



Beth Comstock, former vice chair at GE, discusses why more employees should challenge their leaders and how people can learn to be better at pushing innovation.

Transcript

Mike Kearney:

Beth Comstock is somebody that I have been watching from afar and have respected for many years. After 27 years, Beth is leaving GE. She has been the Vice Chair for the last several years and, quite frankly, was one of the most iconic CMOs of our generation. Lately, she's been in the thick of a lot of innovation at GE: everything digital.

When I think of Beth, and if you go out and you look at her on Twitter or LinkedIn, it's all about change. She is one of the most influential people in social media and business. She was just announced as one of the top 10 influencers within LinkedIn, and I'm really curious to sit down with her today. My read is that she's going to be open – maybe a little vulnerable or transparent – about her career, her learnings, what she's done at GE, and what she's going to be doing going forward.

Beth Comstock:

I think we all want people who are willing to take risks, try things, and not wait for us to tell them what to do or ask for permission. As a leader of a team, you have to say, "You have to challenge me on that. Don't assume I'm going to say no to that idea. Don't assume I only like color red in my presentations. Challenge me."

Mike Kearney:

Welcome to *Resilient*, our little podcast that features stories from leaders on risk, crisis, and disruption. When I'm talking about leaders, I'm talking about

CEOs, board members, other leaders, or even folks outside of the business world, and it's been my position since day one that they all have something to teach us about resilience to their stories. I get those stories by jumping on a plane and going to wherever my guest is, and today, we are in New York.

My name's Mike Kearney. I'm a partner at Deloitte Strategic Risk Practice, and I still say I have the coolest job. In addition to this moonlighting activity doing the *Resilient* podcast, I lead our Brand and Reputation venture fund and I'm also creating really cool experiences to bring our solutions to our clients, and I serve some great clients.

So if you're out there, hopefully you're enjoying the podcast.

Today, we're going to be talking about what she's going to do when she leaves GE. I also want to talk to her about her early years. There's a lot there on Beth, a lot out in the electronic world, but not a lot on her early influences, so I'm going to be asking her some questions on that. Then, we're going to dive deep into innovation today, especially rapid innovation, making small bets, testing hypothesis. So let's get to it with Beth at 30 Rock.

Beth, welcome to *Resilient*.

Beth Comstock: Thanks. Thanks for having me.

Mike Kearney: Absolutely. I've been looking forward to this one. You're extremely active on LinkedIn. You put out a post. I think it was when I was trying to see if you'd be interested in coming on *Resilient*, and I literally think that day I emailed you, you had come back to me and said, "Hey, Mike, I don't know if you know I just have announced that I'm leaving GE after almost 30 years."

What's going through your mind at this point in time?

Beth Comstock: This week I think it's getting through the Christmas rush in New York City. To what you said to us earlier, everywhere takes twice as long to get there, and I

feel like I have so much to do to wrap up. But this week, this is actually my last week in the office.

Mike Kearney: Wow.

Beth Comstock: So I'm, on Friday, turning in my computer; right now, I'm going through my contacts, sending out my new forwarding address. So it's, this week, a bit emotionally, actually –

Mike Kearney: Emotional, yeah.

Beth Comstock: – because you're just tethering that tie. I spent over 27 years at GE, half of it actually tethered to this building we're in, 30 Rock –

Mike Kearney: 30 Rock, yeah.

Beth Comstock: – because I grew up on the NBC side, and even during my GE career, up until last year, I always had an office here at 30 Rock. So it's a lot of emotion that goes on after you've spent so much time. Maybe I'll talk to you a month from now and tell you what it's like, so I'm still there, but I think it's mostly saying goodbye to great people.

Mike Kearney: Right, so it's all about the people.

Beth Comstock: The teams that I've been part of, that's the hardest part, to say goodbye and to be able to tell people how much I've appreciated them and how much I've learned from them. You can't just do that easily.

Mike Kearney: Right. So you've been there for over 27 years. Is there one thing – and obviously you can't boil it down, your entire time at GE, to one thing, but is there one thing, as you reflect back, that really stands out? Maybe it was a role that you had, maybe something you accomplished professionally, maybe it was a relationship, or maybe it was something minor at the time that now you look

back, you go, in the grand scheme of things, that was actually big. Is there something that stands out?

Beth Comstock: I think when I was earlier in my career at NBC, I left NBC and came back twice, but when I came back to work for NBC News as a head of communications and promotion, the news division was in disarray at the time. *Dateline* had almost brought the news division down because of real – they had really faked news – and it was one of the best jobs to this day I've ever had because it was really, for me, an entrepreneurial awakening. It was a chance to be part of a team that was rising up out of the ashes of what was before and anything could go. I think I wouldn't be sitting here today if I hadn't left. At the time, it was CBS and they were doing really well, and come to NBC, which wasn't doing very well, and it was just a gut check. It was just something I had to be part of.

Mike Kearney: There's so many things to unpack there, which we'll come to later, but it was almost maybe, like you said, the wakening of your – because it's interesting, when I look at your career, there's a lot of entrepreneurial aspects of it that I don't think many people would think of with GE, but that's really kind of the brand that you've built over the last several years.

Beth Comstock: I'm a big believer that entrepreneurialism exists everywhere.

Mike Kearney: Everywhere, yep.

Beth Comstock: We can't just let Silicon Valley have it all, and big companies – one, we didn't get to be a big company if we didn't start, at one point, as an entrepreneur –and there's this notion of refounding, of just continually going back and reminding yourself what it is to be small and start over.

Mike Kearney: Nimble, yep.

Beth Comstock: I think that's good for companies. I think it's good for people. I think I've been fortunate to be given the ability to test those skills and to want to do that.

Mike Kearney: So now that you're moving onto your next thing, which – when you look at this, especially online, there's so much that you're already doing, so it doesn't take much imagination as to what you're going to be doing next, but I know that you're actually writing a book, *Imagine It Forward*.

Beth Comstock: Yeah.

Mike Kearney: I think of writing a book as one of those deeply personal things, meaning you have to have something that you believe in that you think maybe hasn't been said. How did you ultimately get to writing a book?

Beth Comstock: It's a hard road, is what I've learned, and everyone says, "Oh, it's so difficult." It is.

Mike Kearney: It is difficult.

Beth Comstock: Even more than people tell you. I had a collaborator. Since I had a job that was important. So that was good and bad because you need somebody to get inside your head with you. So we spent a lot of time learning how to collaborate about what was coming outside of my head, and really, I felt it was important. I work with a lot of people, I do a lot about change and innovation, and I see in companies, large and small, especially early-to-mid-career people, they have a lot of good ideas, they want change to happen, but they don't quite have the mindset or the tools to do it. They're looking for permission.

So for me, this was about really saying to early- and mid-career people, "Here's some simple tools. Here's some mindset hacks. Here's some ways of taking charge of control that you can change." So it's really about change and innovation, and hopefully, I'm giving people the mechanisms that and giving them a few tips that they can sort of make change the way they want to make it.

Mike Kearney: It's funny because I think one of the things that you probably are going to say is, "Don't wait. Just do it," right? Actually, you're on the Nike board,

Beth Comstock: Yeah, yeah.

Mike Kearney: – I've heard you talk a lot about, "Don't wait for permission. Just do it."

I mean, obviously, be smart about what you're doing. Is that part of what you're going to be talking about?

Beth Comstock: Yeah, I think with people, there are a million reasons. Often, they're like, "Oh, my boss won't let me." "Did you ask your boss?" "No, but I know he won't let me." "Well, did you take the idea to your boss?" "Yeah, but she didn't like it." "Well, what did you do after that?" "I just – it died." "Well, did you go back with a better...?"

Mike Kearney: Better idea?

Beth Comstock: "... perspective on that idea? How many times did you go back?" So I think sometimes, its simple questions like that, but people give up early.

Mike Kearney: Relentless.

Beth Comstock: They don't realize that change and innovation is incredibly messy. It's a struggle. Despite what you read often in books, it's not one, two, three, "Yay! We're innovating, everything's great. We just have to follow these five steps." It's a continual act and there's conflict, there's failure, there's ambivalence and ambiguity, all those things, and I think, in companies, we don't encourage that until maybe someone's too far in their career and they don't have the skills to do that.

Mike Kearney: What's ironic about it is what I find is that the people that, for whatever reason, are able to overcome all of those obstacles. It actually propels them to places in their career that they otherwise wouldn't get, but it's hard because you're going to take a lot of lumps until you get there. I got that. I've experienced that.

Beth Comstock: Right, exactly. I think, for managers, as someone who's managed teams and been a supervisor, we all want people who are willing to take risks, try things, not wait for us to tell them what to do or ask for permission. I'll give you a good example. One of the things that, with the teams I work with, we created was something we call culture – culture club. It's not because we love Boy George, but because we were trying to change culture and make things happen, and it was people with all experience levels.

So I challenged the team, I was like, "Tell me one thing I don't want to hear."

I'm like, "I'm serious. I really – I need." It was interesting what they came back with. First, they came back – it was like their assignment and they... first, the thing they did is they deputized the nicest guy on the team to give you the feedback –

Mike Kearney: To share the – yeah. *[Laughs]*

Beth Comstock: – and, "Well, you know, you're really nice and – " and it was – "No, really, you've got to give me feedback."

Mike Kearney: It was too benign, like, "You're not taking this project seriously."

Beth Comstock: Exactly. One of the first things they unearthed was, "Well, people just do things because they think you want us to do that." And – like, "Beth said." "Well, did I say that?" "Well, you didn't really say that, but we think that's what you want and we don't want to disappoint you." So again, as a leader of a team, you have to say, "You have to challenge me on that. Don't assume that. Don't assume I'm going to say no to that idea. Don't assume I only like color red in my presentations. Challenge me."

Mike Kearney: What about have you ever had an instance where somebody challenged you and you said, "No, that's not what I want," but then they kept pushing and you're glad that they ultimately did –

Beth Comstock: A lot.

Mike Kearney: – because I think that's the hurdle, oftentimes, you get over. There's an executive or a leader and they say, "Nope. Don't push it too hard." But it's oftentimes, those people that even push harder are the ones that succeed.

Beth Comstock: Yeah. I love people like that. You don't love the situation – you don't – somebody who's always challenging you, but I remember for me, early in my career, I had a boss who challenged me that way, and it partly was just him training me to keep coming back to refine the idea, to make it better. So I appreciate that.

I also think you're testing how passionate is someone for this idea.

Mike Kearney: Absolutely.

Beth Comstock: It's a test. "Okay, you mean I said 'no' and you walked away and that's it? You must not like that idea."

Mike Kearney: "You must not have really cared about it that much." Right, right.

Beth Comstock: Yeah, and so the other thing I think is incumbent in that as a team leader is to say, "Well, here's some thoughts on what you should ask yourself."

Mike Kearney: Absolutely.

Beth Comstock: "Here's some things that I'd love to see before I'd consider it again." So I think a pure "no" is really not helpful.

Mike Kearney: I can't wait till your book comes out.

Beth Comstock: Me neither.

Mike Kearney: So when is it coming out – *[laughs]*

Beth Comstock: It's coming out in September 2018.

Mike Kearney: September 2018, okay.

Beth Comstock: So I'm in the final phases right now of finishing it and editing it, and it'll be turned in early in the year.

Mike Kearney: What was being work – I guess it's still not fully done, but is there a high and low in the development process?

Beth Comstock: I think one, there are parts of it that are very personal. So I think for someone, even though I'm out in the world a lot, I'm relatively shy and reserved.

Mike Kearney: You say that. I wasn't going to ask you about that. That's – *[laughs]*

Beth Comstock: No, but I think just sharing certain things and –

Mike Kearney: Being vulnerable, yeah.

Beth Comstock: – putting it out there and saying, "I didn't – here's where I failed. This did – "You have to. There's sore spots. You have to dig into those. So I think that, for me, was probably the hardest. Once it's written down, you're like, "Wow."

Mike Kearney: There's nothing you can do once it's out there.

Beth Comstock: I talk about a couple of times when I found out in hindsight I was almost fired or, "Here's something that didn't go well," and in the course of – some of them, I didn't know until I'd started talking to people in the course of this.

Mike Kearney: Oh, wow.

Beth Comstock: So I think that was probably the hardest, just trying to be candid with myself so I could be candid with other people. I think just trying to distill learnings after a 30-plus-year career and not sound like a know-it-all. That's hard, too.

Mike Kearney: Right. The first piece that you mentioned is actually, you'll find to be probably the most rewarding aspect: the vulnerability. I was with a team last week and they asked me to present – it was a training course I went through and I shared a personal story that probably nobody knew about, and one lady came up to me and was visibly shaken and gave me this bracelet that said, "Impact." I paused there for a minute and I said, "Wow, you know what? The vulnerability piece is where you connect with people on a different level." I think you'll probably find that out – you already know that – but you'll find that out once the book comes out.

Beth Comstock: Yeah, it's a good story.

Mike Kearney: Yeah. So here's the thing: I did a lot of research. I didn't find a whole lot on your earlier, so I want to ask you a couple of questions. So I know that your mom was an educator, third-grade teacher.

Beth Comstock: Yeah, schoolteacher.

Mike Kearney: Yeah, my wife's a teacher. Your dad was a doctor but loved the arts.

Beth Comstock: A dentist, yes.

Mike Kearney: Did I say doctor? Yeah, dentist.

Beth Comstock: Yeah, he's a doctor. He specialized in dentistry.

Mike Kearney: Dentist – yeah, exact – what did you take away from them? What did your upbringing give to you that really made you who you are today?

Beth Comstock: My parents are very different, and I think, for a while, I probably struggled in myself to make sense of that piece of both of them that I have because they're very different. My mother's very outgoing. I grew up in a small town in the Shenandoah Valley, Winchester, Virginia. It's not so small now, but when I grew up, it was smaller, and my mom knows everyone in the town. She knows everybody.

Mike Kearney: So she's the extrovert.

Beth Comstock: She's the extrovert. I once rented a car from Dulles airport to visit my parents and I got pulled over because I was going a little too fast, as I was going into the town. The police officer who pulled me over looked at my license and said, "Are you the daughter of Mrs. Comstock who taught at such-and-such school?" I was like, "Yeah." She goes, "My favorite teacher. I can't give Mrs. Comstock's daughter a ticket." So that's my mom, right?

Mike Kearney: So you owe her that, at the very least. *[Laughs]*

Beth Comstock: I owe her a lot, but in particular, that. That's my mom, known and loved by all.

Then my father who is very artistic. I have, in my father, a really great role model in that when I was growing up, he was a small-town dentist, very involved in our community, but very passionate about art and art of the Shenandoah Valley, and he was self-taught, he wrote a couple of books about it, and now he's in sort of his third wave of his expression and he's actually a ceramicist. He makes pottery like that that he studied. He goes to the riverbanks of the Shenandoah River, digs out clay, dries it, puts pigments in it to recreate this pottery –

Mike Kearney: That's fascinating.

Beth Comstock: – he studied from the 1700s, and using his dental tools and the dexterity he developed as a dentist, he's become quite an artist.

Mike Kearney: Wow.

Beth Comstock: So that's sort of what I think –

Mike Kearney: The juxtaposition – well, yeah.

Beth Comstock: – the juxtaposition of very inward-looking, artistic, sensitive, and extroverted, never met anyone she didn't love kind of person in my mother.

Mike Kearney: Did your dad help you with your book? *[Laughs]*

Beth Comstock: Neither have read it yet, so I have to let them read it soon. I needed to get through a few more edits, but yeah, I hope. I'm eager to see what they think about it.

Mike Kearney: So I read that you had said somewhere, when you were young, you discovered curiosity and design – obviously, maybe, the design from your dad. Any examples of what were you curious about when you were a kid?

Beth Comstock: I was curious about everything. We lived in this neighborhood where we were like free-range kids. I don't know what else to say.

Mike Kearney: Not like today, right?

Beth Comstock: It was the time and it was also a small town, and in the summers, we'd set off right after breakfast and my father, who had a really loud whistle, would... every family had their thing. They had a bell, a triangle, a father who whistled loud, and we'd come in 12 hours later basically. We were just out exploring. We would build forts and we'd play games. I remember we did a lot of fishing and playing with turtles. To me, that was the life I lived as a free-range kid.

Mike Kearney: We need more of that. I always think about my kids and I don't know what's changed because we were the same way. I don't know if it's we're more protective.

Beth Comstock: Yeah, it's a different world. I would spend every summer at something called nature camp, which sounds very weird, but we did wear clothes. It was one of my favorite places, and it was this camp in the George Washington National Park in Virginia, and for two weeks, we'd just go and study nature, and I loved it. One summer, I helped find the biggest rattlesnake that Virginia had caught in a decade. They named it Beth, so I was quite proud to have a rattlesnake named after me for –

Mike Kearney: That's kind – *[laughs]*

Beth Comstock: – a summer. So that's what I think of when I think of growing up. It was really much more nature, outdoors. I think the design art was – I took art classes and those kinds of things, but to me, what I remember growing up, it was much more being just out –

Mike Kearney: Out in nature, yeah.

Beth Comstock: – in the world.

Mike Kearney: So you majored in biology. You thought you were going to be a doctor, but then you became – and it's interesting because of your time at NBC, but you became a journalist. What was behind that?

Beth Comstock: I tried to become a journalist. I'll put a fine point on it. So I thought I was going to go to medical school, and what I really want – as I started thinking it through, was I really wanted to be a science and health reporter. So finally, by my senior year, I was like, "Well, maybe I don't need to do this medical school thing. I'll just go right to journalism," and I –

Mike Kearney: Right. Have you always liked writing? Is that part of _____ or – *[inaudible due to crosstalk]*

Beth Comstock: Yeah. I have, and I worked in a public radio station my senior year doing a year-long internship that really just brought it to life for me, and I had an incredible mentor at the internship. Then that was it, "I want to do this." So I tried to make my way, early days after school, I worked for a news service covering Virginia state politics. I did do reporting there.

I made the rounds of trying to get jobs in local TV stations, and it was without a lot of experience and mostly without a lot of confidence, and pretty quickly, I got behind the scenes and I worked in a number of different TV organizations, and before you know it, I'm realizing I'm much better behind the scenes as a promotion person than I was in front of the camera or doing the reporting.

Mike Kearney: One of the things that oftentimes – and I know you talk to a lot about young kids – it's almost kind of that experimentation with different things that will lead you, ultimately, to that, which hopefully you love.

Beth Comstock: I thought to get into media meant there were two jobs. You either were holding the camera or you were in front of the camera, talking.

Mike Kearney: Front of the camera, right.

Beth Comstock: I had no idea there was this whole world of roles and jobs, and I really worked my way through a lot of crazy little jobs to find the first job going to NBC in the NBC News bureau in Washington, DC, and it took me two years at that time to get that job.

Mike Kearney: Wow.

Beth Comstock: And that was back when you actually applied to want ads in the newspaper and that kind of thing, and it took me two years to keep applying to –

Mike Kearney: You don't say no, do you?

Beth Comstock: Yeah, I don't, but I'm just that –

Mike Kearney: You're tenacious. Right. *[Laughs]*

Beth Comstock: It just – they're – you just keep – you got to keep at it, yeah.

Mike Kearney: Stick-to-it-ness, yeah.

Beth Comstock: Finally, there was one that came open and I went to work in the NBC News bureau in publicity.

Mike Kearney: And here you are.

Beth Comstock: And here I am.

Mike Kearney: Let's pivot to innovation and digitization, and obviously, you touched on this earlier: We are going through a lot of change right now. One of the terms I think you've used is VUCA, actually at the Army War College, volatile, uncertain, complex, and ambiguous world, we're going through a tremendous amount of change. What is it about GE – 125 years. You've obviously been able to stay with the times. What is it about GE that's allowed you to do that, and what are things that other organizations, entrenched, long-term organizations can learn, especially with the amount of change that we're going through right now?

Beth Comstock: I think it's the reason you're doing your podcast. It's resilience.

I mean, you can learn to be – certainly, there's a character-building part of resilience, but you can learn to – to me, it means being ready for any eventuality.

I talk a lot about living in the in-between. That's the time we're living in, and this is what I find so frustrating, and business colleagues find so frustrating, about the time we live in is the old's going away, the new's coming up; it's emerging. A

lot of things are emerging at once and you want to go, "Yeah, but the old's not dead yet. I'm still making money that way. The new hasn't scaled yet. I'm not confident I'm going to make money that way. I'm nervous. Wait until I have clarity." You may not. In fact, you probably won't. And so you're going to get used to that kind of thinking.

So to me, that's what's required right now. It's especially the "A." It's probably an extra "A," which is anxiety, in VUCA, which is that people just need to get used to that living in the in-between.

Mike Kearney: Almost embrace it.

Beth Comstock: They –

Mike Kearney: I love the thing that you said, like living – super evocative, that language, like living in the in-between, because it makes a lot of sense.

Beth Comstock: You have to. What choice do you have?

Mike Kearney: You have to, right.

Beth Comstock: And again, I think many people in business either grew up or have been taught from people who grew up that way that it's a linear progression, one step follows the other, and we can say, "Wait, we'll get to that later." You don't have that luxury often. I mean, that doesn't mean you can tackle everything. In fact, that's a recipe for failure, but it does mean you may not be able to have this linear progression of things that you used to.

Mike Kearney: Right. I remember when I was talking, actually, to Alex Dimitria – I knew you – a friend of yours.

Beth Comstock: Yeah.

Mike Kearney: And he was talking about how even GE's evolved your strategy – like, the way of setting strategy back in the day used to be, "Set your strategic plan, execute it over a few-year period of time," and he talked about just almost the volatile nature in which you don't even set long-term strategies; you're kind of changing all the time, which I thought was fascinating.

Beth Comstock: Yeah, now at GE, we've shrunk the number of how far out you look.

Mike Kearney: Right.

Beth Comstock: It's actually a process of doing both. You have to peer way into the future just to start to say, directionally, "How do we get ready for that?" and then, you also have to look very near term.

I think this idea of a five-year business plan, I mean, maybe it was always foolish, but really now, how do you really know?

And so you had asked earlier, "How does GE keep up with this – 125-year-old company? You don't get to be that old unless you know how to change and unless there is some built-in resiliency, and I think you see that happening in GE right now. I mean, there's some challenges. Some things maybe move faster than the system was ready for. Other things are scaling and the investors aren't quite sure what to do about it – the digitization, new forms of energy. So it's a very uncertain time, in some respects, for people who want certainty, and it's not – they're not going to get it.

Mike Kearney: So with all of this, how do you continue to engage the consumer or your client? It's changing so fast, and the connection that the consumer has with the business is changing because things are moving. How do you keep that connection? Or can you?

Beth Comstock: I think GE and the experience that I've had, certainly in the last part of my career, has largely been more business-to-business kind of companies where we have business customers who have consumer customers. I think the traditional

thinking has always been we serve other businesses. We don't need to worry about consumers, end users.

I've not ever believed that, but I especially don't believe it now, and I think because we're seeing what's happened, the digitization of every industry, the disruption of every industry means the end user has much more power.

Mike Kearney: Right.

Beth Comstock: And so whether it's energy or health care, those would be two industries that, certainly, I've lived through, especially energy, where you see huge disruption happening because of technology, but also because of data and insight from end user – define that whoever you want it to be. It could be another business. So it's a lot to keep up with.

Mike Kearney: So this is actually going to be one of my favorite topics.

I know you've written a lot. You may have done a LinkedIn article about this. You did do a LinkedIn article, but you talked about innovation and the need to make more bets – emphasize more, use shorter operating windows, focus more on hypothesis and less on assumptions. Can you talk about how you've gotten to that – and maybe some real-life examples because I actually believe in this, but I also oftentimes see a bit of trepidation on leaders because it's a very different way of innovating?

Beth Comstock: Yeah. I think some of it is just a mindset shift that more and more of us need to go through and just to be more adaptable, to be more resilient. You have to have a hypothesis. You don't know, certainly, and then let's test it. It's, in some ways, for GE and the companies I've worked with as engineering and science companies, that's kind of what we do well, certainly on the science part of it.

Mike Kearney: Absolutely.

Beth Comstock: But we sometimes forget that when it comes to business, and I think where it gets criticism is it seems like you're dabbling.

It seems like you're not focused. And I think there is a vision of where you're going. I'll give you a good example. Clean energy or distributed energy might be even a more finer point. You know that's where you're trying to get to, but you don't exactly know what's going to work out. So you're testing and learning and trying different things along the way, and some things you see may happen, but you don't have the capability, so you need to test a partnership. You need to invest in a company, maybe, that has what you don't have.

So I think that test-and-learn comes in a lot of ways, but when you're certainly in a highly, finely operating organization, it seems luxurious. It seems like a hobby. I personally don't know how you cannot do that in a company.

Mike Kearney:

That's interesting because I've led a lot of innovation groups within Deloitte, and what I find is, and I think you even talk about this, like, "Don't wait for perfection," but we oftentimes do that.

Like, whatever we bring to a client, it has to be perfect, and I'd love you to comment on this, but what I've found is when I talk to clients and say, "Hey, listen, we believe that there is an opportunity for you to do X, Y, and Z. We have not built out the entire product, but we would love to bring you in really early to get your sense as to whether or not this is something of value and you may be able to contribute," and what I've found is you almost could – I don't know, I don't have any precise estimates – cut the development time significantly, and then, you're not waiting to the back end to say, "Hey, do you like this or not?" because invariably, they may like it or they may not.

Beth Comstock:

Yeah, you hit it exactly, and I think that's exactly the mindset. For us, we used Lean Startup at GE as a way to accelerate that. It gave us just a couple of interesting concepts, and then, you have to make these principles your own. You don't follow it to the tee, but I think for us, this idea of a minimally viable product was very profound because it's saying, "Take to a customer a wireframe." Luckily, 3D printing was something we were trying to embrace more in GE.

So, "Don't wait for your perfect engineering masterpiece. Take a 3D-printed prototype and say, 'Do you like the way this interacts with that? Would you buy it? Would you give me money to go to the next step?'" "

So I think that – and you have to do it carefully. I mean, this is the marketer in me. Certain customers want to wait till it's finished. They're not willing to be developmental customers. Others, they almost pay a premium to be first to figure it out. So you also have to know your customer base really well to understand who can you take those methods to.

Mike Kearney: Yeah, it comes down to trust because it's so funny you say that, because I look at all of the clients that I've engaged with and there's probably 65 percent that I would never take them, a minimally viable product, but there's others that just relish in it because they want to be on the forefront. They want us to make investments in them because there's an upside for them as well.

Beth Comstock: Yeah, and they want to learn as they're doing it.

Mike Kearney: Absolutely.

Beth Comstock: So I think there's a way to sort of segment your customers differently for innovation. People are always like, "When am I going to get paid doing it?" It's just steps along the way.

What big companies do is we often have established big scaled metrics and objectives for the things starting out. In those early days, one, you want to find a customer who's interested so you develop things together. Are they interested enough to keep paying you? Is there money exchanged? And then can you move from one customer to another?

They're small, but important steps, and too often the question is, "Well, you're not making money." Well, not on that first customer. But the product's not ready yet. So we tend to miss that a little bit. Well, maybe your first customer is – you're not making any money. You're paying your customer, maybe.

Mike Kearney: We may also not know what the end product ultimately is and the value of engaging them up front. That's what I say. It's like part of this is experimentation. We're going to morph whatever it is we're developing. I've almost got a personal question – that sounds kind of weird – but a personal

question in the terms of innovation, and that is a lot of times, what I find, even me, personally, you become so wedded to that idea, like it is a fantastic idea on paper –

yet you go through this development cycle and you figure out maybe there's not, at this point in time, a market there. How do you pull somebody off of that? Because I think that's the hardest piece sometimes with innovation: great idea but you don't shut it down fast enough or maybe you just defer it to the future. Any advice?

Beth Comstock:

I feel like I've lived this for my career. A couple things happen – you have to be much more disciplined about it, and one of the things we gravitated toward was really much more of a venture capital method – we call it a growth board, which is stage-gate funding. It's not just the right amount of money; it's the right amount of money at the right stage and the right people and resources at the right stage.

But often, what happens is a team has only enough funding for five ideas, and yet, they have ten. And no one wants to kill it because no one wants to be that idiot that, "Oh, remember we had that idea and remember old Beth? She killed it back there." So that happens. Or you realize it's just not working but your ego or sometimes, "But I've already been given the budget for this, and if I don't use it, I'm going to lose it."

So some of what we've tried to do with this more iterative stage-gate funding is there's a pool, and the earlier you can get to find something isn't working, that means you have more money to work with on the next phase and more things that you can test going forward. So I think that's been a liberating effort for teams to sort of go at it together. A growth board for us requires multiple functions to come together, so you've got a lot of stakeholders betting on or voting, if you will, should this go forward or not. So I think that, if everybody's at the same table, literally, and you've got the customer point of view or the market point of view, the decisions become a lot better rather than siloed, "Well, it's engineering versus marketing. It's supply chain versus engineering." And the wrong motives sometimes get thrown in.

Mike Kearney:

My guess is probably critical in that is – how do I say this? Oftentimes, people are nervous to take the risk of taking the lead on that innovation project because maybe it doesn't work out, but it wasn't anything that they did; there

just may not be a market at this point in time. But also, to a certain degree – not penalizing, maybe promoting those people – even not promoting in terms of just role level, but rewarding them even if the idea didn't ultimately make it. That's a challenge, I think, yeah.

Beth Comstock: Yeah, and I think different rewards – sometimes people just want the freedom to keep testing and learning. They don't want to be called a failure and sent away, and I've seen several leaders where they started to get measured on the throughput of ideas. So, to what you said earlier, the speed – how many ideas that they test and what's their success rate, and so I think the more ideas they could show they tested on the path, it was almost like an accelerated learning, and absolutely, I've seen a couple of teams – one I'm thinking of right now – that they were able to have 50 percent more output of innovation by doing things earlier, testing, learning.

So the technology there was a hero.

Mike Kearney: That's fascinating, too. Because I would argue part of what they were being rewarded for was killing some ideas, too, right? Because if they're –

Beth Comstock: Exactly.

Mike Kearney: Yeah, that's –

Beth Comstock: What that process does is it's de-risking it, and I think big companies fall – are victims or fall – are guilty of this where we throw a lot of money at things that we don't need to. And my colleagues hate when I say it, but it's not just about throwing money; it's putting the money at the right stage. So you're investing more money when you're confident that the idea has a customer, a market, and a technological way of moving. And so you're actually putting more money into the things you feel good about, and so I think that's another way people start to win.

Mike Kearney: What an incredible conversation. That wraps up part one of my discussion with Beth Comstock.

Up next, we're going to talk about the law of threes. We'll also talk about the role of the CMO, both today and in the future, and then, I am going to dive deep into how Beth has become such a social media queen. I mean, go out on LinkedIn. She is posting so much really interesting content. You will not be disappointed.

And then also, believe it or not, Beth actually calls herself an introvert and somebody who has dealt with confidence issues in her past. I am going to ask a lot of questions about that because I just don't see it. So we'll jump more into that in the next episode.

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