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The Deloitte On Cloud Podcast

David Linthicum, Managing Director, Chief Cloud Strategy Officer, Deloitte Consulting LLP

Title: **How to make your transformation journey about opportunity, not fear**

Description: The impetus these days for most organizations is to transform their business to achieve competitive advantage. It's a good imperative, but the reason for change matters, too. In this episode, David Linthicum talks with consultant and author John Hagel on how to build a future based on seeing opportunity rather than fear. John's view is that it takes building a strong corporate narrative for the future, cultivating a shared passion, and building learning platforms to bring people together.

Duration: **00:25:43**

David Linthicum:
Welcome back to the On Cloud Podcast. Today on the show I am joined by John Hagel, management consultant at Beyond Our Edge, LLC, trusted advisor, inspirational speaker. John is here today to discuss his new book, *The Journey Beyond Fear: Leveraging Three Pillars of Positivity to Build Your Success*. John, welcome to the podcast.

John Hagel:
Thank you, great to be here.

David Linthicum:
So, I've known you for a long time. I think some of the listeners probably recognize your name, but kind of give us the John Hagel story.

John Hagel:
[Laughter] How many hours do we have? No, I've been in Silicon Valley now for over 41 years. I was the founder of two tech startups. For those who can remember that far back, I was a senior executive with Atari in the videogame business. I was a partner at McKinsey and Company for 16 years, a leader in their strategy practice. And for 13 years I was a partner at Deloitte and the founder and leader of a research center called the Center for the Edge. I've now retired from Deloitte and I'm the process of actually creating a new center that will be based on the book that I've just published, *The Journey Beyond Fear*.

David Linthicum:
Yes, before we get into the details of the book, kind of tell me what motivated you to write a book. I've written 13 books, and there's always kind of like an aha moment where I should do this; this is something I want to tell other people about. So, where was your aha moment where you wanted to actually produce a book?

John Hagel:
Well, I've only written 8 books so I'm envious that you've got 13. I—there were two catalysts. One was most of my career has been in business strategy. I was taught to believe strategy is everything. And over the years, I've come to believe that, actually, it's much more about psychology, that if we don't understand the emotions that are shaping our choices and actions, the best strategy is just going to sit on a shelf somewhere. So, that was a key motivation to write the book, to help people focus on psychology.

And then the other catalyst—I started writing the book now—it was more than three, almost four years ago, and I was traveling around the world as part of my work. And I was struck that everywhere I went, the dominant emotion that I was encountering was fear, at the highest levels of organizations, lowest levels, out in the communities. And while I think it's understandable—I think there are reasons for fear—I think it's also a very limiting emotion. And the challenge and need we all have is to find ways to cultivate emotions that will help us to have more impact that's meaningful to us. So, that was a catalyst for the book as well.

David Linthicum:
So, when we're talking about fear, would it be fear of failure, fear of going in a wrong direction and making a mistake? What are the typical patterns we're seeing?

John Hagel:
Well, broadly I'd say the focus for me was fear of the future. When you're looking into the future, do you see primarily threat or opportunity? And if it's threat, you tend to be afraid. It's scary. And the threats can be very different depending on your context. It could be, increasingly, I think workers are afraid that they're going to lose their jobs to the robots, to technology, so that's a fear. Younger people are coming into a job market with significant student debt; the fear is they won't be able to pay that debt off. People are retiring now, and the good news is they're realizing they're going to live a lot longer than they expected. The bad news: They haven't really saved for that longer retirement time. So, again, the fear can differ depending on the context, but I think when you look into the future, is it exciting or does it promote fear?

David Linthicum:
Yes, I see this as a very important topic, certainly as we're going through the digital transformation now. And we're getting to the point where are we going to make the investment, and are we going to make the effort. And you can kind of put whatever it is. Is it your career? Is it the company, ability to kind of take the company to the next level, the ability to do something different? And it is kind of a—you get into some of the more psychological barriers, and I run into this. I always joke with friends of mine here in the IT space should've got a degree in psychology.

It would've served me better than my degree in computer science because, ultimately, we're dealing with people, their motivations, their ability to kind of understand where they're looking to go. And, so, your ability to kind of get around that and talk them through that would be a superpower I certainly don't possess. How do you do that? How do you get with a client or get with a person or get with a friend or even a family member who is fearful in moving a particular direction and therefore they're not going to take risks, and nothing ventured, nothing gained, so therefore they're kind of planning on failing or falling short? And, so, how do we kind of go through the thinking there?

John Hagel:
Well, it's not easy. I don't want to in any way suggest that this is an easy process or journey. In my experience, and I go into it in quite a bit of depth in the book, a key catalyst in helping people move beyond fear is getting them to express to themselves what I call a personal narrative. What is their personal narrative? And I should be clear when I talk about this that what I mean by personal narrative is two questions. When you look into the future, your future, do you see primarily threat or opportunity? And what threat or opportunity? Second question is do you have any call to action to others? Are you asking for help from others or are you trying to do this all yourself? And at least in my experience, most people have never even bothered to articulate their personal narrative, even though they're living to it every day.

But the process of expressing it, suddenly there's an aha moment to say, "Oh, my God, I'm focused on threat and it's scary, and because it's threat and it's scary I'm not asking for help from anybody because I can't trust them. I've got to do it all myself." So, it's very isolating. And, so, there's this realization that this is not going to help me to have the impact that I really want or need. I need to find a way to see opportunities that will excite me and motivate me to move forward.

David Linthicum:
Yes, so you defined a three-step approach in the book, and the first one, develop an inspiring long-term view of the opportunities ahead, which you just started the discussion of. And I think this is something that we need to really gain as a talent, because I think we're good at defining very small, strategic

problems or tactical problems and having those in essence stop us but having a larger vision as to where we're looking to move and kind of betting on the fact that the opportunities are going to be there to move our business, to move our technology, to move our book, to move our concepts, those sorts of things, is kind of a lost talent. Fill me in on the missing pieces there.

John Hagel:

Yes, well, again, I think my experience is that fear is a very limiting emotion, and one of the ways it's limiting is because it shrinks our time horizons. If we're afraid, we can't focus on what's ahead. We just focus on today, and to your point, short-term kind of tactical moves versus really stepping back to say, "What is it that's really going to help me to achieve the impact that I want or need?" Fear can be very isolating. You lose trust in others. You can't trust anybody because it's scary. They might betray you. And become more risk-averse—you end up seeing too much risk and not wanting to change anything that you've had. So, you try to hold onto what you have and just muscle your way through it. So, I think it's—again, it's an important exercise for individuals.

I think there's also—I talk about it in the book—the opportunity for companies to articulate what I call corporate narratives. And I hasten to say here that when I talk about corporate narratives, most executives say, "Oh, we have a narrative. We began in a garage. We faced incredible obstacles. We overcame them. We accomplished amazing things. That's our narrative." No. Again, at least the way I define narrative, it's open-ended. It's about the future, and it's about the people you're speaking to, not yourself. And, so, the question for a corporate narrative are who are the customers? What are the biggest opportunities they would have? And what action do they need to take to address that opportunities? And again, I think there's a need throughout our society and our economy to articulate much more, focus much more on the opportunities to inspire people and excite people. And that's missing I think in most of the areas that we live and work in.

David Linthicum:

Yes, it's exciting to hear I think this kind of thinking, because I wrote an article a few years back called, "The Brandpocalypse." And I saw this as kind of a pattern in the digital transformation world. While some people were all in on digital transformation, to leverage technology as a force multiplier, whatever—the ability to kind of take an idea and take it into the marketplace and be successful with it moving forward, and those were people who were going to –companies that were going to be disrupted, instead became the disrupter. We all know the stories of the companies that kind of changed the face of—whether it's ridesharing or hotel selling with the vacation sharing things, things like that.

People are taking technology and taking it to the next level. And those who are choosing not to do it, and, typically, I think, fear—even though I probably wouldn't say that, I think when I hear you now, that kind of comes into mind as the reason people aren't taking the risks. They're kind of choosing to be disrupted and they're choosing for these large brands that we've been dealing with for 200-some odd years to end up exiting the market. They're not necessarily going to go out of business, but I think they will be absorbed into other brands, they will become less prominent in the market, and they'll just end up going away. Am I overreacting to how fear is impacting the way businesses are maturing?

John Hagel:

No, I think it's again part of the reason that I wrote this book, was to try to help people to see how limiting fear can be. And in a corporate and business context, I believe we are increasingly in a world that's driven by fear, again at multiple levels. If I get a CEO in the privacy of their office and can build trust with them, I'll find out their fear. I mean, they're afraid they're going to be fired. They're afraid their company is going to be disrupted. There's a lot of fear, but they can't express the fear because that's weakling—that's a sign of a weakling. So, there's fear throughout, and the results is there is this tendency to hold onto what you have and just resist whatever changes are happening because it's too risky to change what you're doing. And I believe that the more companies, leaders and companies hold onto the fear, the more there's going to be marginalization of these large, established entities. So, it's again a key reason I wrote the book, was to encourage people to recognize how limiting fear is and make a commitment to move beyond it.

David Linthicum:

So, another step that you have is cultivate your personal passion to motivate you and those around you. And I love that, because you think about influential leaders that really kind of change the way that you lead and the way in which you conduct yourself. We were feeding off their passion. Certainly, they were good leaders and they behaved in ways that good leaders do, but at the end of the day you could see the emotional coupling that they had to a particular idea or a particular technology, and you've got to have that to be successful. Tell us a bit about that step.

John Hagel:

Yes, it's challenging because, like, I think—and at least in my experience, everyone has a different definition of passion. So, we all use the same word, but we all have different meanings. The focus for me is on a very specific form of passion that I call the passion of the explorer, and it emerged from research that I did in looking at environments where there's sustained, extreme performance improvement. And I said, "What can we learn from those environments?" And it turns out one thing was that all the participants, despite a tremendous diversity of the environments—all the participants had this very specific form of passion.

And it basically consists of, first of all, a long-term commitment to having increasing impact in a specific domain. You're committed not just to being in the domain but having more and more impact there. You're excited about unexpected challenges. They excite you because it's an opportunity to have even more impact and learn. And you're driven to connect with others, and I think people who have this passion of the explorer are extremely connected because they're always asking for help in terms of addressing these challenges that they're facing because they see the opportunity to have even more impact, that they can bring others together with them.

And I'll just say in terms of leadership, I think one of the big shifts, as I describe it, that we're going to have to go through—the mark of a strong leader today in most of our institutions, large institutions, is someone who has an answer to all the questions. Whatever the question is, they can count on the leader to have an answer. I believe the mark of a strong leader in the future is going to be one who has the most powerful questions and who will ask for help, freely admit they do not know the answer and ask for help. And that can be a significant catalyst for passion, because you start to help people to see, wow, if we could answer this question, we could accomplish amazing things! But—and we need to come together and we need to ask for help from each other. That is exciting and draws out the passion if leaders are willing to articulate the questions that they don't have answers to.

David Linthicum:

Yes, and being a leader is leveraging people that are smarter than you to solve problems you may not be able to solve. And the only way you're going to get those people aligned to what needs to be done in the long-term, or the larger vision that you're portraying, is that they believe in your passion. And, so, they may have certain skills you don't have, but they need to bring it together to say—in my world someone's going to have networking skills and database skills and security skills and things like that. But they're looking for the leader to be passion in terms of what we're building, the reason we're building it, why we're building it and why this is going to be better than other things that exist currently, why we're creating net new value, net new technology, net new innovation. And that's kind of another level of play. I may not see that in lots of leaders out there. What ways would you look to cultivate that in yourself and even to cultivate that in people you work with?

John Hagel:
Well, again, I think it starts with stepping back and really reflecting on your own personal narrative and seeing as a leader are you driven by fear or are you driven by excitement about an opportunity? And how can you start to see those opportunities out in the future that would be really exciting? One of my concerns is we all talk about the need for transformation and change, and frankly most leaders that I know when they're trying to motivate people to change will rely on what I call the burning platform message, right?

If we don't change, we're on a burning platform. It's going to collapse; we're all going to die. Guess what that does. That feeds the fear, and I think the need here is, again, as you were saying, to express a really inspiring, exciting opportunity with open-ended questions that we don't have answers to yet. It's not that we have all the answers and we know exactly where to go and how to get there, but it's an exciting opportunity and it's worth taking risks to pursue together. And, so, I think that's a key requirement.

David Linthicum:
Yes, well-said. And last step would be to harness the potential of platforms to bring people together and scale impact at an accelerating rank. Tell me a bit about that. That kind of confused me, just to be honest with you.

John Hagel:
[Laughter] No, no. Well, again, I think it's a challenge because I use words that everybody uses. We all talk about platforms today. C'mon, the world is ruled by platforms. What else is there? In my context, I'm talking about a huge untapped opportunity in platforms. The platforms we have today consist of either what I call aggregation platforms to facilitate short-term transactions, buying and selling products, retail platforms would be an example, or social platforms, helping connect you with friends and family and maintain connections.

I think there's a third category of platform that in a more rapidly changing world is essential and will create huge opportunity both for those who develop and deploy the platforms and those who use the platforms. And it's what I call learning platforms. Now here again I have to hasten to say when I talk about learning, I'm not talking about online video courses. We have platforms where you can do that. That's sharing existing knowledge. What I'm talking about are platforms that are explicitly designed to help everyone, all the participants, to learn faster in the form of creating new knowledge that never existed before. And the way they do that is by coming together and acting together and iterating over time, and that is a form of platform that I don't believe we yet have but desperately need. And I encourage companies around the world to think about, first of all, what could they do to actually develop those platforms, but can they participate in platforms like that as well?

David Linthicum:
So, what would be the first steps you'd take to start moving to build some of those platforms? Would it be just kind of bringing together the concept and selling the concept among the folks who are going to be part of the platform?

John Hagel:
Yes, I'm a strong advocate—I spent many decades studying and deploying platforms. I've become a strong believer in staging. The key is not trying to do everything all at once, starting in a very stage-focused way. I believe the key unit in these new learning platforms will be small groups. I call them impact groups, 3 to 15 people that come together and share a commitment to having increasing impact in an outcome. And, so, the platform starts by creating a shared workspace where these small groups can come together and interact with each other and learn together. But then it's helping to connect them with others, and I would recommend starting with a very specific and relatively achievable learning goal in terms of what's a big problem or question that's out there that we haven't yet found an answer to, and how can we start to bring the people together to address that and learn faster together? And then over time, expand it out to other kinds of questions and opportunities to cover other learning efforts.

David Linthicum:
So, I see a couple of benefits there. Number one, you're able to solve an instance of a problem, but, also, you're creating people that are aligned in thinking differently in how they do innovation, which I think is something that is missing out there. Certainly, when we talk about disrupters or being disrupted, things like that, the reality is the disrupters, their core patterns is that they're innovative. In other words, they're taking risks and doing something where it doesn't exist. In other words, they're thinking through something, building something out of whole cloth that is net new to the market. It's net new to the world, and that's a different way of thinking.

So, what you're saying is we build these platforms where we bring these small groups together. They're able to think in new ways and be much more innovative than they did before. But it's not only the fact that they were innovative one time to solve a problem or bring a product to market or something like that. The fact of the matter is that they're trained to be innovative.

John Hagel:
And view it as a long-term journey. I mean, again, we have a lot of platforms where there are contests where you pose a problem and you award a prize to whoever comes up with the best answer. No, that's again short-term transactions. And the balance in these learning platforms is on the one hand you do have to provide ways to achieve impact relatively quickly at the outset, but also recognize this is just the beginning of a much longer-term journey to address a much bigger opportunity. And it's going to take a long time to get there and we need to come together on a continuing basis to pursue that.

David Linthicum:

So, what do you think should be the future of how we approach work? Should it change? Should it remain the same? Should we be implementing some of these steps? How should –

John Hagel:
No, I believe ultimately that we're going to see a fundamental transformation of work. I mean, again I'm going to generalize, but I would say the work that we do—talking more about large institutions around the world, and not just companies, governments, universities, everywhere—large institutions' work today consists of tightly specified, highly standardized tasks. You read the process manual, you do the tasks reliably and efficiently: that's work. I believe increasingly—thank goodness—that work is going to be taken by the machines, by technology.

That's exactly what machines should be doing, tightly specified, highly standardized tasks. That frees up the capacity of the humans to actually focus on addressing unseen opportunities to deliver more value everywhere throughout the organization, not just in research labs or in innovation centers but in every department, everywhere on the frontline. What are the unseen opportunities to deliver more value? That's what we'll need to be and I think, again, it's going to be much more effective if you're driven by passion around that work than if you're just told you need to find unseen opportunities out there, so yes.

David Linthicum:
Yes, well-said. So, where can our listeners find out more about you, find out more about your book, find out where to find some other things you've written, maybe a blog, things like that?

John Hagel:
Yes, well, I've got a website, JohnHagel.com. It's got a brief summary of the book but certainly would recommend—the book is available now and can be easily purchased in audio, Kindle, or print form. So, I would encourage reading the book. I'm also very active on social media. I'm on Twitter, I'm on Facebook, LinkedIn, so many ways of connecting. And look forward to getting more feedback from the people who are hearing this and see what questions it raises.

David Linthicum:
Yes, if you guys get an opportunity, buy the book. It's in audio format, too, so listen to the book and check out these ideas because we're going to have to think differently in terms of how we deal with innovation and how we deal with ourselves, how we deal with motivation, motivating ourselves, other people, and how we think about work, because I think ultimately it had to change. I think we're changing for the positive.

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