truly achieve higher mastery and facilitate the reinvention of our organization and leadership, we must first pause, reflect, "empty our cup", allow ourselves to be a beginner, and become receptive to learning anew.

Humility precedes reinvention.

RECOGNIZING HUMBLE INCUMBENTS

Our experience in working with many incumbent companies facing disruption is that they sort into categories we call Embracers, Defenders, Listeners and Operators. These categories can be mapped against two dimensions including; (A) how aware companies are of the imperatives created by the disruptive age, and (B) how open they are to such engaging in a shift to take advantage of them. Humility seems to play a different role in each category. We captured this in Figure 1:

HOW INCUMBENTS ARE FACING DISRUPTION

OPENNESS TO THE SHIFT — HIGH / LOW

LISTENERS

EMBRACERS

DEFENDERS

OPERATORS

AWARENESS OF THE IMPERATIVE — LOW / HIGH

● How our interviewed companies ranked

Companies in the upper right hand quadrant are those that are both highly aware of the shift and are culturally open to it. Companies in this quadrant are already leading the shift in their industries, even though they might be the industry leader with best in class performance. However, humility is evidenced in virtually all management processes, from strategy review to innovation, from recruiting talent to reward and recognition, with a primary belief that in disruptive times, there is much we do not know. We call these organizations 'Embracers'. An example is a Middle East-based airline, once an upstart, now consistently rated at the top of its industry but nonetheless engaged in continually disrupting itself in pursuit of improving the customer experience for which it is so well known.

By sharp contrast, companies in the lower left hand box have a low awareness of the drivers of disruption and of the looming imperative to start the shift. They are also not very open to change in general, while investing more energy and resources in defending against change that might disrupt the status quo or that represented a proven formula for success in the past. Often, these companies are highly risk avoidant

or have slipped into complacency—sometimes, they are just arrogant. In these companies, humble leadership practices such as challenging assumptions, widening perspectives, experimenting, and releasing long-standing beliefs are regarded with suspicion and often squashed. We call these organizations 'Defenders'. An example is a major US industrial conglomerate that has long been well-known for its "we do it best", self-congratulatory behavior.

In the upper left hand quadrant are companies that exhibit a low-to-medium level of overall awareness of the imperative for engaging disruption but culturally are more open to change than those in the Defender category. Companies in the left hand quadrant adopt many practices that are infused with humility, such as acknowledging the need for continual learning, asking tough questions to challenge growth, and even seeking learning from other contexts. However, because they in general perceive a lower level of urgency to change, they tend to stay longer in listening mode before engaging in organizational action. We call these organizations 'Listeners'. An example is a mid-sized German player in the building and construction materials

industry. Leading in it's space and growing faster than the industry average, it has not felt the winds of disruption, but the core humility in culture causes it to be more open to change than a "defender."[5]

Finally, in the lower right hand quadrant are those companies that have medium-to-high levels of awareness of the need to shift. These companies have begun engaging at the Board and/or the executive levels but still have low levels of overall openness because the overwhelming focus of the enterprise remains on operational excellence. Humility allows them to consider being receptive to conceptualizing new ways of creating value, but they remain beholden to the Industrial Age machines they have built, their key performance indicators, and the tyranny of short-termism. We call these organizations 'Operators'. An example is a leading global retailer in the beverage business. Long known as a "performance beast," it prides itself on organizational efficiencies—even though its leaders have begun to listen in on disruptive changes coming to their industry.

What we have discovered is that no matter where the organization stands today, humility plays a central role in organizational transformation. Not surprisingly, Embracers are most vocal in articulating how humility underscores their success when reading the market and moving quickly to respond to disruption. At one such company—a global leader in its industry—a senior executive described the culture as one in which "leaders serve rather than preside, and there is freedom and empowerment within a framework. Power comes from sharing and not hoarding. Contributions count more than credentials."

We have also found that companies in the 'Listeners' and 'Operators' categories have recognized the value inherent in humility, but they are far more likely than 'Embracers' to get slowed down or potentially even stuck in the critical management tensions around priorities, trade-offs, risk-taking, and timing of key initiatives, which leads them to pursuing contradictory strategies. As one president of a maritime services organization told us, "[Humble] leaders have to acknowledge that the traditional way of viewing investments has to be challenged. Traditionally it's been; 'if we invest X the Net Present Value/Internal Rate of Return will be Y and we'll have pay-back by Z years'. With the new, potentially disruptive initiatives I've seen so far, we often have no idea what will come out in the other end and what Y and Z will be. Hopefully it will take us a step or a few steps

forward and ends up as the core of our business one day. I believe we need to encourage both enhancements to our core [business] and at the same time search for potential new core(s). Ordinary efficiency optimization should not be seen as a thing of the past, but it's no longer an either/or – we'll need to do both."

Our research also showed that even 'Defenders' can become humble incumbents once jolted by disruptive change. In one consumer products organization which had slipped into a culture of complacency and arrogance over the years, a harsh reality check of rapidly eroding market share, together with a strong dose of humility, helped the organization radically restructure, sell off its analog business and reorganize for global growth. These actions moved them into the 'Operator' category. While the jury is still out regarding whether the organization will be able to continue to reinvent itself, management processes that embed humility will be central to the ongoing change process.

While we know that using a construct with the dimensions of awareness and openness to change cannot capture all the nuances inherent in reinventing legacy firms, we have found it a useful conversation starter with senior leaders at the helm of incumbent players, to reflect on where the set-point of the organization is and how humility plays a role. We also know that not every incumbent will become an 'Embracer'. Many that manage the straddle will have some part of the organization in 'Operator' mode, and others in 'Listener' mode. And indeed, as leaders we interviewed across multiple industries shared, many incumbent

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5 Ten months after the initial interview, a senior executive with this company said in mid-2017 that he now believes it "is now starting to move from the listener to the embracer quadrant," with "a big investment in digitization and the pursuit of start-up companies" as a key focus of their heavily acquisition-oriented growth strategy.

organizations will have members on their executive team who are naturally inclined toward one of each of the four quadrants. As one European executive pointed out, there is a key question to resolve within each organization and senior leadership team: "Are companies and individuals able to see that they exist not only to react to the world around them, but are in fact able to influence the world? There is a huge shift when one makes this transition. As always, it is the lowest common denominator that prevails, hence even if you have one or more people in a team operating at a high level ('Embracer'), everyone gets pulled back towards the lowest point - and the team or company becomes stuck at the Operational level ('Operator' level)."

Since we anticipate most incumbents will face this challenge, the ability to design and facilitate inclusive dialogues that honor divergent views and challenge the status quo while honoring the core, is essential. Humility—noted leaders that we interviewed—was a precursor for such true dialogue to exist. As one US-based executive in a major public utility told us when describing the role of humility in leading an organization, "Key considerations include diversity among the executive team, and whether that team has created a culture of open dialogue and a self-critical, challenge-based mindset."

So, how does humility show up in organizations and leaders of incumbents seeking to reinvent themselves in the face of disruption?

HOW HUMILITY IS SHAPING SOME INCUMBENTS FACING DISRUPTION

Senior leaders across multiple industries told us that embracing humility is particularly critical at various stages when preparing their organizations for disruption. Humility is often accompanied by other practices and underlying beliefs that encourage ongoing learning. In researching how humility manifests itself among incumbent organizations and their leaders, we identified five phases that companies go through in preparing to face disruption:

1. Facing up to the challenges and opportunities posed by disruption
2. Committing to action
3. Executing on a "straddle" strategy in unknown and uncharted waters
4. Leading, engaging, and evolving the organizational culture
5. Championing continuous learning

THE FIVE PHASES OF PREPARING FOR DISRUPTION

FACING UP TO THE POTENTIAL FOR DISRUPTION*

⬇

COMMITTING TO ACTION

⬇

EXECUTING THROUGH SUBSTANTIAL UNKNOWNS AND UNCHARTED WATERS ⟷ **LEADING, ENGAGING, AND EVOLVING THE CULTURE** ⟷ **CHAMPIONING CONTINUOUS LEARNING**

*PREREQUISITE FOR REMAINING PHASES

FACING UP TO THE CHALLENGES AND OPPORTUNITIES POSED BY DISRUPTION

The first phase is about how incumbents choose to assess the challenges and opportunities posed by disruption and their readiness to address them. Humble leaders do not believe or act as if they are immune to disruption. They do not believe incumbency means permanency. They know that in times of rapid, turbulent change, for all the expertise they bring to the table, there is much they don't know. A President of a maritime services business comments, "[Humble] leaders have to be open to the fact that they don't have all the answers and that the traditional competencies they've surrounded themselves with may not cut it in the new era." Moreover, their companies may be the "best" in the industry, but they don't rest on those laurels, take it for granted, or brag about it.

Indeed, the belief that "we are only as good as yesterday" prevails in humble incumbents, as they know that in an era of disruption their strategic position can change overnight. As the Regional Head for Brazil in an agricultural chemical business notes; "[Humble Incumbent] leaders question themselves when they are cruising at the top…it's never taking things for granted, creating a sense that the company needs to "earn" everything every day, over and over again."

They also know that no matter how good they are, they must continually "earn the right" with customers who are demanding more speed, transparency, access, inclusion, and participation. As another CEO in the maritime industrial services industry reflects, "The CEO and his management team have to spend a lot of time thinking about not only their own customers, but equally importantly about the customer of their customers, as well as the end consumer. This is important since your direct customer of today could likely not be your customer of tomorrow."

Another key aspect of humility at the outset of preparing for disruption is that humble incumbent leaders also inherently understand that the best ideas probably do not reside inside the company. Therefore, it is critical to proactively create ways to constantly and creatively scout new ideas outside of the enterprise. Preparing for potential disruption is also a crucial element of recruiting—meaning that key recruiting decisions should be overseen by individuals who understand the need for new idea generation from new and different kinds of talent that is brought into the organization.

Of course, since blindsiding incumbents is a hallmark of disruptors, it was not surprising that another defining characteristic of a humble organization is the focus on having "more eyes and ears scanning for what's changing in the external environment, knowing that there is always much to learn." This constant scanning, listening and learning is rooted deeply in humility about the organization's accomplishments and market position, as well as in having a culture of curiosity and an openness to learn.

Finally, how organizations respond to missteps in the process of facing up to the potential for disruption was another key facet of humility. As one executive noted, "If the disruptions were not detected in a timely enough manner to avoid impacts to the business, it also takes courage and humility to quickly accept the impact instead of pretending they are not for real, re-shaping the business size or model, and quickly moving back to an attractive position." (RP)

Indeed, the remarks of one senior European executive with experience in the oil and gas and logistics industries nicely captured the mindset of leaders and organizations that are humble in the face of the potential for disruption:

"[The humble leader must be] capable of living a paradox – on the one hand confidently believing in the core of what they do, their business model, their approach – at the same time as they proactively look for evidence to challenge that same belief. They are able to use the rearview mirror to realistically calibrate the organization's cultural and historical foundation, at the same time as they have full sight sideways – and of course mostly forward. In the side mirror, they need to keep competitions, customers, and the whole value chain in full view, understand and engage with inquiry, curiosity and almost admiration, so that the signals received aren't dismissed as 'our crazy or ignorant competitor' and are positively scrutinized. And, instead of predicting doom, such leaders use these signals to ask, 'what it would mean if they succeed?'. From a senior level perspective, they need to live and love the contradictory concept of 'confident believer in current model' and "proactive and critical reviewer" of same."

COMMITTING TO ACTION

If incumbents truly see the scope of potential disruption in their industries for what it is—and we believe humble incumbents do—then they also will recognize that committing to action is the first step of what will be the most difficult business challenge they are ever likely to face. The humble leader will also know that much of what has worked successfully for him or her in the past will not be as relevant when navigating disruption.

First, incumbents must make a firm commitment to dedicating necessary resources to support discussions around what's emerging. This needs to be paired with decision-making to pursue experimentation and growth. They recognize that this will involve difficult resource allocation choices that will be seen by many as coming at the expense of legacy businesses. But, a humble incumbent knows that an "either/or" equation is a false one and that it's in "and/both" where the real challenges lie. It is the latter that enables utilizing digitization to dramatically improve productivity in legacy businesses so that resources can flow to new initiatives.

In committing to action, humble leaders and organizations also appear to be more about listening than they are about telling. They do not exhibit or stand for arrogance in their approaches to customers and the market. Instead, they are motivated by empathy for, and a constant curiosity toward, the customer experience. They look eagerly to take advantage of the possibilities presented by disruption, no matter how daunting they may seem, and they are eager to run experiments to test new paths forward.

As the president of a maritime industrial services business shared, "[Humble incumbent] leaders must be bold, brave, and courageous enough to encourage employees and management to play around with new concepts that could potentially wipe out the very foundation of what their business is built on (or significant parts of it). They also need to be accepting that such exercises could have a significant impact on the P&L/valuation of the company. The overall mantra has to be that we would rather disrupt ourselves than be disrupted by someone else; accepting that if we don't do it someone else will beat us to it and the consequences will be much more brutal."

A former Global Head of Talent and Inclusion who has worked across leading organizations in three key industries that have faced disruption (Financial Services, Technology, and Consumer Products) agrees. "[Humble incumbent leaders have] an ability to see things that others cannot see. They see things coming before others see them and then they do not ask permission to go after it. Many companies do too much socializing of ideas, getting everyone on board before experimenting."

EXECUTING THROUGH SUBSTANTIAL UNKNOWNS AND UNCHARTED WATERS

Once fully committed to preparing for disruption, incumbents will have to be focused on increasing the efficient execution of their current legacy businesses while at the same time dedicating sufficient resources and executive time and energy to the rapid iteration of ideas and experimentation necessary to pursue disruptive initiatives. For incumbents, the newer, less familiar aspect of this "straddle" will be focusing on the latter. The humble leader knows that this will require (A) a radically different approach to speed, risk, and experimentation, as well as (B) the need to potentially impact negatively the legacy side of the company. As the SVP of IT Strategy and Innovation at an award-winning global airline shares, "In a [humble incumbent] start-up, ecosystem partnerships have been developed through innovation outposts such as Incubators or Labs…a genuine attempt to immerse staff into the new

world, change the culture, as well as use the ecosystem to solve business problems in new disruptive ways. We have crafted a few 'transformative initiatives' invested in them now. These are initiatives which hit at the core of our established business model and aim to 'change the game for the entire industry.'"

Regardless of the incumbent—acquires potentially disruptive players or starts disruptive initiatives organically, devoting time and resources to the rapid iteration of ideas and experimentation seem to be hallmarks of execution in humble incumbents. We found widespread recognition that (1) "not everything will be a success. Most new ideas will fail. Be ready to cut the cord if it doesn't work;" and (2) that organizations needed to "foster an environment where failing 'fast and cheap' is allowed." One senior executive engaged in disruptive initiatives said, "[In the humble incumbent], business experiments are encouraged across the board. A few stories have started to appear amongst corporate folklore where people or teams did not get fired for failures which were done within a framework of disruptive business experiments...the predominant focus has been on the learning there-of."

Finally, as experimentation builds and long-standing assumptions about value creation are challenged, humble incumbent leaders must expand how they measure effectiveness, performance and growth. Indeed, as one SVP in a global water technology company emphasizes, "Leadership needs to help employees understand that disruption could even cost a dip in performance before the benefit can be seen and company performance comes back."

LEADING, ENGAGING OTHERS AND EVOLVING THE ORGANIZATIONAL CULTURE

Humble leaders understand that, in the face of potentially challenging risks and opportunities, power comes from sharing ideas. They therefore reach out beyond the organizational structure to invite dialogue, learning and exchange among leaders from disparate industries, geographies and cultures. They are champions of collaboration, not protectors or defenders of silos. As a senior executive at a leading US public utility shares, "[humble incumbent] leaders possess a self-critical mindset that welcomes and encourages open discussion. Dialogue around a corporate conference table on strategic issues needs to go from heated and passionate to light and retrospective." A senior executive of an oil and gas services organization agrees that executives at humble incumbents must be "open-minded, service-oriented, flexible, able to

say 'I'm wrong'." This attitude invites the critical questioning of assumptions, challenges us to flip our thinking, and to disrupt ourselves before others do.

Humble incumbent leaders know that if the discussion has a carefully choreographed, politically-correct tone, it is unlikely to make meaningful progress on big issues. As one observed, "I believe it will be of utmost importance to create an open atmosphere (sufficient ceiling height) to new ideas and concepts that allows for even 'shell shocking' potential consequences. The 'bearer of such news' will have to be celebrated rather than kicked out of the meeting room. Even if the idea/concept is deemed to be very bad, the sentiment in the organization needs to be viewed as open to (almost) anything. Leadership on several levels in the organization plays a big part in establishing such a culture, and it starts with top management accepting that they don't know it all."

Humility must be role modeled at the top. As one senior European executive with experience in the oil and gas and logistics industries cautions, "The 'humble incumbent' organization will, by default, need to have a humble cadre of leaders. When humbleness exists only further down in the ranks, it will more often be considered weakness, and a sign of a lack of loyalty."

In the invitation for more collaboration, humble incumbent leaders begin to become more masterful at inclusive dialogue and respectful of divergent leadership styles, as both together are pre-requisites for tapping into the potential for innovation. As one Regional Managing Director for a global construction industry leader comments, "The leadership group [of a humble incumbent] needs to be relatively loose in allowing different styles to cohabitate within the organization." Respect for diverse styles and perspectives is seen as critical to many leaders building humble incumbents. As a senior executive at a leading US public utility shares, "Diversity (within the leadership of a humble incumbent) should be broad, including gender and experiential diversity, and if possible should include both long tenured executives and those who have moved up rapidly and are more likely to challenge the status quo. Our experience with having more women on the executive and strategy teams is that problems are approached from different perspectives and the discussion is shaped with different styles...I would expect that diversity would be more likely to make one's organization a 'humble incumbent'."

There's also a recognition that, to get the most out of human capital when preparing for disruption, people should be

Humble incumbent leaders and organizations navigating rapid and substantial change in their strategies, business models and organizations must also let go of things that helped them be successful in earlier stages of their evolution. Humility allows us to release that which may no longer serve our growth with less attachment and more openness.

As an SVP of IT Strategy and Innovation emphasizes, humble incumbents actively seek change and have a recognition and passion for change. "The 'why' has been widely debated within executive circles and an imperative/buzz for change has been created. There is a dual passion for the purpose and the customer and a focus on 'know to learn,' as opposed to 'learn to know.'"

Humility helps us recognize that as things are in an exponential state of evolution, we will never be "done", never "accomplished" in the way we have thought about before. Resting on our laurels is a recipe for trouble. As the Country Manager for Pakistan in a chemical manufacturing business highlights, there is a "we are never done" attitude in humble incumbents. [There is] a cry to disrupt yourself. Every day must be different from the previous, a coming out of routines by challenging what's going on, all while developing a "why not this" culture. [The] important thing organizations must understand is that this exponential change is a process which will continue forever. The speed of exponential change will increase day by day but this process will continue …This is now the New Normal."

The good news is that, as humble leaders and humble organizations believe, there are near-infinite possibilities for value creation presented by collaborating with their employees and within their broader eco-systems. Humble leaders and organizations therefore prioritize what we call 'scalable learning', and are aware of the risk of focusing only on extracting maximum performance management in the pursuit of scalable efficiencies. The predominant focus is on gaining the learning from experiments as the core business is simultaneously optimized and continuing to explore, learn and evolve.

Moreover, in an organization focused on continuous learning, there is also a comfort with smart risk-taking and learning from failure and mistakes. As the SVP in a global water technology organization shares, "[Humble incumbents] encourage employee to take risks, celebrate success and also failure, and learn how to fail early. [They are] less analytic, take a bit more risk… not just thinking out of the box, but assuming there is no box."

allowed to focus on what they are most passionate about, even if this runs counter to some measures of organizational efficiency. As one executive noted, "There are likely several parts of the organization that will have to continue the focus on running the legacy side of the business—that is, after all, how the organization will survive at least in the foreseeable future. At the same time, there could be people with attitudes or competencies "trapped" in the traditional incumbent business who should be encouraged and given the opportunity to support disruptive concepts. Tasking them (to be part of new initiatives) should be accepted as a positive thing and not (end up being) over and above everything else they do to begin with; they will have to be given the opportunity to focus on the task/project, and leaders have to support any back-fill in the line organization needed for those resources."

Partly because of people following their passions, and as humility anchors in an organization, the workplace in a humble incumbent can begin to feel quite different in the day-to-day climate. The CEO of a maritime industrial business notes that the energy and engagement in humble incumbents is decidedly different than in traditional legacy firms, saying, "People who work for such companies enjoy their work immensely. They feel they are part of a team where there is a lot of sharing and trust. There is a strong sense of togetherness. The top management has as their DNA that their most important role is to make sure everyone else succeeds."

A former Head of Global Talent and Inclusion notes: "There is something energetic about [humble incumbent] organizations. They are high energy, almost playful. They have a different magnetic energy that creates openness vs. feeling slow and oppressive." The environment is a crucial piece that differentiates humble incumbents from legacy players that put all efforts into seeking to preserve the past.

COMMON TRAPS COMPANIES FACE IN PREPARING FOR DISRUPTION

"The challenge is therefore the balancing act of taking care of what we have whilst at the same time creating new business models for tomorrow. There is a risk that what happens today suddenly becomes irrelevant and is looked down upon, since it is 'so yesterday. (We cannot forget that) without today, tomorrow will never happen!'

–A senior leader in a global maritime industrial company

Not surprisingly, our research identified several traps incumbents face in each of five phases of preparing for and proactively responding to potential disruption.

FACING UP TO THE CHALLENGES AND OPPORTUNITIES POSED BY DISRUPTION

Underestimating disruption's impact

The first set of traps confronting legacy incumbents facing up to disruption are those pertaining to basic awareness and perceptions about timing, level of impact, and readiness. Incumbents can easily fall into thinking that (A) disruption is happening to other industries; not theirs; (B) that even if it comes to their industry, they will have time to respond; and (C) that even if it comes to their industry, it will cull the weaker companies, and the leading legacy players will prevail. As a President in a global maritime company said in discussing the basic attitudes in legacy incumbents, "First and foremost neglecting the scale of the potential threat or believing that no-one else will discover it anytime soon or that your customers will stay loyal to you for some obscure reason. Believing you have all time in the world and that you will be able to smooth out/transition with limited impact to the overall performance of the company." Another executive spoke of the danger of "underestimating the potential impact (of disruption) and becoming a 'lagging loser'."

Finally, as one other senior leader bemoaned, there can be a dangerous attitude of "We are too big..we have X% market share and we have scale advantage, so no one can touch us". Such beliefs and attitudes undermine any internal efforts to raise aware of disruption.

Looking in the wrong direction

Views vary widely among leaders across many industries on whether disruption will come from start-ups or other incumbents and whether they will be from inside or outside the industry.[6] This increases the likelihood of the surprise factor, as leader dismiss or minimize potential threats.

COMMITTING TO ACTION

A second set of traps emerges around the level of executive commitment to undertaking, and prioritizing, preparing for disruption.

Imprisoned by the Short Term

The first of these lurks in the short-term, financial results-oriented operating rhythm in large publicly held companies. As a senior executive at a leading US public utility points out, "Inertia is the biggest trap for large incumbents. Quarter-to-quarter earnings expectations and the focus of most Wall Street analysts on near term forecasts and guidance rather than strategic positioning can make it very difficult to make significant decisions early in the strategic planning process. As a result, there is a danger that a company can see the disruption and have well identified options on how to respond, but never execute because of near term financial impacts."

High Risk Avoidance

The second commitment trap lies in the perceived risk associated with dramatic new strategic departures. An executive with a major agro-chemical company remarked, "as opposed to new entrants, incumbents often feel as if they have much more to lose if they make the wrong move. (Tweaking) a winning model is always very risky." And, as one leader told us, "there is a danger in exponential times, (that legacy incumbents will) get scared and 'freeze in the headlights' when they cannot comprehend the pace of change."

Frontline-senior leadership trust deficit

A third commitment trap is one in which communication about potential disruption is diluted due to a fundamental lack of trust between senior leadership and employees on the front-line. The Regional Head for Brazil in an agricultural chemical business articulates this multi-faceted challenge as follows. "A great place to detect a potentially disruptive change is at the front lines, where the organization is closer to its customers and competitors. On the other hand, the commitment to act may require a decision from the top. This embedded disconnection between the "sensors" and the "control board" requires a high level of trust (therefore integrity) in the relationship between these two bodies so that the potential disruption is seen, properly communicated, and heard in a way that it drives

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6 Again, see, Digital Vortex, Cisco and IMD, July, 2015.

commitment to action. When this level of integrity is not in place, a minor change can be communicated as a disruption just to justify performance issues or a real disruption is either not communicated properly or it is, but it is heard and 'discounted' as a minor change. In both cases, organizations will not be propelled to action as they should."

For organizations to see, spot, and then actually move to address the potential disruptors, leaders have got to be in the business of trust-building, and this is not something that can be established overnight, just because the element of surprise suddenly changed the market. Establishing trusting relationships takes time and requires careful ongoing attention, and should be the priority of every humble incumbent.

Finding the Right Pace

A fourth commitment trap is in finding the right pace between too much "aggressive impatience" and the "we have time" syndrome. A President in a global maritime company put it succinctly when he cautioned against, "believing that everything is up in the air, and that ALL anyone has believed in up to now will change overnight. (This runs the risk of) de-focusing the whole organization on what the business is founded upon, creating an exponential amount of uncertainty and leaving the incumbent business with a broken back - not able to support existing customers, dysfunctional supply chains and sales organizations, etc." Another of our leaders, the head of corporate strategy in a global construction materials company, warned about "jumping in too late and too short;" a third, with a global water technology company, about the likelihood that incumbents will just "move too slow."

Being lured back into the comfort zone

A final commitment trap is how difficult it is to stay true to potential disruptive initiatives. Leaders initially committed to preparing for disruption and excited about developing disruptive strategies can find themselves diluting those very strategies in favor of pursuing incremental improvements and fast returns to bottom lines in their existing businesses. This magnetic pull is partly the result of the tyranny of short-termism; but it's also partly from the lure of the familiar and the comfortable. The lessons, of course, are many-fold. Is there courage behind conviction? Can leaders overcome the pressures of today to build for tomorrow?[7]

Execution issues present a third set of traps, ranging from delusions about how much can be accomplished to becoming distracted by superficial aspects of disruptive change.

Failing to make choices and keep focused on what matters

The first execution trap is falling into believing that the organization and its leaders "can do it all"—in other words, continue to manage all aspects of the legacy business while at the same time launch and execute on disruptive initiatives. The danger here is, of course, that performance will falter on both sides of a "straddle" strategy and people will burn out trying to do too much of everything. As the VP for IT Strategy and Innovation at one company driving radical change warned, "building a central transformation team is fine but then there is a risk of keeping them busy with a deluge of business as usual stuff. There is inherent seduction in doing this since in large enterprises there is always value to be extracted by improving current business processes as well as even doing something nice to get ahead of competition. But the key is to give teams the mandate to look at ways to 'change the game' first."

A related danger here is that leaders will delude themselves that they are undertaking disruptive initiatives when they're not. A senior leader in the oil and gas services industry cautioned, "What is actually changing in how we do business and reinvent (ourselves when you are) just making line item by line item cuts ($50 worth of paper here, etc.) and patting yourself on the back?" Another executive cautioned that companies could also fall into "being seen to be doing something digital," to impress shareholders, when it's really of little impact.

Distracted by the dazzle of disruption

A second execution trap is that senior leaders get too caught up by the potential "dazzle" on the disruptive side of things. As one of our executives with experience in successful disruptive initiatives said, "[Activities like] corporate tourism [the now ubiquitous senior executive team visits to Silicon Valley], and starting incubators and labs in exotic locales run the risk of becoming vehicles for executive tourism and engagement with the press."

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7 For example, after a two-day workshop designed to develop and then leverage greater awareness of the potential for disruption, a CEO we worked with had an enticing list of potentially disruptive initiatives to choose from. Next steps were clearly to pick the most impactful, doable ones, fence off resources to flesh them out, determine short timelines for success, and begin to execute. Within a few days, however, most of the ideas had been captured back into his legacy strategies, and had lost much of their disruptive potential.

LEADING, ENGAGING OTHERS AND EVOLVING THE ORGANIZATIONAL CULTURE

The traps related to leading, engaging, and evolving the culture flow first from building a critical mass of buy-in and then staying the course through the natural messiness of the change process.

Failing to gain sufficient buy-in

The first trap is around gaining sufficient buy-in from stakeholders, especially employees. As one executive said, "Getting enough critical mass on board (for preparing for disruption) is also a pretty significant challenge. People may accept one new idea, but chances of success only get significantly high after a good number a key people embrace the changes." Another spoke of, "failing to educate the rank and file and thus losing momentum, especially if only the top brass gets it and fails to understand (and communicate) that it may be a continuous process, not another grand strategy to be written in stone for the next decades."

Failing to provide consistent messaging

Related to this trap is the natural challenge in any change process, which is the need to be consistent in messaging and to stay the course over what will likely be a journey containing pitfalls, failures, and setbacks. While this is a common challenge in any organizational change, the accelerated speed of change today, together with the business model disruption that companies face, had many leaders pointing to the critical importance of helping people cycle through change with more resilience and speed by maintaining leadership integrity in communication and actions. As a Regional Head of business for a major agro-chemical company told us, "(leaders) need to walk the talk... if they don't and if a management team is not consistent and delivers mixed messages to employees, employees will be confused and the disruptive period may be painful...and longer." A senior executive with a global water technology company said, "Again the worst thing a company can do is not take it (preparing for disruption) to the finish line and to start to hold back after a while."

Failing to tolerate ambiguity

The next trap in leading and engaging the culture forward involves leadership expectations of the uncertain, ambiguous nature of the journey. Much as there will be a desire for a neat, executable process, unless the disruptive initiative is being undertaken by an acquired entity working

autonomously of the legacy business, the differences in pace, focus, and operating styles on each side of the straddle are likely to result in messiness, confusion, and conflict. As one executive from a company well-versed in disruptive initiatives captured it: "A culture which expects everything to be clear and deterministic can be a trap. The fact is that exponential times are probabilistic by nature. Things are unclear and change happens as a norm. So, the key is to develop organizational culture and capability to thrive in change, rather than being only able to move when everything is crystal clear and well laid out."

A leader from a company in the global construction industry concurred. "[Leaders should not] fail to recognize that it will not be a precise process. Some parts of the business will not embrace the innovative process involved in identifying weak signals and initiating activities to exploit opportunities or foil competitors. This needs to be accepted and the leadership group needs to be relatively loose in allowing different styles to cohabitate within the organization."

Failing to reward risk-taking and experimentation
A final trap in this phase relates to how the organization responds to failure and how forgiving it is. There was broad recognition that engaging and evolving the organizational culture on the crucial aspect of risk-taking and experimentation was central to the success of preparing for disruption. Part of that is figuring out how to reward smart risk-taking and to identify and work to reduce uninformed decision-making.

CHAMPIONING CONTINUOUS LEARNING

A final set of traps emerged over the role of learning when faced with the potential for disruption in incumbents.

Failing to let go of past beliefs
The largest and most impactful of these traps flows back to leaders themselves in failing to recognize that much of their expertise and experience in getting where they got will not be very relevant in a disruptive age. As one of our global functional heads said, "believing that using what we've done before as the baseline for our confidence to move forward and/or then being very influenced by a one-off instance/observation/feedback from another player to skew our thinking runs the risk of taking our decision-making way off track [when facing disruption]." She went on to call out a classic, deeply engrained leadership stance in many incumbents: "They end up being very declarative. 'This is my point of view. What do you think?' Humility is missing."

Failing to look outside for knowledge
A second trap related to the role of continuous learning in incumbents facing disruption is centered in the belief that required knowledge lies within the organization itself. As one executive engaged in leading disruptive initiatives said, "there needs to be a clear framework and mandate to leverage the ecosystem to affect change in culture as well as looking at problems from a fresh perspective."

Failing to champion continuous learning
Finally, a third trap regarding championing continuous learning in incumbents is the perception that tightly managed performance will remain a more powerful contributor to organizational success than creativity. Many of our executives acknowledged that this will be challenged strongly in incumbents facing disruption and that winning companies will need to fundamentally re-frame this issue—especially on the disruptive initiatives side of "the straddle."

Organizations that prepare for the potential of disruption successfully will embrace humility and proactively spot and manage through these natural traps in reinventing themselves and their leadership. In our next paper, Exponential Leadership, we will build upon the beliefs and practices of humble incumbents shared here, and explore additional beliefs and practices that will help leaders manage the straddle of scalable efficiency and scalable learning in their daily management processes.

CONCLUSION

Long-standing success for legacy players carries with it an inevitable burden of a hardened self-concept resistant to seeing how exponential change and disruption could possibly compel a necessary reinvention. Indeed, one of our executives said it well, when he observed that,

"Leaders today have to operate in three dimensions—the Evolutionary, The Revolutionary, and last, but not least, the Disruptive dimension. Most leaders have worked in

the first and second dimension where they have used ISO, Six Sigma, continuous improvement, etc., to move their company and product ahead. The Revolutionary [leader is one who] would be developing new products such as the hybrid vehicles or for that matter when we go from wind to steam vessels or bulk to roro [Roll-on, Roll-off]. It is the last dimension that we are facing now, namely as a leader to be able to live in an era where there is a chance that what you have done will be greatly reduced or even eliminated."

Yet as increasing numbers of organizations today can no longer avoid the impact of disruption, we have found humility, when embedded in organizational and leadership practices, can ignite the necessary movement forward through five stages of preparing for disruption.

As the chart below highlights, there are underlying beliefs and core emotions which can pull these players off course.

SUMMARY: HUMILITY AND PREPARING FOR DISRUPTION

PHASES	THE TRAPS	THE HUMBLE INCUMBENT
Facing up to the potential for disruption	Underestimating the impact of disruption. Looking in the wrong direction.	… knows that in times of such rapid, turbulent change, for all the expertise they bring to the table, there is likely much they don't know.

"Neglecting the scale of the potential threat or believing that no-one else will discover it anytime soon or that your customers will stay loyal to you for some obscure reason. Believing you have all time in the world."

"[The humble leader must be] capable of living a paradox – on the one hand confidently believing in the core of what they do, their business model, their approach – at the same time as they proactively look for evidence to challenge that same belief."

PHASES	THE TRAPS	THE HUMBLE INCUMBENT
Committing to Action	Imprisoned by the short-term. High risk avoidance. Not finding the right pace for change – oscillating between accelerator and brakes. Being lured back into the comfort zone.	…does not believe or act as if it is immune to disruption, but rather looks eagerly to take advantage of the possibilities presented by it, no matter how daunting they may seem. The humble incumbent are eager to run experiments to test new paths forward.

"As opposed to new entrants, incumbents often feel as if they have much more to lose if they make the wrong move. (Tweaking) a winning model is always very risky. There is a danger in exponential times, (that legacy incumbents will) get scared and 'freeze in the headlights' when they cannot comprehend the pace of change."

"[Humble incumbent leaders must be] bold, brave, and courageous enough to encourage employees and management to play around with new concepts that could potentially wipe out the very foundation of what the incumbent business is built on (or significant parts of it). The overall mantra has to be that we would rather disrupt ourselves than to be disrupted by someone else; accepting that if we don't do it, someone else will beat us to it and the consequences will be much more brutal."

PHASES	THE TRAPS	THE HUMBLE INCUMBENT
Executing	Never saying no. Deluding ourselves into thinking we are reinventing ourselves. Distracted by the dazzle of disruption.	…dedicates necessary resources to support rapid iteration of ideas and experimentation in pursuing disruptive-oriented growth. As experimentation build and long-standing assumptions about value creation are challenged, a humble incumbent expand how it measures effectiveness, performance and growth.

"Building a central transformation team is fine but then there is a risk of keeping them busy with a deluge of business as usual stuff. There is inherent seduction in doing this since in large enterprises there is always value to be extracted by improving current business processes as well as doing something to get ahead of competition. But the key is to give teams the mandate to look at ways to 'change the game' first."

"[In the Humble Incumbent], business experiments are encouraged across the board. A few stories have started to appear amongst corporate folklore where people/ teams did not get fired for failures which were done within a framework of disruptive business experiments…the predominant focus has been on the learning there-of."

HUMILITY AND PREPARING FOR DISRUPTION

STAGES	THE TRAPS	THE HUMBLE INCUMBENT
Leading, Engaging, and Evolving the Culture	Not gaining a critical mass of buy-in. Failure to be consistent in leadership talk and actions. Expecting change to be clear, clean and certain. Not rewarding, or even punishing, experimentation and mistakes.	...understands that, in the face of such potentially challenging risks and opportunities, power comes from sharing ideas and reaching out beyond the organizational structure to invite dialogue, learning and exchange among disparate industries, geographies and cultures. A humble incumbent champions collaboration, rather than protects or defends silos.
	"A culture which expects everything to be clear and deterministic can be a trap. The fact is that exponential times are probabilistic by nature. Things are unclear and change happens as a norm. So, the key is to develop organizational culture and capability to thrive in change, rather than being only able to move when everything is crystal clear and well laid down."	"There is something energetic about these organizations. They are high energy, almost playful. They have a different magnetic energy that creates openness vs. feeling slow and oppressive."
Championing Continuous Learning	Resting on our laurels of expertise. Failing to seek contrasting, fresh perspectives outside our four walls. Tightly run performance management systems with no space for creativity.	...believes, there are near-infinite possibilities for value creation presented by collaborating with their employees and within its broader eco-system, and that therefore, it prioritizes what we call "scalable learning" as essential. It is also comfortable with smart risk-taking and learning from failure and mistakes.
	"Another trap is internal mindsets, like, 'Let me use what I've done before as the baseline for my confidence to move forward, or being very influenced by a one-off observation or feedback from another player to skew my thinking. No sense-checking or curiosity; ends up being very declarative.' 'This is my POV.'"	"[Humble Incumbents have a] recognition and passion for change. The "why" has been widely debated within executive circles and an imperative/buzz for change has been created. There is a dual passion for the purpose and the customer and a focus on "know to learn," as opposed to " learn to know."

OVERVIEW

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

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

2. **Strategies for the Disruptive Era and for Exponential Times** — It's already been established that the core strategies and strategic thinking pathways of the last half-century will no longer suffice in the era of disruption and exponential times. It's also clear that digital native companies leading the disruptive charge operate within radically different strategic guiderails. Digital 2.0 incumbents across nearly all industries will require a mix of the two approaches to navigate the transition from the linear to the exponential era. (Coming soon)

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

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

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

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

For more information on the other articles in this series, please visit us online: **http://innerpowerintl.com/our-latest-ideas/** or **http://www.cb-leadership.com/**

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