



**John Spence**

*making the very complex...awesomely simple*

THE  
RESULTS.  
GROUP

# The Future of Business

## Success In The New Normal





**For the first section simply take  
notes on pages 10 - 14**

A person wearing a white long-sleeved shirt is holding a black laptop. The laptop screen displays text in orange. The person's hands are visible holding the laptop from the sides.

# LEADERSHIP

Is a BIG idea

Everyone is a leader

Everyone can learn to lead

It is simple, but NOT easy

To be a great leader of others...



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# Two sides...



- **What To Do**
  - **How To Be**
-



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*Abbott, GE, Merrill Lynch, Microsoft,  
IBM, Apple, Fonterra, State Farm,  
Bank of America...*



- 1. Character**
- 2. Courage**
- 3. Communication**
- 4. Collaboration**
- 5. Competency**
- 6. Compassion**
- 7. Contribution**





# Character





**HONEST  
FORWARD LOOKING  
COMPETENT  
INSPIRING  
FAIR  
SUPPORTIVE**

# **The Leadership Challenge**

by Kouzes and Posner



A close-up portrait of a man with dark hair, smiling warmly at the camera. He is wearing a light-colored shirt with thin vertical stripes. The background is a solid, bright yellow.

# I want a leader who will:

- ✓ Tell me the TRUTH...
- ✓ Has a clear vision for where we are going...
- ✓ Has the skills to get us there successfully...
- ✓ Is excited about going with me...
- ✓ And will treat me fairly and support me along the way.

TO THINK **BIG**

Courage

TO BE **BOLD**

To speak the **TRUTH**



To be... Vulnerable



# Communications

Ask GREAT  
questions...  
and LISTEN!



# SMART Communications

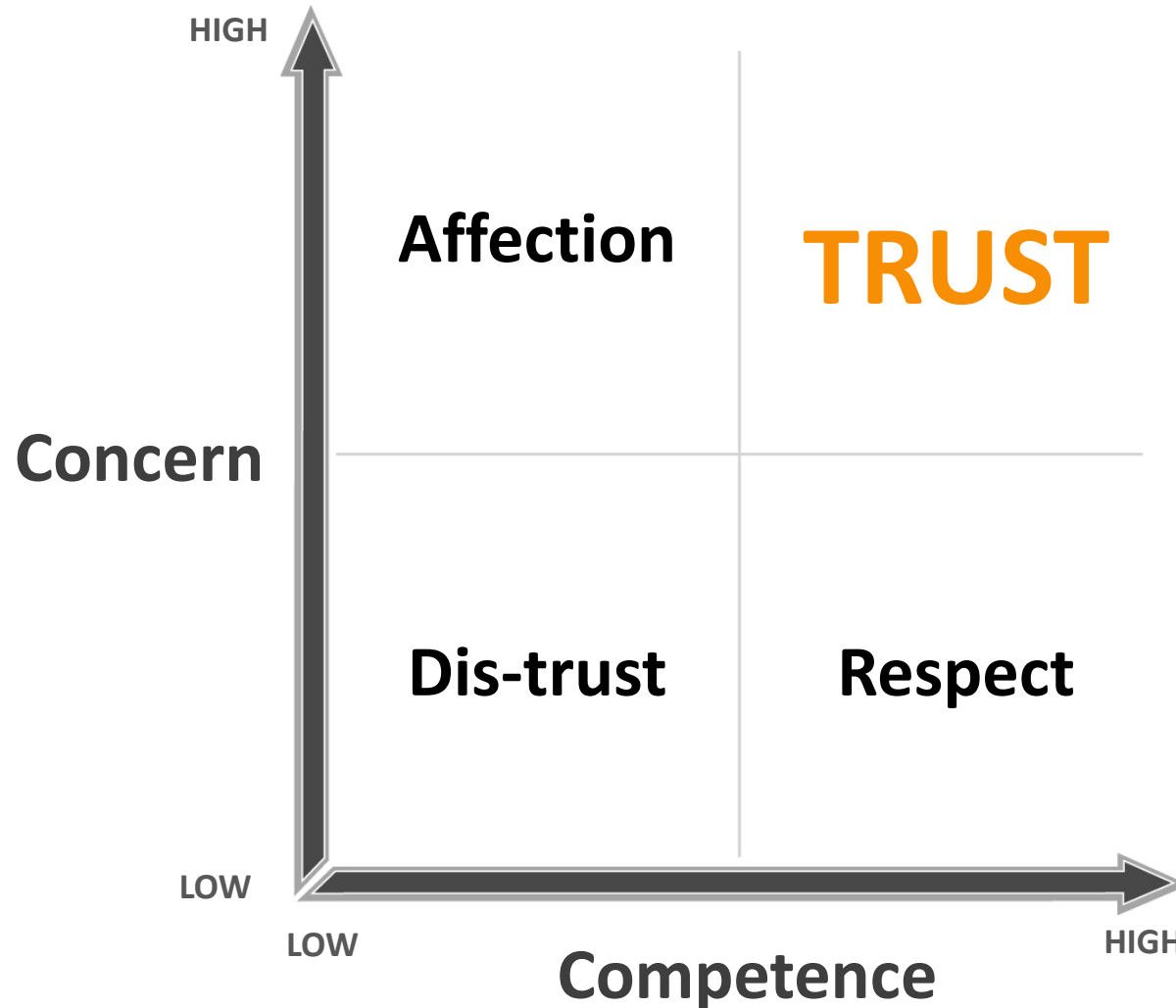


**Avoid** ← **Dialogue** → **Attack**

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# The 4 Cs of TRUST





“I am good at  
what I do... and I  
do it because I  
care about you.”

# Collaboration



## Some really great advice...

Anne Mulcahy

*CEO of Xerox and the third most powerful  
woman in the world!*



1. Build a network of great relationships with people who want to see you succeed.
2. You don't have all of the answers, so ask for help and advice from the smartest people you can find.
3. Learn to be a learner.
4. Listen intently to your employees and to your customers.

# Competency

Books

Book summaries

Audio books

Audio book summaries

Training DVDs

Seminars

i-Tunes U

Pod casts

Blogs

TED.com

BigThink.com







# Compassion

**Focus me**

**Know me**

**Care about me**

**Hear me**

**Help me feel proud**

**Equip me**

**Help me see my value**

**Help me grow**

**Help me contribute**

**Thank me**

# Contribution





**Remember...**

**Nothing is small**







$$\begin{aligned} \cos^2 \alpha &= 1 - \sin^2 \alpha \\ \sin^2 \alpha &= \frac{1}{1 + \cot^2 \alpha} \\ \cos^2 \alpha &= \frac{1}{1 + \tan^2 \alpha} \\ \sin 2\alpha &= 2 \sin \alpha \cos \alpha \\ \cos 2\alpha &= \cos^2 \alpha - \sin^2 \alpha = 1 - 2 \sin^2 \alpha = 2 \cos^2 \alpha - 1 \\ \tan 2\alpha &= \frac{2 \tan \alpha}{1 - \tan^2 \alpha} \quad \cot 2\alpha = \frac{\cot \alpha - \tan \alpha}{2 \cot \alpha} \end{aligned}$$



$$\begin{aligned} \sin 3\alpha &= 3 \sin \alpha - 4 \sin^3 \alpha; \cos 3\alpha = 4 \cos^3 \alpha - 3 \cos \alpha \\ \tan 3\alpha &= \frac{3 \tan \alpha - \tan^3 \alpha}{1 - 3 \tan^2 \alpha}; \cot 3\alpha = \frac{\cot^3 \alpha - 3 \cot \alpha}{3 \cot^2 \alpha - 1} \\ \cos 3\alpha &= \cos^3 \alpha - 3 \cos \alpha \sin^2 \alpha; \sin 3\alpha = 3 \sin \alpha \cos^2 \alpha - \sin^3 \alpha \end{aligned}$$

- Carefully read/study pages 16 - 23
- Do the workshop on page 24 - 27

The chalkboard background includes the following content:

- Trigonometry:**
  - $\sin \frac{\alpha}{2} = \pm \sqrt{\frac{1 - \cos \alpha}{2}}$ ,  $\cos \frac{\alpha}{2} = \pm \sqrt{\frac{1 + \cos \alpha}{2}}$ ,  $\tan \frac{\alpha}{2} = \frac{1 - \cos \alpha}{\sin \alpha} = \frac{\sin \alpha}{1 + \cos \alpha}$
  - $\sin^2 \frac{\alpha}{2} = \frac{1 - \cos \alpha}{2}$ ,  $\cos^2 \frac{\alpha}{2} = \frac{1 + \cos \alpha}{2}$ ,  $\tan^2 \frac{\alpha}{2} = \frac{1 - \cos \alpha}{1 + \cos \alpha}$
  - $\sin(\alpha \pm \beta) = \sin \alpha \cos \beta \pm \cos \alpha \sin \beta$ ,  $\cos(\alpha \pm \beta) = \cos \alpha \cos \beta \mp \sin \alpha \sin \beta$
  - $\tan 2\alpha = \frac{2 \tan \alpha}{1 - \tan^2 \alpha}$ ,  $\cot 2\alpha = \frac{\cot \alpha - \tan \alpha}{2 \cot \alpha}$
- Calculus:**
  - $\frac{1}{1-x} = 1 + x + x^2 + \dots + x^n + \dots = \sum_{n=0}^{\infty} x^n, |x| < 1$
  - $\frac{1}{1+x} = 1 - x + x^2 - \dots + (-1)^n x^n + \dots = \sum_{n=0}^{\infty} (-1)^n x^n, |x| < 1$
  - $e^x = 1 + x + \frac{x^2}{2!} + \dots + \frac{x^n}{n!} + \dots, |x| < \infty$
- Physics:**
  - Diagram of a projectile with horizontal distance  $x$  and time  $t$ . Formulas:  $T_x = \frac{q(L-2x)}{2}$ ,  $T_1 = A = \frac{q^2}{2L}$ ,  $T_2 = -B = -\frac{q^2}{2L}$
  - Diagram of a pendulum with length  $L$  and angle  $\alpha$ . Formulas:  $A = \frac{q^2(a+2b)}{2L}$ ,  $B = \frac{q^2}{2L}$ ,  $T_1 = A$ ,  $T_2 = -B$ ,  $x = A/a$ ,  $M_{1-2} = +A^2/2q$ ,  $M = Bb$ ,  $f = \frac{q^3 b}{6L^2 E}$
- Geometry:**
  - Diagram of a rectangular prism with volume  $V = Lwh$  and surface area  $S.A. = 2lw + 2lh + 2wh$
  - Diagram of a right triangle with sides  $a, b, c$  and angles  $A, B, C$ . Formulas:  $\sin A = \frac{a}{c}$ ,  $\cos A = \frac{b}{c}$ ,  $\tan A = \frac{a}{b}$ ,  $\cot A = \frac{b}{a}$ ,  $\sec A = \frac{c}{b}$ ,  $\csc A = \frac{c}{a}$





- **At your table, share what you have written and as a group, agree on the FIVE most important characteristics of a truly effective leader.**
- **You will have three minutes to report out on what your table developed.**

A man with a surprised or stressed expression, wearing a suit and tie, is holding a yellow sticky note in his right hand. The sticky note has the word "HELP" written on it in large, bold, black capital letters. The background is blurred, suggesting an office environment.

HELP

Most people are so busy  
working **IN** their  
business that they do  
not take any time to  
work **ON** their  
business.

# Reality Check

## Knowing – Doing

### 1 -10



The number one factor in increasing the  
level of highly satisfied and engaged  
**CUSTOMERS** in your business is...

The level of highly satisfied and engaged  
**EMPLOYEES** in your business.



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# Culture = Cash

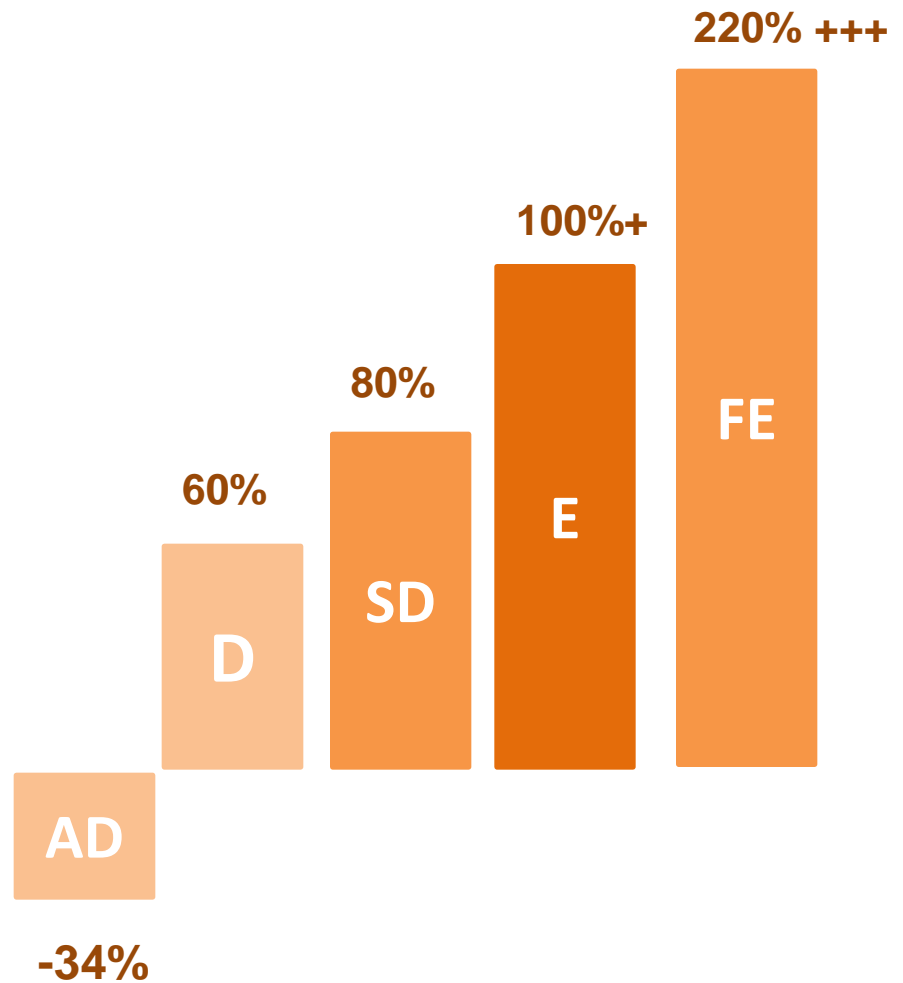
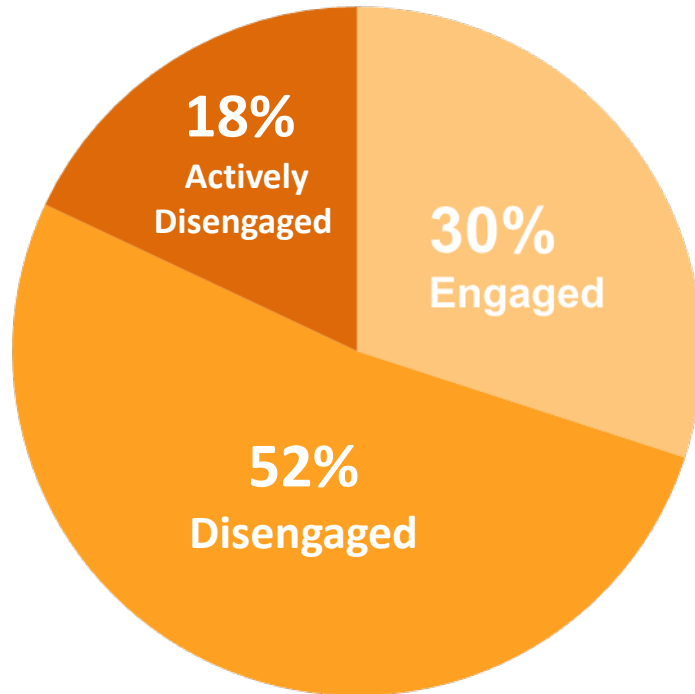






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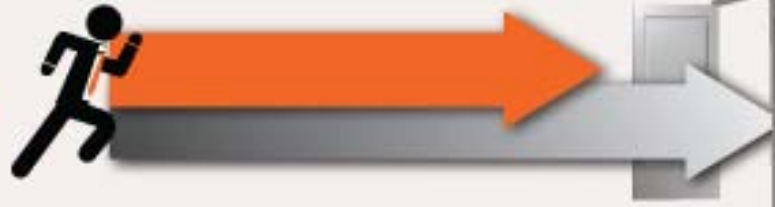


Actively disengaged employees cost you **\$3,400**  
for every \$10,000 of salary.



**NITB**

**37% LESS  
ABSENTEEISM\***



**28% HIGHER  
GROSS MARGINS**

**3.5X GREATER  
EARNINGS  
PER SHARE**



**19% INCREASE  
IN OPERATING  
INCOME OVER  
PREVIOUS YEAR**



**18%  
HIGHER  
PRODUCTIVITY**



\*Companies in the top quartile performance  
Compared with companies in the bottom quartile.

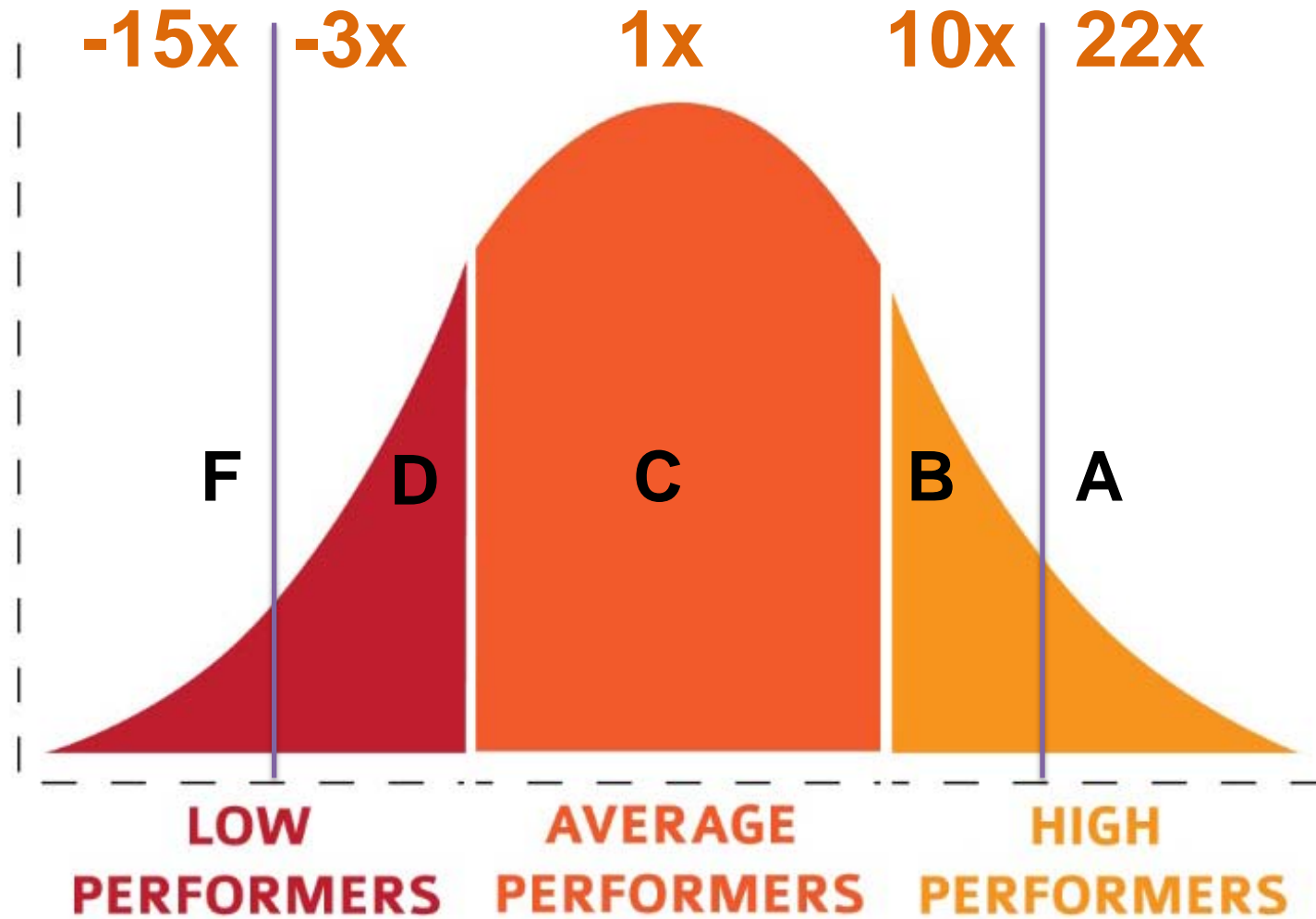
**NITB**



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The game is won in your “B” players



**NITB**



## And now for a closer look at your organization

**So let's get started with  
a little self-test... page 17**



1,300,000 interviews: **Basic 4 + 1**







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## TEN ELEMENTS OF A WINNING CULTURE

1. People enjoy the work they do and the people they work with
2. People take pride in the work they do and the company they work for
3. There are high levels of engagement, connection, camaraderie and a community of caring
4. There is a culture of fairness, respect, trust, inclusiveness and teamwork
5. The leaders walk the talk, live the values and communicate a clear vision and strategy for growth
6. Lots of open, honest, robust and transparent communication across the entire organization
7. The company invests back in employees; there is a commitment to learning, coaching and development
8. There is a bias for action, employees have an ownership mentality and always strive to give their personal best
9. There is high accountability and a strong focus on delivering the desired results
10. There is ample recognition and rewards and mediocrity is not tolerated



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# Why do you work where you work?



Fair Pay

Meaningful Work

Cool Colleagues

Winning Culture

Opportunity for Growth

Boss I Admire





# **WS:** What would you look for in an “Ideal” team member?



**Develops and displays very strong competence.**

**Follows through on commitments.**

**Delivers required business results.**

**Proactive – looks for ways to help.**

**Honesty and integrity**

**Great collaborator**

**Enjoyable to work with – positive attitude.**

**Passionate about their work and those they serve.**

**Communicates and keeps everyone informed.**

**Helps the other members of the team.**

**Helps members of other teams.**

**Always learning - shares ideas, information and credit.**

**Hold themselves 100% accountable.**





**D**irection – vivid, clear, inspiring --- shared

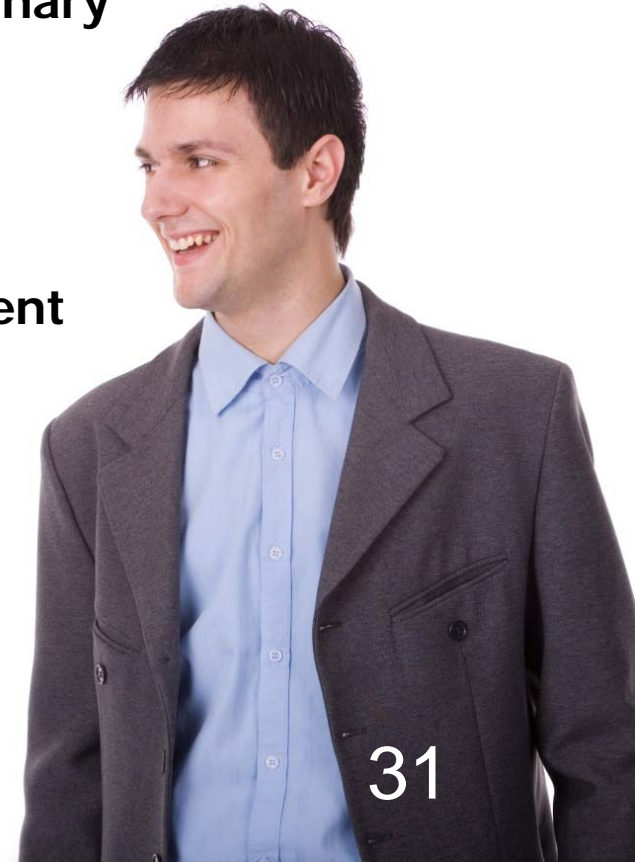
**M**easurements – specific, observable, focused - binary

**C**ompetence – very good at what they do

**C**ommunication – open, honest, robust - transparent

**M**utual Accountability – all team members

**D**iscipline – do this every day





## 10 Key Team Competencies:

1. Setting clear, specific and measurable goals.
2. Making assignments extremely clear and ensuring required competence.
3. Establishing accountability for high performance across the entire team.
4. Running effective team meetings.
5. Building strong levels of trust.
6. Establishing open, honest and frank communications.
7. Managing conflict effectively.
8. Creating mutual respect and collaboration.
9. Encouraging risk-taking and innovation.
10. Engaging in ongoing team building activities.

**1 - 10**

# The Evergreen Project

10 year study of 160 top companies

40 distinct industries

200 management practices

Winners, climbers, tumblers, losers

Winners had an average Total Return to Shareholders of 945%... The Losers only averaged  
a TRS of 62%





## The Four Primary Practices:

1. A sharply focused, clearly communicated and well-understood strategy for growth.
2. Flawless operational execution that consistently delivers the value proposition.
3. A performance-oriented culture that does not tolerate mediocrity.
4. A fast, flexible, flat organization that reduces bureaucracy and simplifies work.





# The Secondary Management Practices:

- Talent = find and keep the best people.
- Key leaders show commitment and enthusiasm for the business.
- Embrace strategic innovation.
- Master the power of partnerships.

**Score yourself on the 1–10 scale for all eight practices on page 33**

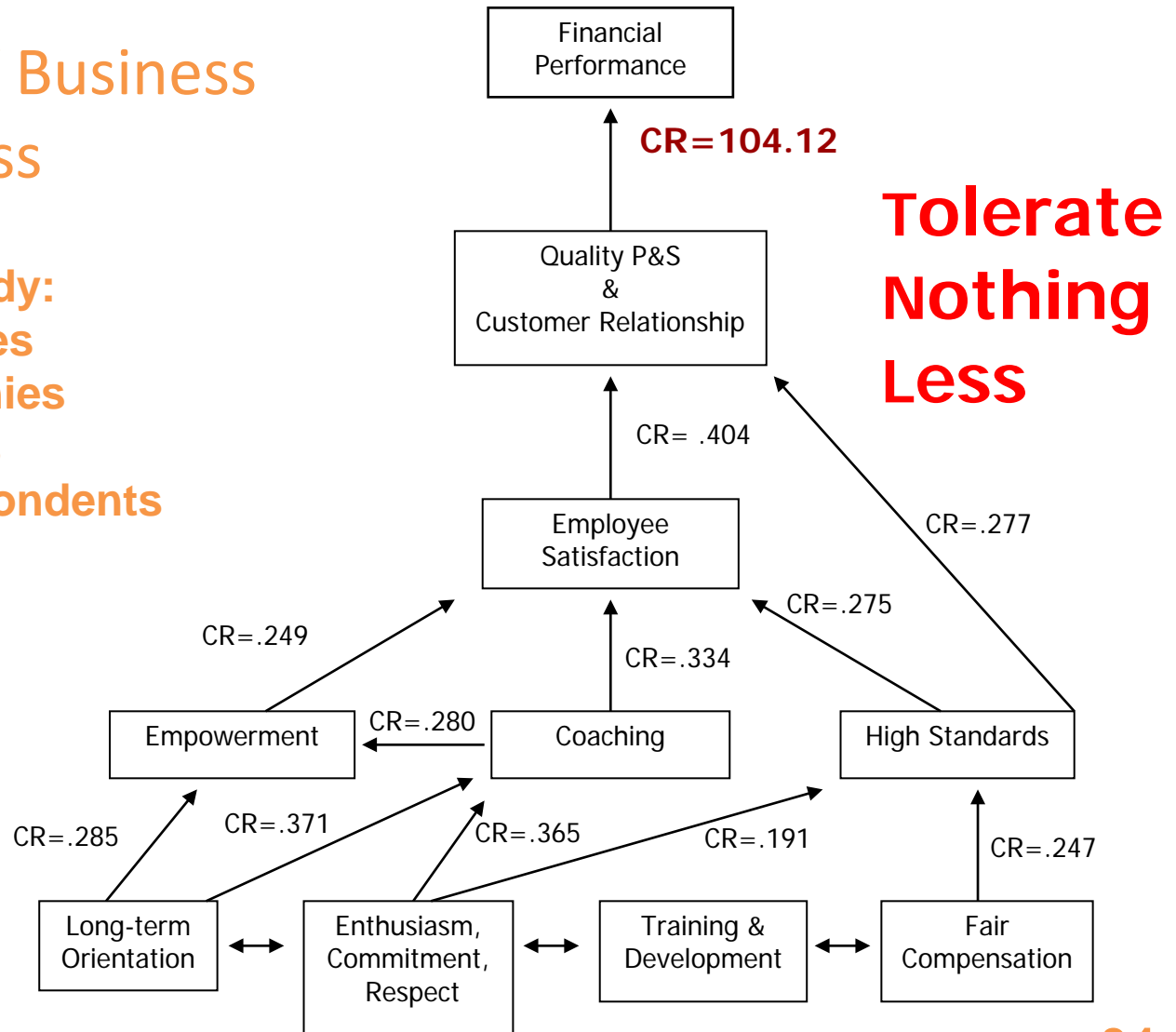
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## Key Drivers of Business Success

Global study:  
16 countries  
29 companies  
139 offices  
5,589 respondents

## Workshop Page 35





# What Inhibits Execution?

International Survey of 4,000 Senior Executives

4. Inability to work together

3. Company culture

2. *Economic climate*

1. Holding onto the past / unwillingness to  
CHANGE

# In other words...

- In order to succeed you need a high-performance team that embraces a strong culture of disciplined execution and accountability while being nimble, agile and adaptable to changes in the marketplace.





# Disciplined Execution page 36

**1 - 10**



# The five keys to accountability



1. 100% Clarity + Appropriate Authority & Resources
2. 100% Agreement
3. Track & Post
4. Coach, Mentor, Train and Support
5. Reward Success / Punish Failure



Workshop pages  
38 - 41



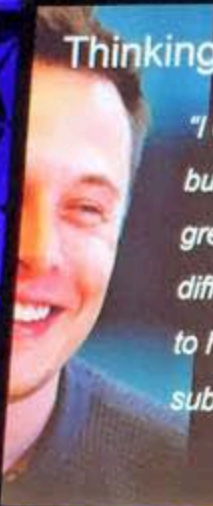




To be successful in the future the  
rate of internal innovation must  
exceed the rate of external  
innovation

$$I I > E I$$

## Thinking at Scale: Passion and Purpose



*"I didn't go into the rocket business, the car business, or the solar business thinking this is a great opportunity. I just thought, in order to make a difference, something needed to be done. I wanted to have an impact, I wanted to create something substantially better than what came before."*

**- Elon Musk**

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# Think about this...

1. Computer speed /cost
  2. Machine learning / deep learning
  3. IOT
  4. Robotics
  5. Augmented reality
  6. Virtual reality
  7. Genomic decoding and recoding
  8. Synthesized medicine
-





## Speed vs. Cost

### 1 The accelerating pace of change ...



### 2 ... and exponential growth in computing power ...

Computer technology, shown here climbing dramatically by powers of 10, is now progressing more each hour than it did in its entire first 90 years



#### Colossus

The electronic computer, with 1,500 vacuum tubes, helped the British crack German codes during WW II



#### UNIVAC I

The first commercially marketed computer, used to tabulate the U.S. Census, occupied 943 cu. ft.



#### Apple II

At a price of \$1,298, the compact machine was one of the first massively popular personal computers

### 3 ... will lead to the Singularity

2045  
Surpasses brainpower equivalent to that of all human brains combined

Surpasses brainpower of human in 2023



Surpasses brainpower of mouse in 2015

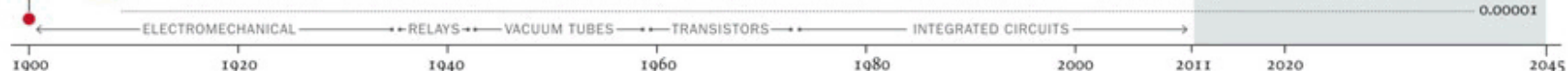
#### COMPUTER RANKINGS

By calculations per second per \$1,000



#### Analytical engine

Never fully built, Charles Babbage's invention was designed to solve computational and logical problems





# Machine learning / deep learning



# THE OF INTERNET THINGS

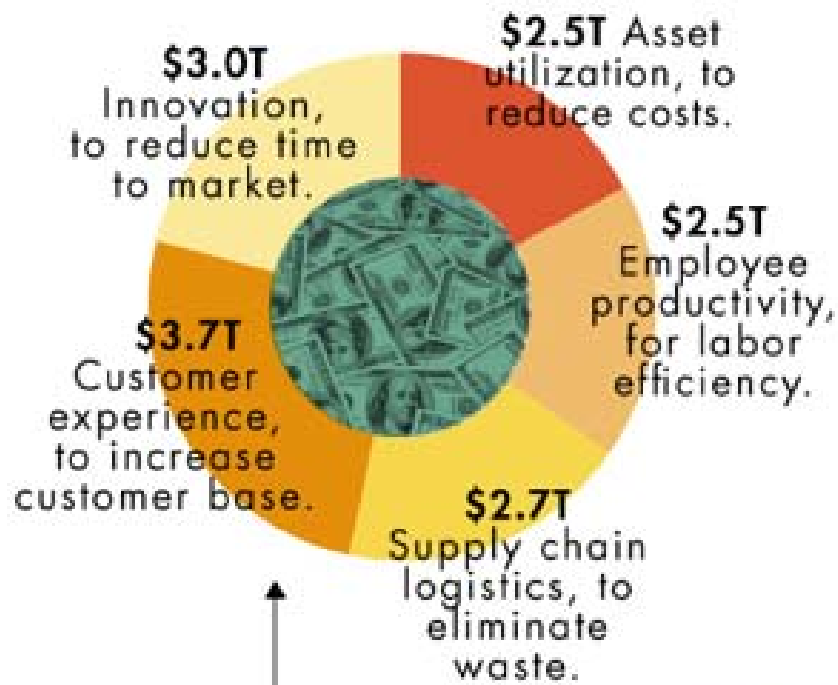


**\$14.4**  
trillion

IS CISCO'S CONSERVATIVE ESTIMATE OF THE  
IoT "VALUE AT STAKE" or, *NET PROFIT POTENTIAL*  
GLOBALLY FOR 2013-22:

5 FACTORS FOR ENTERPRISE USE  
OF IoT THAT WILL MAKE UP THE  
\$14.4T PROFIT POTENTIAL:

CISCO ALSO GAVE 8 IMPORTANT  
REAL-WORLD USE CASES TO HELP  
BUSINESSES GET THEIR COMPANY  
INVOLVED IN the IoT:



comes from initial \$14T potential



**\$1.95T** Smart factories

**\$1.95T** Marketing & advertising

**\$757B** Smart grid

**\$635B** Gaming & entertainment

**\$359B** Smart buildings

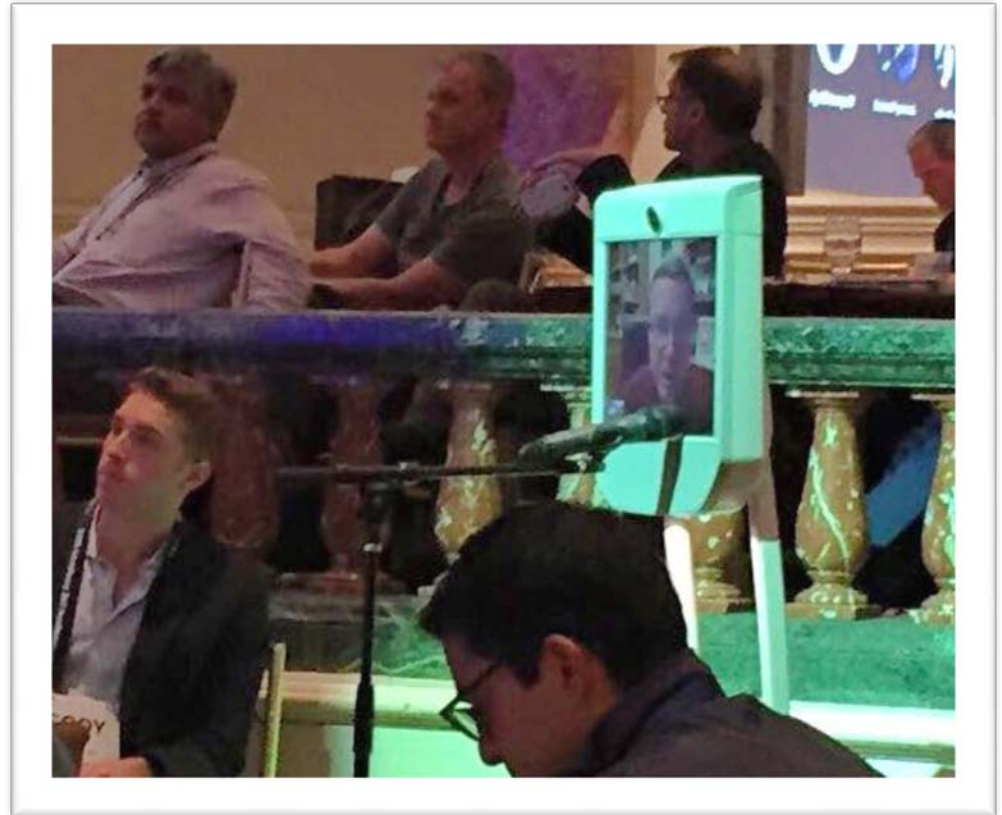
**\$347B** Commercial ground vehicles

**\$106B** Healthcare

**\$78B** Private college education

**6.18T TOTAL**

## Robotics









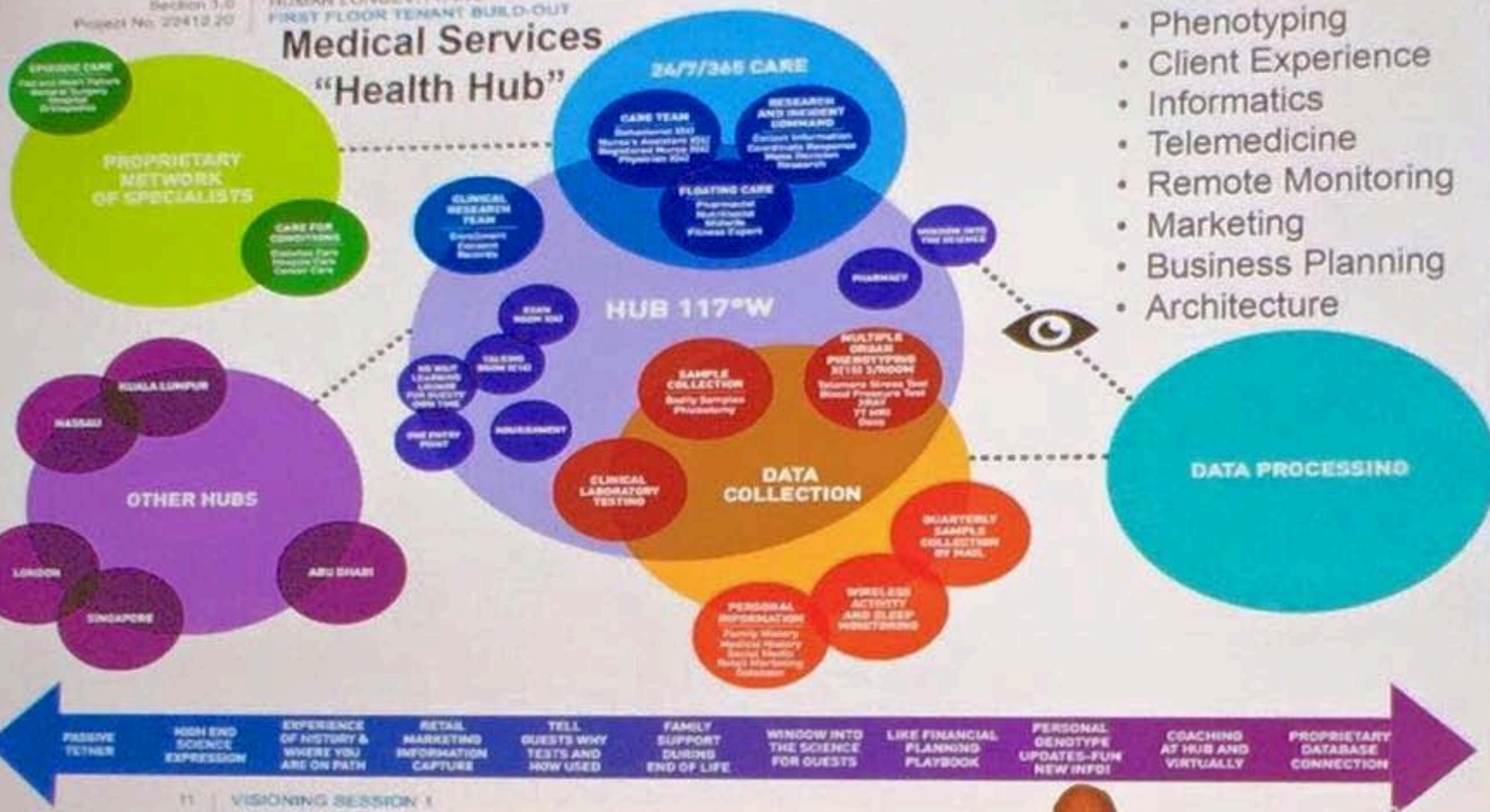


**2014 = \$757M**

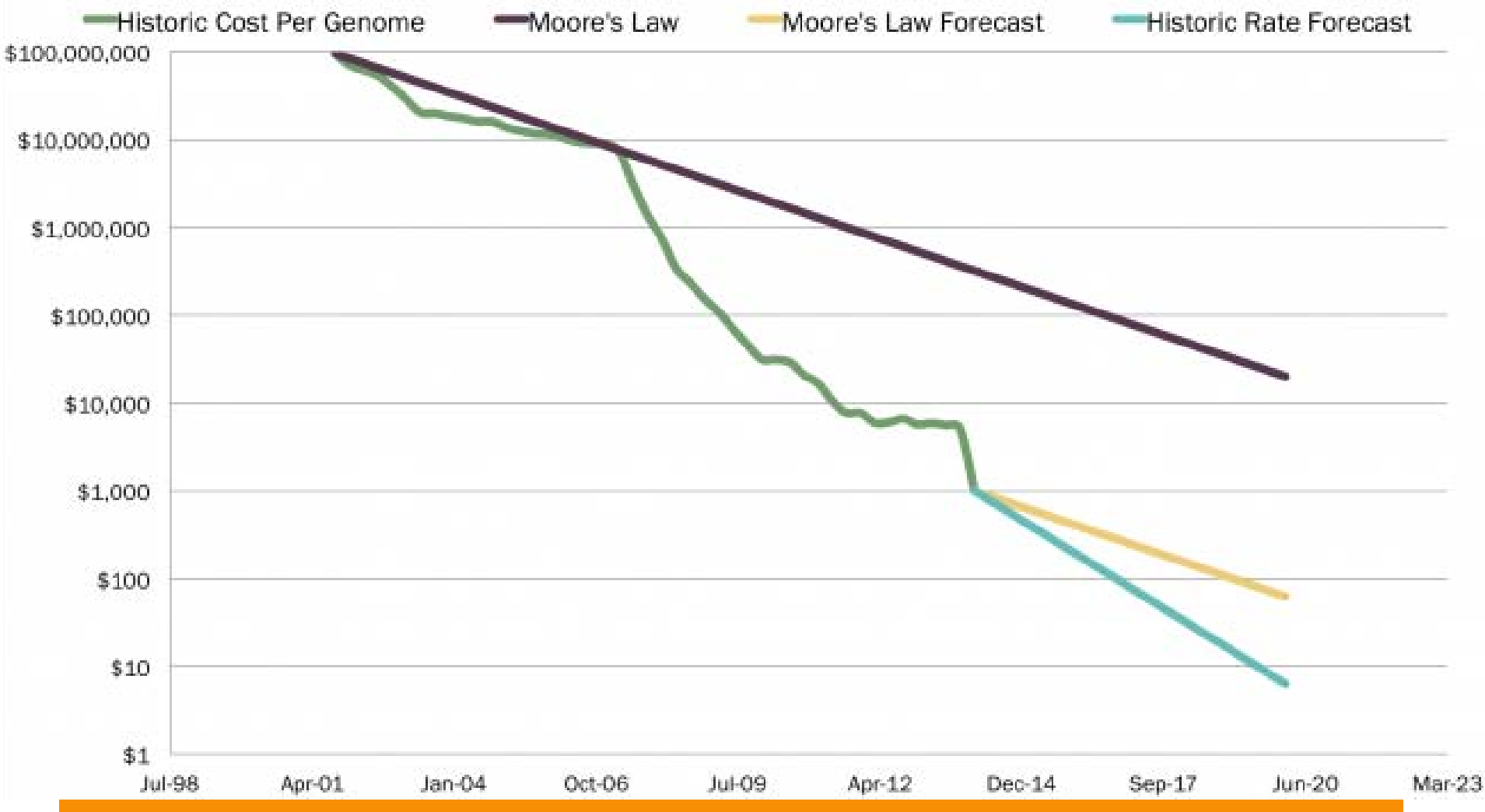




# HUMAN LONGEVITY, INC. FIRST FLOOR TENANT BUILD-OUT Medical Services "Health Hub"



## Cost Declines of Genome Sequencing





# So...

- What does all of this mean to your business?
  - Think about the implications for 10 minutes and write some notes.
  - Then discuss at your table.
-





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If you have any questions at all please do not hesitate to send a note or call.

My email address is: **john@johnspence.com**

My twitter address is: **@awesomelysimple**

**Please connect with me on LinkedIn and twitter**

Also, you might find value in the ideas I share in my blog. You can sign up for it at:

**[www.blog.johnspence.com](http://www.blog.johnspence.com)**

**RESULTS GROUP will send you these slides and much more!**

**All of this info is on page 42**

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