

Nordic Business Forum *2013*

Executive Summary



Summaries

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Sketchnotes

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Analysis: Who Tells the Story Best?

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Nordic Business Forum 2013 – Leadership

September 26–27, 2013

– The International Congress and
Trade Fair Center of Jyväskylä, Finland

Just in four years Nordic Business Forum has grown to be the most significant business seminar in the Nordics. It is a courageous venture built up by young Finnish entrepreneurs. The atmosphere at Nordic Business Forum is very unique and one can feel the excitement in the air. Besides coming to the seminar to hear the speeches, people also come to network with each other. Basically no-one leaves the venue for two full days. There is really something magical about Nordic Business Forum.





Nordic Business Forum 2013 gathered over 3,300 guests in Jyväskylä, Finland. The two-day seminar provided an exceptional group of thinkers worldwide and performances by the top Finnish artists **Jenni Vartiainen** and **Vesa-Matti Loiri** and a famous Finnish metal band **Apocalyptica**.

The goal of Nordic Business Forum 2013 was to provide the customers with concrete ideas and inspiration on leadership and innovation. The speakers truly joined their forces in order to achieve the set goals.

The passion and dedication each speaker had for his or her topic was truly captivating. When adding up the thought-provoking content and the speakers' dedication, we certainly believe the seminar provided each attendee with inspiration, insights and an opportunity to learn something new.

The speakers challenged the way we see leadership, sales and innovation today. For example, **Malcolm Gladwell's** idea of being the triumphant third, **Vijay Govindarajan's** examples on reverse innovation, **Jack Welch's** stern honesty on leadership and **Alf Rehn's** speech on what innovation really is, all aimed at giving new perspective on things.

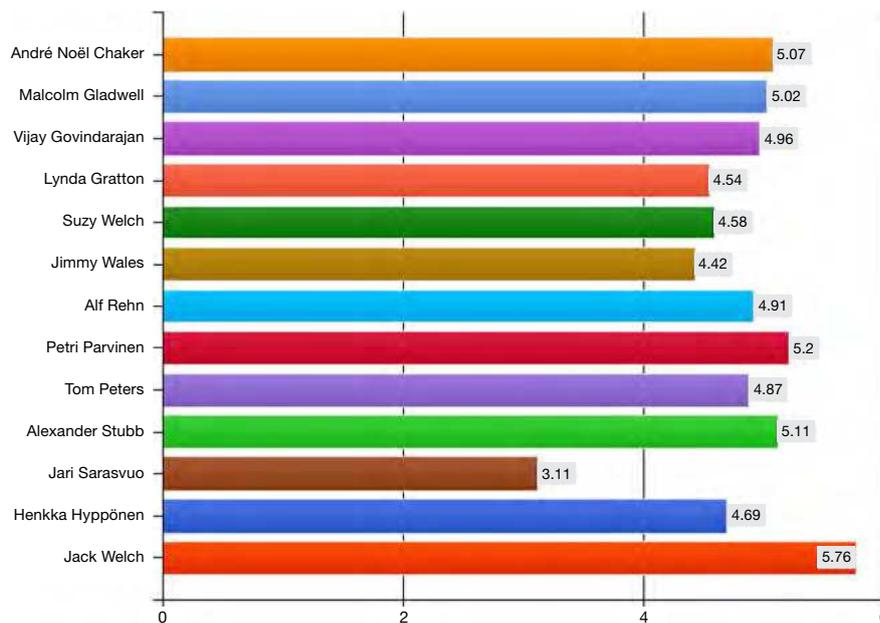
This magazine provides summaries, Twitter quotes and sketchnotes of the speeches and topics shared in the seminar. We hope the magazine conveys the core messages of each speaker and offers concrete ideas and inspiration for you and your business.

At first **Juhana Torkki**, a famous Finnish speech consultant and author of books on rhetoric, will give his analysis of the speeches, but before the analysis feel free to have a look at the feedback averages which the guests gave to the speakers in the chart on the right.

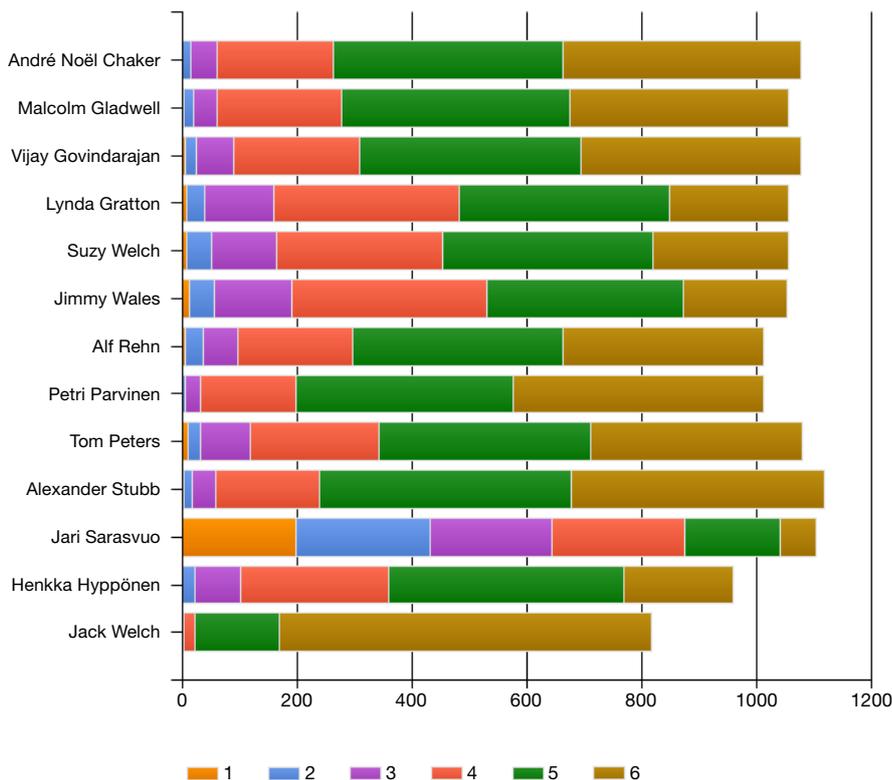
Watch the Compilation of Nordic Business Forum 2013



Your grade to speakers



Your grade to speakers





Who Tells the Story Best?

Successful speakers have individual styles and different messages but the basic form is tantalizingly similar between great communicators. **Juhana Torkki**, speech consultant and author of books on rhetoric, analyses the speakers of Nordic Business Forum 2013 and evaluates their rhetorical skills. Torkki's new book on the skill of story-telling is coming out in January 2014 (*Tarinan valta*, "The power of story", Otava)





Malcolm Gladwell, probably the most awaited star of NBF 2013, gave us an advice in Jyväskylä: it is better to be third than the first or second. The Soviet Union created an idea of some genial warfare technology based on digitality but as a heavily centralized state they could not make use of it. The US copied it, implemented it but failed to exploit it to its full capacity. Then came little nimble Israel who triumphed with that technology in the war against Lebanon.

Similarly, the mouse was imagined by a computer scientist in the Silicon Valley who could never put the idea into action. Xerox adopted the idea from him but brought about some very clumsy models. Then came **Steve Jobs** – the third – who made it all work perfectly.

So it is better to be third.

That was basically Gladwell's technique throughout his lecture: first he tells a story, then draws a lesson out of it. Why is this pattern so familiar? It is the pattern of the Greek fabulist **Aesop**, of course! He always starts with a simple story and then "the teaching" follows.

Like this: "The reed and the olive tree were arguing over their steadfastness, strength and ease. The olive taunted the reed for his powerlessness and pliancy in the face of all the winds. The reed kept quiet and didn't say a word.

Then, not long after this, the wind blew violently. The reed, shaken and bent, escaped easily from it, but the olive tree, resisting the wind, was snapped by its force. Teaching: The people who yield to circumstances and to superior

power have the advantage over their stronger rivals."

The only difference between Aesop and Gladwell is that in Aesop's fables it is not Xerox or Apple or Israeli aircraft that acts but trees and reeds and animals. However, the pattern is the same. But Aesop isn't the only one who uses this medium – millions of grandfathers and grandparents all over the world convey their life experience to their descendants by telling stories. What is exciting is that even the world's most famous and best-paid speakers use those very archaic techniques.

But it is no wonder at all: according to biologists, the human brain has not developed significantly in the last 40,000 years. We have brains adapted to story-telling. And the masters like Gladwell

know that quite well: that we love listening to stories even in the highly technologized 21th century.

One of my friends made an intelligent remark to me in Jyväskylä: "In the first of his lectures Gladwell said it is better to be third. In the next lecture, however, he said you should be the fastest one to realize new ideas. Isn't there a contradiction?" Yes, there is but so what? The same is true with Aesop and grandfathers: sometimes their stories teach you to be as slow as a turtle, sometimes fast like a rabbit. It is the magic of story-telling. There is no truth, or to put it better: the truth is not carved in stone; it is something living, like an organism. That's why the best stories endure: they are remembered decades, centuries, even millennia.

Numerical speaker evaluation

When **Hans-Peter** asked me to evaluate the speakers of Nordic Business Forum 2013 numerically, I was not very excit-

ed at first. Actually I hate giving grades to speakers because there are so many ways of being successful, so many differing personal ways. But you know Hans-Peter. You know how he just puts things in their places gently, so that you don't even notice it. And so I found myself giving numerical evaluations of the speakers.

But at least we need some criteria. This article started with Gladwell's story-telling skills. This is the first criterion: How elegantly does the speaker put his or her message in the form of stories?

As the second criterion I selected the speaker's ability to captivate his or her audience. This largely decides the success of a speech: how skillfully the speaker builds the bridge between himself or herself and the listeners. The highest grades were given to the speakers who captivated their audience either by the intensity of speaking or by polite references to the listeners' background.

The third criterion is the originality of ideas. The problem with business seminars is that sometimes we have the feeling of having already heard all the wise ideas many times. So, who of the speakers was best in presenting novel teachings, or at least to give the ideas an interesting new form?

The results are on the next page. Interestingly, my personal favorite of all of the speakers of NBF 2013 was **Jimmy Wales** (who got the lowest points!). He was charming in his honesty and modesty. When someone asked him about the megatrends of the near future in communication, he replied reluctantly: "The fact that I happened to invent Wikipedia does not mean I have the answer to every big question on earth!" Yes, there are millions of ways to charm a listener. So don't take my evaluations too seriously!

		Story-telling	Contact with audience	Originality of ideas	AVERAGE (The scale: 0...5)
GOLD	Malcolm Gladwell	5	4	3	4
	Vijay Govindarajan	5	3	3	3,666667
	Alf Rehn	3	5	3	3,666667
SILVER	Petri Parvinen	3	4	3	3,333333
	Jari Sarasvuo	3	3	4	3,333333
	Alexander Stubb	4	4	2	3,333333
	Jack Welch	2	5	3	3,333333
BRONZE	Lynda Gratton	2	4	3	3
	Suzy Welch	4	3	2	3
	Henkka Hyppönen	3	4	1	2,666667
	Tom Peters	3	2	2	2,333333
BACK TO SCHOOL	Jimmy Wales	1	2	3	2

A photograph of Henkka Hyppönen, a man with a beard and glasses, wearing a dark suit and a lapel microphone. He is standing on a stage, gesturing with his right hand raised in a fist-like motion. The background is a large screen displaying a blue-toned image of a person in a white coat. The lighting is dramatic, with blue highlights on the stage and screen.

HENKKA HYPPÖNEN

No Miracles in Human acts

Hyppönen was just another popular voice in the radio, until he became a popular TV show moderator, after which he became a popular and well-known business coach and an author of business books. In the forum, Hyppönen gave a valuable lesson to the business audience, holding a presentation about "*No miracles in human acts*".

Nordic Business Forum



“Today we talk about the price of fear. Sometimes fear in business helps to improve performance, but surprisingly often it causes more damage.

Fear reflects to the corporate story, management and culture. When an employee comes to the company, he has an image of the corporate story. When the employee resigns, most often this is due to the weak performance of an immediate supervisor. Corporate culture either does or does not support the person's own aspirations. At best the employee adopts the corporate values, and this brings great results. But if there is a lot of fear on the background, it destroys the possibility to make results.

The archetype of fear-based management

Steve Jobs is often considered as a managerial inspiration. Some people use Jobs' shadow as their shield and think great results have been achieved with this shadow. It is still only a shadow, which emphasizes fear-based management – it does not include the real strengths Jobs had. According to **Steve Wozniak**, Jobs' colleague, Jobs' achievements could have been achieved also without the many stories about how he terrorized his people.

Monotheism, temper, one truth, fear, manipulation, thirst for power, guilt, pa-

triarchy, creation myth and stars are all recognized in the archetype of fear-based management. There is only one God, who has the knowledge and who can make the decisions. The managerial position is sorted out with a battle between the alpha males.

Why is fear used? Fear surely makes people work. It is an easy way to manage: one can always get attention with fear. Yet, there are types of people who don't react to fear. Fiction characters, Forrest Gump and American Psycho, are examples of this sort of reaction. American Psycho reminds us that there are more psychopaths among the managers than among the population on average.

People have to know why the workplace needs to change. The manager takes responsibility of unpleasant issues, so that there would be a possibility to either be saved or be thriven. In companies this usually means the increase of knowledge about crisis so that people are awakened. But when you put people on a burning raft, some will burn to death.

How does fear work? The most difficult situation is when there are only satisfied people at work. If the pressure is increased in a right manner, adding challenges and tightening deadlines,

the capacity of people will rise. But this doesn't apply to all: in some cases the capacity will decrease – especially with people sensitive to failures. The same is true in stage fright. If you drive yourself to the top, the capacity is high. But if you go over the top, the nuclei in your brain start to activate and after this there is no space for the thought process. Short-term memory starts to decline. Intelligence may decrease even 10-14 points, when a person is terrified or distressed.

Too much fear will deactivate a person. Know-how decreases, sick leaves increase, starting a job becomes difficult and the quality of work declines.

“Do the people around you have sparkling eyes?”

The archetype of team management

Tony Hsieh, Zappos' CEO, is a suitable archetype on team management.

The characteristics of the archetype of team management include zen, patience, curiosity, courage, dialogue, avoidance of social games, trust, matriarchy and team play. People are encouraged to do risky things. There are no social games, and socially strong people are not allowed to dominate each other with fear. Trust doesn't only mean being soft; instead it means that people are also allowed to talk about difficult issues.

Henkka Hyppönen:

Price of FEAR !!

ONCE UPON A TIME THERE WAS...



- OR...
- Zen..!
 - No games..!
 - Patience..!
 - Trust..!
 - Curiosity..!
 - Matriarchal..!
 - Courage..!
 - Evolution..!
 - Dialogue..!
 - Team..!
- YOU MADE ME FEEL...
- ZAPPOS

Text 1



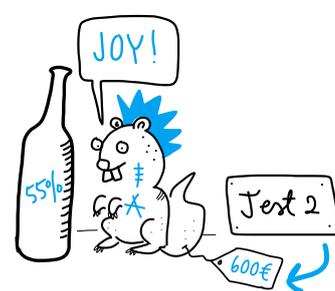
Text 3



Create Energy around you!
(EVEN THOUGH IT SEEMS CRAZY...)



Text 4



Text 2

600€

Redan Redan

If someone feels hurt, it is his responsibility to bring the issue up with the one who hurt him.

This archetype believes in evolution, not in creation myth. In team management people have dialogues. Essential in a dialogue is that people try to form new concepts together. The meaning of team is emphasized, because usually we are not the best in anything, but when we can frustrate the opponent's stars, we can succeed damn well.

Corporate culture

Zappos needed to create a tool for delivering the corporate culture to new employees. They decided to do a book in which anyone could write anything and

nothing would be edited. The management considers this book to represent whether the culture is true or not. Could it be possible to make such a culture book of your own company, which would even be sold in the bookstores?

Queen's Bohemian Rhapsody is an example of dissidence. All audiences from 5 to 95-year-olds know this song. When thinking about the song, one often forgets its interesting origin. When **Freddie Mercury** had made the song, he played it to his friend. In one point he stopped the song and said: 'here begins the opera part!' The sentence was so absurd that the friend thought it was a joke. Mercury kept his mind and kept the opera part in the song.

There is also another problem with the song; it is too long, 6 minutes in total. The radio plays only 3:30 minute songs. So **Paul Watts** from EMI said to the band: 'What the hell is this? Have you gone mad?' The band still wanted a third opinion and turned to **Elton John** who asked: 'What kind of nutcases are you?' In addition to the length of the song, the impossibility to categorize the song was also seen as a problem. Despite of this the song was published. The song was taken to **Kenny Everett**, who at that time was a big radio star. Kenny played Bohemian Rhapsody 14 times in the radio during the weekend. On Monday morning there were long lines in front of the record stores. Would

the song pass the present product development process?

Brew Dog is one of the fastest growing Scottish companies. The company has remodeled the brewing industry. They have invented a 55-percentage beer. In their brainstorming they also came up with the idea to collect rodents killed in road accidents and stuff the beer bottles into these rodents. This is not the route for every company, but could this sort of an idea be left without watering it down? Formerly this idea would have been considered small, but you can find Brew Dog's punk beer even from the K-market in Lauttasaari.

One way to control people is to transfer the decision making as far as possible from the people who actually know the influences of the decision. Bureaucracy drives people away. When a manager in an international company in Finnish department wanted to give a 600 euro-raise to his employee, the decision was carried through four steps always up to the headquarters in California. When the permission for a raise finally arrived both the employee and the manager had resigned from the company because they were sick of the bureaucracy.

There should be a quick way to test things. Van Halen had a thick agreement document. The 126th article stated that there should be a huge bowl of M&M sweets available in the backroom and all the brown sweets should be picked out of the bowl. When the band arrived in a new place, they checked the bowl each time in order to know whether the agreement was followed or not.

Sparkling eyes can be considered as a tool for management. Who are you really, if the people around you don't have sparkling eyes?

When you test your corporate culture, do the following tests:

- The culture book test: can your corporate culture be described in an open book?
- The 600 euros test: how far does your own power reach?
- The Bohemian Rhapsody test: could you do something in a totally different way?
- The Sparkling eyes test: do the people around you have sparkling eyes?"



Having people around you with sparkling eyes is an asset. Checking a bowl of candy seems like the focus is not necessarily on the main issue. Dare to do it differently. Dare to eat them brown sweets, too!



JACK WELCH

Becoming Number One... Or Two

The legendary **Jack Welch**, manager of the 20th century and a lot more. He hates to give and listen to speeches. Still, Nordic Business Forum was honored by his ideas about "*Becoming number one... or two*". Get ready to get rid of bureaucracy and become a fast decision-maker.



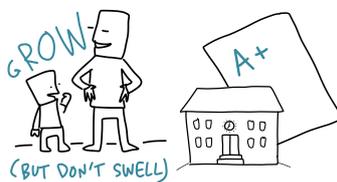
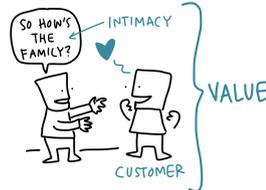
Jack WELCH
BECOMING NUMBER 1... OR 2



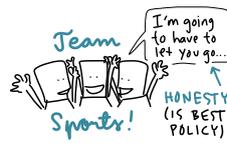
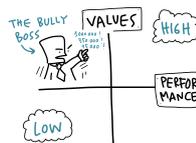
~~BUREAUCRACY~~



MAKE IT SIMPLE!
(OR GET THE HELL OUT OF YOUR ORGANIZATION!!)



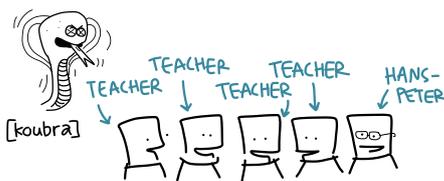
CREATE TEAMS, BUILD LEADERS.



TALK TALK TALK...with people.

"Low hierarchy and trust are essential!"

"Take care of the teams!"



finch REDANREDAN.FI

I hate bureaucracy. It is distasteful. I also hate layers, they make you evil. Some companies have as much as 27 layers, as we have 4-5. You shouldn't have too many layers in decision-making. Every layer slows things down. It is like a broken phone. You have to get your message out in face to face communication. Get out of your office and talk.

People closest to the work know the work best. Managers' purpose is to grow those people. You have to simplify things – the way to that is giving them

self-confidence. Make them feel strong. It leads to simplicity. Simplicity gives you speed, and speed is the key to success. Influence comes from floor to top. Everyone have to know where they stand.

You have to know the customer who comes in to buy bread. You have to know him or her so intimately that you know also his or her family. That creates right kind of atmosphere.

You have to ask the right questions: where to go, why and how. Do real things, talk every day, and know where you stand. Everyone has to know

your mission and how to get there, and where he or she stands. If you are not growing, you are dying. The question is about speed, sharing ideas and engagement. You have to play in teams.

Letting people know where they stand and how they are performing is not being rude, not nasty, but letting people know – that is honesty. Your responsibility is to let people know. So if you have to lay off them, they won't be surprised.

Today I own 18 companies. Those companies have 18 CEOs whose task is

to grow people. Nokia didn't make it because the leader didn't let people grow.

We have a university of our own. There we think students are our clients. We measure results twice a year by asking our clients. If the clients aren't happy with some teachers, if the students don't learn, those teachers get laid off.

I think both values and performance matter. You have to be good at both. If you draw two lines where values and performance cross, you get different combinations. The worst is low values and high performance. That kind of a person doesn't belong to the company. Your organization knows every time you compromise with your values.

I have fired 31 CEOs who weren't right for us, and none were surprised. If you have a clear appraisal system and feedback discussions twice a year, they know where they stand.

Being honest is awful, but it is the only way.

You have to create a culture where everyone can lead his or her jobs. Bureaucracy makes people pretend and act.

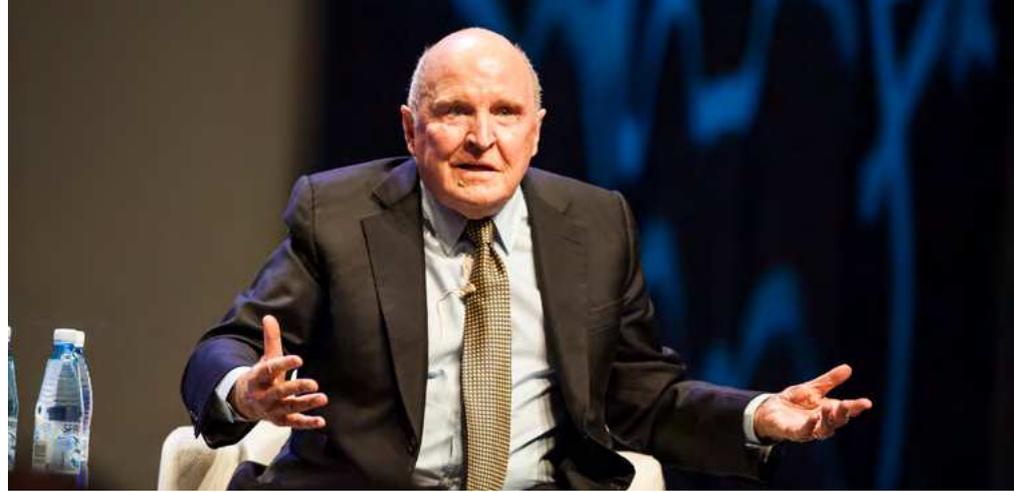
You have to articulate the aims clearly. You have to find right kind of people to be the examples. Use no titles; everyone has their own voice. Create a learning atmosphere where people are rewarded. Ask them about their work; if they are proud of what they are doing, they will tell.

The rhythm of a business has changed. There still are companies that have a planning meeting in January about what will happen in November. But you have to plan on every quarter.

Budget is the worst invention ever. You only have to ask two questions: how did I do against last year and how did I do against the competition. You have to be interested in clients, not in money: no customers, no game.

I had 100.000 employees, and I had to get my message to every one of them. So I went to every factory and talked with people. When I started, my popularity was low. But after 20 years I was popular, even if I had had to lay people off. Was that ruthless? No! Otherwise we wouldn't have survived; the Japanese would have killed us.

Leaders of today are better than in early days. They have something in common: they believe people are the answer. It is not different from a foot-



ball game. Companies are like football teams. If you don't grow your own stars, you have to shop outside and pay crazy money.

The best corporate culture is a learning culture focused on people and growing people. It comes out on how they behave on everyday basis.

"You only have to ask two questions: how did I do against last year and how did I do against the competition."

How to build a great corporate culture? You have to articulate where you want to go and tell your people how to get there. When you get there, reward people publicly, and punish when

they don't act according to corporate values. Make your company boundary-less, share ideas, and hate bureaucracy. Set the values and move on with speed – speed is critical.

If your actions don't grow sales and customer satisfaction, those actions are unnecessary. Like corporate mentoring programs – they are the worst idea. Mentors are good at telling you where the toilet is. Asking help by you from many people is a good idea. Seek everyone as mentor. Everyone can teach you.

I have made some mistakes that have taught me a lot. In 1973 I blew up a whole factory. I was sent to New York to see my boss's boss, whom I had never met. I thought it would be the end of me. But he didn't raise his voice, he was not harsh. He only wanted to know how



I was going to fix the situation. So, always try to encourage your people. Never kick one who is down.

Changing corporate culture takes some time. Get the right people to your company. When someone comes to tell the way things have been done always before, that is the absolute worst. You don't buy the business; you buy the talents there.

Don't be shy on going fast. Don't be afraid of breaking glass. When firing people, no one has thought he or she should have waited six more months. If Harry has done this in a wrong way for 30 years, will his performance get better in six more months?

Treat every customer the way you want to be treated. Put your best person to run human resources. Always consider what change does to your employees. They have to win, or you have no chance. Think about what's in it for the employees. Get out of your office to learn from your employees.

Self-confidence leads to simplicity and simplicity leads to speed.

Great leaders can manage big picture AND tiny details. Know the employees. And my ultimate advice is: Get a good spouse and be happy as hell."

It is hard to think this management genius hates to give speeches. Even at his mid-70s, his mind is razor sharp, and his doctrines have stood time. And they will, for all that matters.

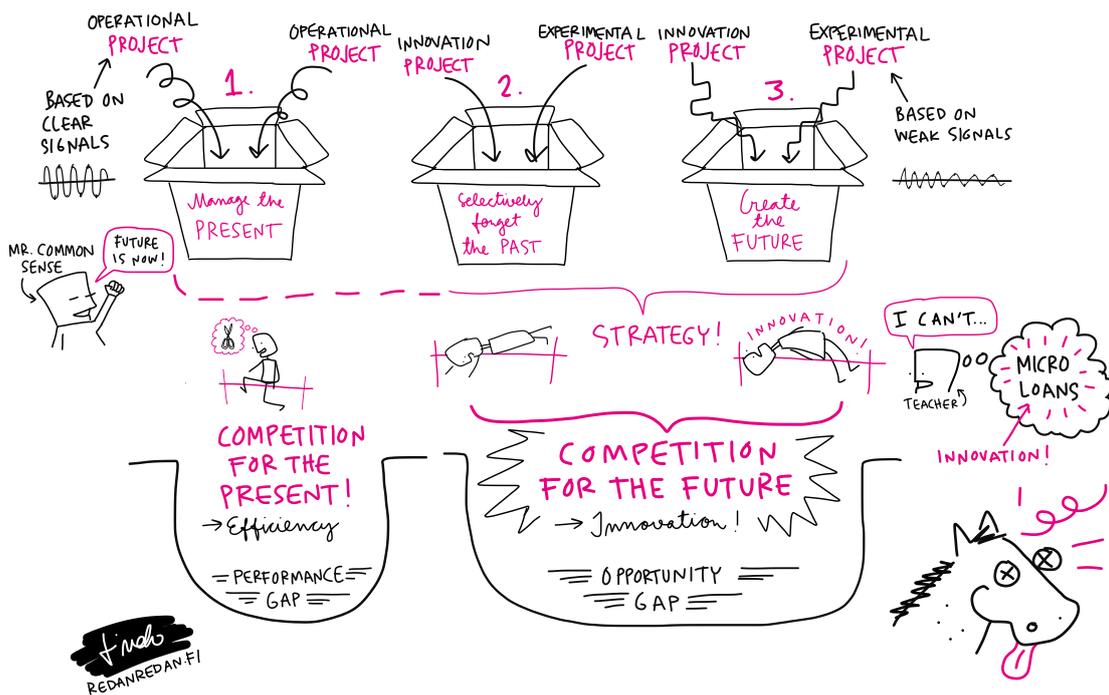
VIJAY GOVINDARAJAN

Three Box Thinking



Professor **Govindarajan** is a walking and talking example of the known fact that best ideas seem to be simple. With VJ's "*Three box thinking*" model, a strategy is easily turned into an asset, which will make you a leader in the future.





“S trategy is not about celebrating yesterday. The world is changing in the future, and that’s why you have to change too. Another word for that is innovation. So strategy is innovation.

Is innovation needed in every industry? Often academics is found as an industry that doesn’t change. But which country had most top universities a hundred years ago? It was Germany. Today lists are turned upside down, and American universities are at the top. Their power comes from alumni. They know that their students will become leaders in the future.

If you think that strategy is leading the future, you should think about all your projects and consider, which of them will make you a leader in the future. Then put them in three boxes.

- Box 1: manage the present
- Box 2: selectively forget the past
- Box 3: create the future

Strategy has everything to do with boxes 2 and 3. Year 2025 is about what you selectively execute from today. At the same time we have competition for the present. But how can you create a future and lead today at the same time?

Thinking process is different in box 1 than in boxes 2 and 3. Do at least one innovation experiment in boxes 2 and 3 this year. Future is now! Box 2 and 3 thinking is not easy to do, but it is a central leadership challenge. Common sense is never common practice.

Box 1 projects are always in response to clear and visible signals, environment, and current business models. Future is in boxes 2 and 3, in response to weak and non-linear signals.

For example Olympic gold medal winners in high jump have taken next levels, box 2 and 3, from scissors to Fosbury flop. For more

than hundred years we thought that in high jump a leg goes over the fence first. Then there were series of innovations. Today head goes first, and results are at a totally different level. High jump industry can’t develop with scissors business model. Fosbury flop is the most illogical way of high jumping, and yet it’s most effective way of jumping.

Box 1 challenge is competition for the present. There is a performance gap that can be fixed with efficiency. Box 2 and 3 challenges are about the competition for the future. There is an opportunity gap that can be fixed with innovation. What products and projects will make us leaders in 2025?

“Common sense is never common practice.”

Best practices benchmarking is not strategy, it’s about scissors, about filling a performance gap. We should be creating next practices, innovation.



A good example of box 2 and 3 thinking is micro loans. **Muhammad Yunus** was a college professor when he created micro loans. Bangladesh people were fighting for their lives, and to survive all they needed was a 25-dollar loan. Commercial banks made their risk analyses and refused to give loans, even if giving money loans is their core business. Yunus loaned the money and got the money back, he even made some profit.

People in the world are divided into one billion consumers and six billion non-consumers. What if the six billion were consumers too? One should benchmark the best practices of leading commercial banks, and then turn to opposite, to get next practice. Loans should be given to the poor, to women, people in rural areas – think everything opposite to commercial banks.

Best practices and benchmarking are not about strategy. Strategy is about the future and the next practices.

Strategy architecture

Strategy architecture has to pay attention to non-linear shifts, strategic intent, current core competencies, annual priorities and new core competencies. Annual priorities include core business from horizon 1, adjacent space from horizon 2 and entirely new space from horizon 3.

If you take mission statements from Fortune 500 companies, you can mix

them with each other and no one would notice. They don't have strategic intent. Criteria for strategic intent are direction, motivation and challenge. First formulate a direction. Think of a big picture and visualize it. The beginning should have an ending in sight. Then there has to be motivation: how much passion can you create, is there a compelling reason to wake up and get to work. Last is challenge. Work has to make you want to do something more, to tell your spouse excited about the work.

Think every day what you have done for boxes 2 and 3. Think of experiments, not possible failures.



The Top 11 Things You Can Do With a Dead Horse

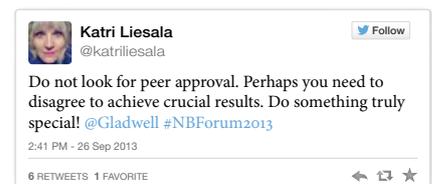
11. Whip the horse a little harder.
10. Change the rider.
9. Harness several dead horses together for increased speed.
8. Emulate the best practices of companies riding dead horses.
7. Proclaim that it's cheaper to feed a dead horse.
6. Shorten the track.
5. Affirm that "This is the way we have always ridden this horse."
4. Declare that "This horse is not dead."
3. Have the lawyers bring suit against the horse manufacturer.
2. Engage a consultant to study the dead horse.
1. Promote the dead horse to a senior management position."

The example of a dead horse implies clearly to our present thinking and operating models. The audience was laughing out loud listening to VJ, yet surely at the same time thinking about their business; "are we truly like that?"

The New Nexus Between Intelligence, Intuition and Information



Before the seminar, **Malcolm Gladwell** gave a presentation for the VIP guests about "*The new nexus between intelligence, intuition and information*". Gladwell's presentation style is far from vivid or with all the bells and whistles. His calm voice and capturing content are overwhelming. Gladwell generates thoughts that stay in one's mind for a long time.





Nordic Business Forum

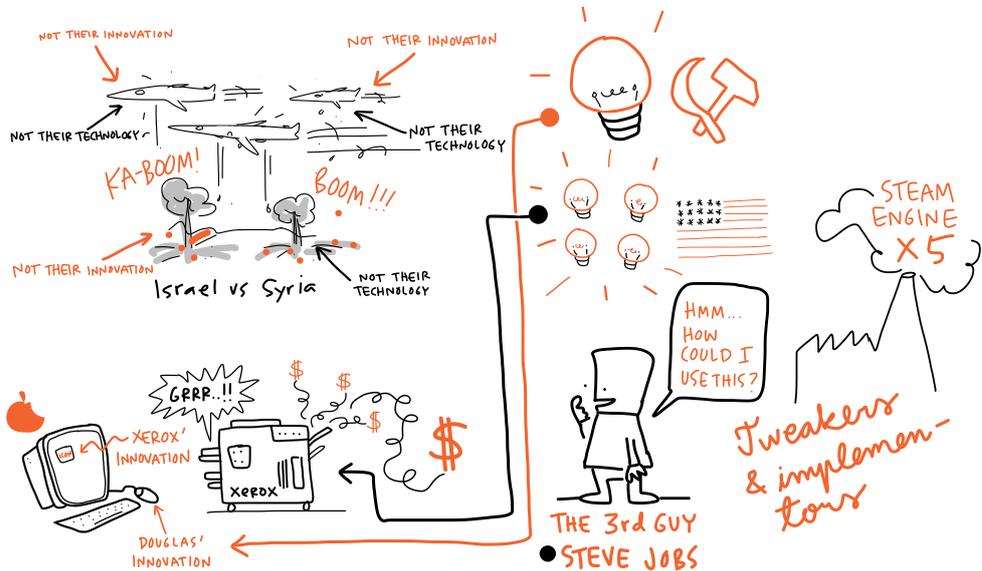
#NBForum2013

Malcolm Gladwell

→ INNOVATION !!!



EXAMPLE 1:



EXAMPLE 2:

PICASSO VS. CÉZANNE

A CONCEPTUAL INNOVATOR →

← A MORE COMMON TYPE OF INNOVATOR (MORE IMPORTANT TO THE WORLD)



BE THE 3RD GUY.



“Both intuition and information are important, but more important is to know how to be the first in innovation. The first mover has an advantage. But why should you want to be third?”

Example 1

It's very difficult for small countries to be real pioneers. There is a famous story from the history of military which demonstrates that being the first is not even something to aim at.

In 1982 in the Middle East there was war between Israel and PLO. In aerial battles Syria lost 86 planes, when Israel lost only two, and even those two got destroyed in accidents. That was an unbelievable victory for Israel.

Israel's secret was to combine new ideas developed by big countries. They used new technologies that USA had developed, mainly for Vietnam: remote sensing technology and precision guided radar missiles. Syrians really didn't know what hit them. Israel learned

about the military strategies from the Soviet.

None of these technologies or strategies was invented in Israel. But it was Israel who combined them first. Israel took someone else's ideas and put them into practice. They were third. That's where many want to be.

Israel is a very, very small country with hostile neighbors. In a former war against Egypt Israel lost 15 per cent of its planes on the first day. That's why they needed a frantic study about what went



wrong, and they did come to a solution. The Soviet had a suitable strategy and USA had technologies. Israel came to the best situation for being third.

Example 2

Our second example is about **Steve Jobs** and Apple.

In 1970s Xerox was one of the leading technological companies. They had made whole series of innovations, but they didn't capitalize them. They invented the *'what you see is what you get'* -technology. And Apple stole it.

A culture that makes innovations is different to that which brings those innovations to market place. Why didn't they worry about that in Xerox? They made business by selling copiers. They were rich and successful. They spent a decade building a personal computer just because they could spend the time.

In the meantime, Steve Jobs was a 24-year-old college dropout – hungry, desperate and nimble. He was always third. He was late for laptops, late for digital music players, late for smart phone market, late for tablet computers. But in all these markets Jobs got the best results.

There is a story about **Larry Ellison**, the guy who runs Oracle, and Steve Jobs. Ellison bought himself a private plane. He didn't like the interior and rebuilt it. It took a year and cost millions, but the final result was really beautiful. The plane had sliding doors that opened

by pressing one button, and closed by pressing another button. When Ellison finished the rebuilding he called Jobs for a visit. Jobs came in, said nothing, left and bought a plane of his own. He rebuilt and furnished it exactly like Ellison, but with different wood. Jobs had one button for the sliding doors which both opened and closed the doors. We don't know if this story is true but it tells why Jobs was so brilliant.

Some want to be conceptual innovators, geniuses who have revolutionary ideas, who put the ideas into practice immediately, and are always first. More important is to be an experimental innovator, who comes second, who never has big bold revolutionary ideas, and repeats the same until he or she is satisfied.

Jobs was like Israel, he took someone else's ideas and put them into work. He was always third.

The first innovators can't have information about consumers. Only the second and third can make evolving notions about what consumers really want. Friendster was the first social networking site, which focused on dating. Then MySpace offered dating and place for music. Facebook was third, and you know how it has come along. Before Google there were half dozen companies making search engines, but Google created algorithm and sold advertising.



Your performance gets better in time. **Paul Cezanne** painted his works to final on his latest years, whereas **Pablo Picasso** was a conceptual innovator who didn't return to his old paintings. Alfred Hitchcock made his best films at the end of his career.

“But why should you want to be third?”

The industrial revolution started in England because there were inventors, but also tweekers¹⁾ and implementers. **James Watt** doubled the efficiency of a steam engine. Tweekers and implementers are not geniuses, but they are capable of taking other people's ideas and experimenting with the ideas to make them better.

Finland creates very large number of tweekers and implementers. So take someone's ideas and make them better! Being first is misplaced. We celebrate the first, but maybe we should think the opposite. One thousand intelligent people is better than five geniuses. USA focuses on the elite, when Nordic countries focus on the equality of masses. I'm far more impressed by the Nordic strategy.”

¹⁾ A person who constantly stays up cleaning, washing, organizing, powertooling, sorting or otherwise keeping themselves busy doing menial tasks.

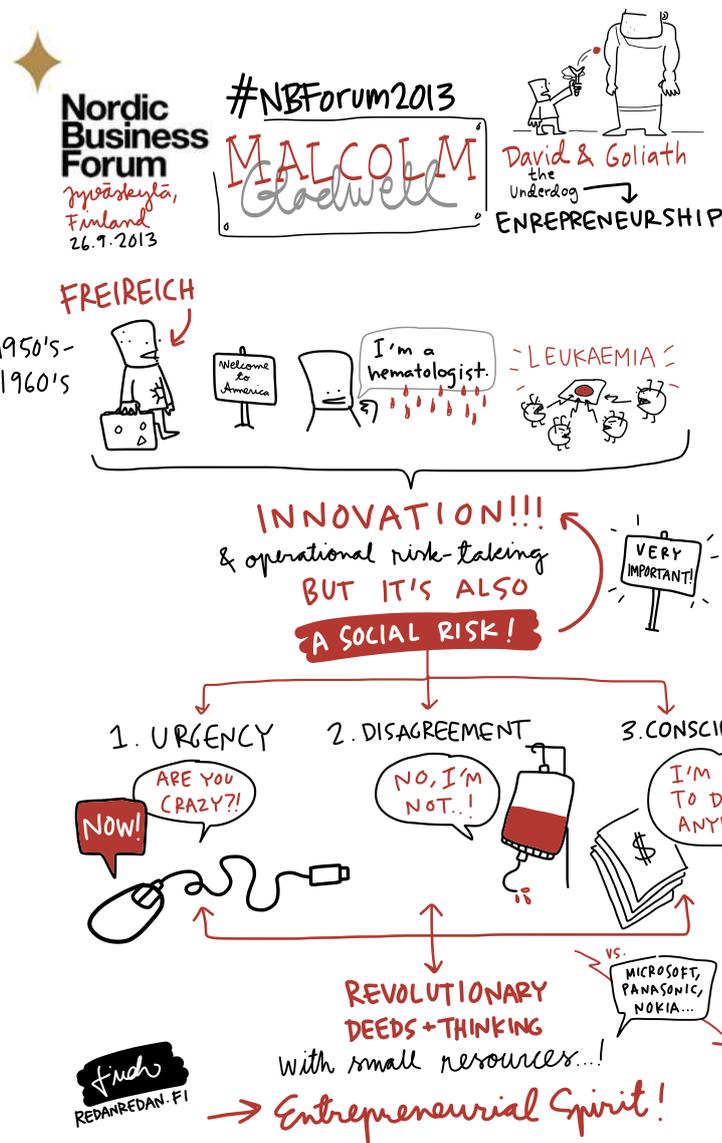


MALCOLM GLADWELL

David and Goliath

– Why Do Underdogs Succeed So Much More Than We Expect?

Gladwell, a Canadian journalist and bestselling author took his audience once again. This time the eager Finns and several foreigners heard this popular speaker telling about "*David and Goliath – Why do underdogs succeed so much more than we expect?*". No wonder Gladwell has recently been named on various thinkers' lists.



“How can underdogs win? The question is about entrepreneurship and risk-taking. Usually we focus on the operational side. Today I focus on the other side, social side.

Emil “Jay” Freireich is my great idol. He played a pivotal role in the treatment of childhood leukemia. He had the most horrible childhood you could imagine - for example, his father committed a suicide. He came through this all and found out that he was fine. Nothing could defeat him. He then went to a medical school, and as a doctor did his military service in public health care.

Freireich specialized in childhood leukemia. It was one of the most feared diseases at that time, in 1970s. It was lethal and very terrifying. Mortality rate was 100 percent within two months. Doctors couldn't do anything to stop it. It was the most horrible death you could imagine: children bleeding to death.

There were four medicines which all helped for about a week, but they had terrible side-effects. Some doc-

tors thought that using these medicines was not worth all the side-effects. But Freireich had a look at these medicines and found out that they all had different way of attacking against the cancer. He thought: *'What if we gave them in combination, combine four different strategies?'*

His colleagues told him that each medicine is toxic. If you give four at a time, the side-effects will kill the child. But then he found out that side-effects vary, they are also vicious in different ways.

He started with a 12-year-old girl, who was about to die. Freireich held her hand and watched her fighting, and finally, miraculously she came through. She made it. And the entire group of children in the hospital made it.

Today it is commonplace to give combination of drugs, before Freireich it was unheard. Today most children survive.

Freireich's action was operational risk-taking. There was a chance that it

might fail, but he tried it anyway. He also had to take a social risk, face all kinds of oppositions.

We don't talk enough about the social side. It is even more important than the operational risk. There are three sides in the social risks of innovations.

Urgency

Freireich was in a hurry. He went to his boss **Zubrod** to ask for approval to go forward. Zubrod asked Freireich if he was going crazy and had he even tried it on an animal model. Freireich answered that there were no animal models for childhood leukemia, and experiments might take years. Zubrod asked how he was going to manage the side-effects, what if they all die on side-effects. Freireich told that 12 kids will be dead anyway for leukemia. Zubrod then gave his permission.

Crucial about it was that no one had thought about it that way. Instead they only went one step at a time, slow and careful, when Freireich said he will try it

now. Complete impatient urgency was driving him.

Disagreeableness

Freirech found out that one couldn't kill all the cancer cells with only one treatment. The treatment had to be repeated every month for two years. Freireich's colleagues thought he was a monster, and they refused to help him. So he was in the hospital for 24 hours a day by himself. He also needed to give the children a complete blood transfusion, but as there was no blood concentrate, he had to use the whole blood. So Freirech used a huge plastic sausage full of blood to do the transfusions. The other doctors thought this method was far too dangerous. But that kept the kids alive.

Freireich was not there to make friends but to cure kids. Very rare people are like him: conscientious and open, but disagreeable at the same time.

What does it take to imagine something? Ikea's **Ingvar Kamprad** wanted to have customers to build their own furniture. He also found out that labor was cheap in Poland. So he decided to start a furniture factory in Poland and ship the furniture flat. In 1960s it was unbelievably difficult to build a Swedish classy furniture factory, but Kamprad didn't care, he built it. He didn't need other people to confirm him.

Approval is necessary for us as humans. Contempt is the most dangerous feeling for married couples. It is a language of exclusion. We think that **Keith Richards** is a great innovator, but is it really revolutionary to have all ladies wanting to sleep with you?

Lack of money

Today cancer research has enormous amounts of money. Freireich had tiny budgets; all he had was the patients. His time was the most productive ten year period in the history of the war on cancer. If we had all the money we wanted, it would widen our research too much. Too much money makes you too comfortable.

Medical companies have the biggest research budgets. Big budgets are also used by Microsoft, Panasonic and Nokia – and what have they achieved? Maybe they spend too much on R&D. Like college students: the more money you get from your parents, the worse you graduate.

“Too much money makes you too comfortable.”



Xerox and Macintosh

In 1970s Xerox was the most powerful technological company in the world. They had an unlimited innovation budget, and so Windows, Word, laser printers and graphic user interface were invented there.

In 1979 **Jobs** came to visit Xerox. They showed the first personal computer to him, and he was overwhelmed. He had seen the future of computers, and he ran out to his engineers and told them to build a graphic user interface. Xerox had also invented a mouse to move the cursor, but its cost was 300 dollars. Jobs wanted the mouse to cost 10 dollars.

The result was Macintosh computer, one of the most crucial moments of tech companies. Was Jobs smarter

than Xerox engineers? No, they came up with a graphical user interface and a mouse. He stole their ideas. The difference was Jobs' sense of urgency! Doing things absolutely on this very moment, work on weekends and midnights until we get things done – that is social risk-taking.

Success can be a dangerous thing. Then you don't have to urge, not to be disagreeable, and not to think about making a living.

We could tell Freireich's story also from his boss's angle. Zubrod was charming, well connected, and he knew his responsibility. His job was to build a wall around the hospital. In many ways he is a hero of the story. He put his reputation on danger. Freireich really was disagreeable: he has been fired seven times throughout his career, also after his great breakthroughs.”

Friedrich is a great example of urgency when you don't have time to waste. When having the means and motivation, being a risk-taker and able to bear the consequences one can achieve world-changing results.



VIJAY GOVINDARAJAN

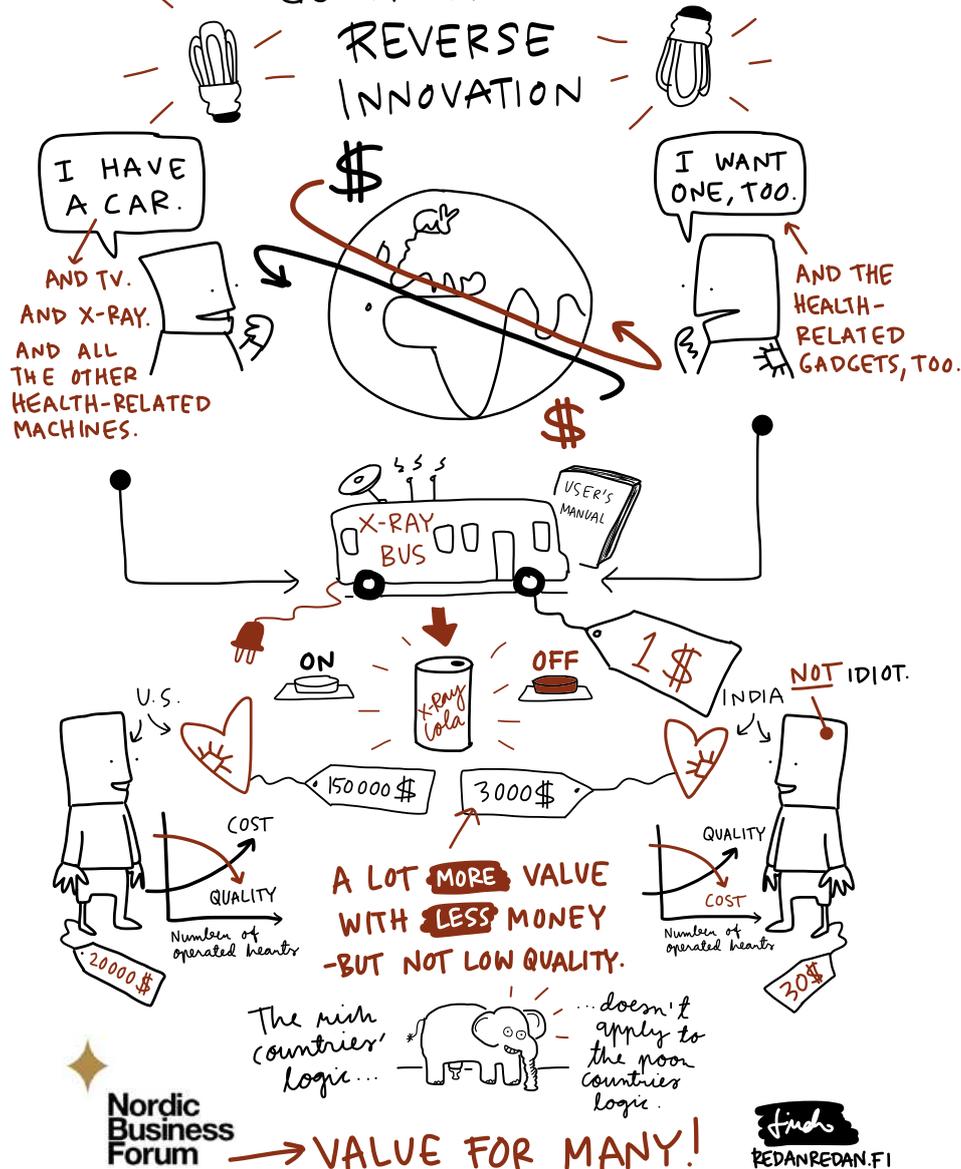
Reverse Innovation

Why would a rich man want a poor man's product? **Govindarajan** gave the seminar audience excellent ideas on how to develop products from a different aspect. VJ's presentation about "*Reverse Innovation*" explains the model's principles.



#NBForum2013 — JYVÄSKYLÄ, FINLAND

Vijay
GOVINDARAJAN
REVERSE
INNOVATION



“Today we talk about innovating in a poor country like India and spreading innovations and selling these products to rich countries. It is perfectly logical why a poor man would want a rich man’s product. But why a rich man would want a poor man’s product?”

They spend a lot of money on health care in the United States. Still they can’t offer care for everybody. In poor countries there can be free health care for everybody and, if needed, university hospital level care.

Electrocardiogram example

Electrocardiogram machine is a fine example. General Electric invented this machine for Americans, and it has saved

many lives. It costs tens of thousands of dollars. They keep these machines in fine buildings and send people there to get ECG.

90 % of Indians cannot consume this machine. One scan costs too much, 200 dollars, when most Indians make 2 dollars a day. And this is not the only issue. Another problem is that the machine weighs 500 pounds, and you can’t easily take it to your patients. And you can only use this machine in assured electricity. And of course it’s extraordinarily sophisticated; only to be used by doctors.

In 2008 I went to GE. I had to create a 500-dollar ECG-machine, and so I did. This machine is extremely lightweight. It works on battery. It’s easy to use: it has

only two buttons, green and red. With this machine GE found a whole new market. 225 countries are buying these, and also USA uses them in ambulances.

Heart surgery example

A cardiac hospital in Bangalore India looks like a 5-star hotel. Open heart surgery costs there 3,000 dollars, when in US it costs 150,000 dollars.

Reverse innovation is about pushing the price performance, offering more for less money. Actually quality demanded by poor consumers is higher than by rich consumers. Indians tend to have weak hearts, and pollution in India is high. Therefore post-surgery mortality is high, and they have to perform the surgeries even better than in ideal circumstances.

In this hospital they haven't turned down anybody, even if they can't pay. Two out of three can pay, and that is enough for this hospital. This is not a charity organization, it's a company aiming for profit. How can you imagine a company like this, not getting payment from third of its customers?

First reaction to low costs is that quality must suffer. But if you do so many cardiac surgeries, the quality gets better. They can even specialize in different surgeries. They have to get the cost for one patient low. They use their equipment 50 times more. There is already medical tourism from America to India. Why they tolerate so much inefficiency in rich countries?

Artificial leg example

In US, an artificial leg costs 20,000 dollars. **Dr Jivacate** from Thailand wanted to create an artificial leg that would cost 30 dollars. In poor countries you have to have legs that work, many professions require legs; rickshaw drivers and field workers for example. So how to get the price lower and artificial legs affordable for poor people?

In rich countries artificial legs are made of raw materials. Dr Jivacate started to use recycled materials, such as yoghurt plastic containers. The price got lower and the leg got lightweight too. Fitting process for artificial legs is expensive in rich countries. Dr Jivacate trained unemployed people to fit legs and the price got yet lower. People who got cheap new artificial legs were approaching this as a God's work: they got their lives back. They did the marketing: they praised their new legs to non-consumers.

Some elephants lose their legs in landmines. They built a new leg for an elephant baby called Mosha. If someone can create a 30-dollar leg for an elephant, how can it cost 20,000 for a human in America?

Possibilities in poor countries

Poor countries are growing fast. 90 % of people in poor countries at the moment are non-consumers, so there are vast possibilities.

The problem of companies in rich countries is their American mindset and dominant logic. For example Kellogg is



“Reverse innovation is about pushing the price performance, offering more for less money.”

a huge company who has been in India for over 35 years. It makes big revenues there. They think they have done enough when they have brought American innovations to India. But their cereals don't work in Indian breakfast, when milk is served warm. So do Indians have to become more civilized or where is the problem?

People seek different values. A cleaning lady came every evening at six pm because at that time she got extra pay.

So she could pay for six ESPN cable channels, which are extremely expensive in India. If she didn't have those channels, her three sons would go out every day. Now she could keep them at home.

In emerging markets don't ask where the market for your transplanted global strategy is. Instead, ask what the problem of non-consumers strategy for this market using your global competencies and global resources is.

Reverse innovation is innovating by spending less money and producing value for many: doing a lot more with a lot less.”

It seems us westerns tend to think too complex and too expensive. Focusing on the essential only, we can give up the features and functionalities that do not create added value but added manufacturing costs.

LYNDA GRATTON

The Key to Resilience



Professor **Lynda Gratton**, ranked among the world's greatest thinkers by The Times and The Financial Times, held a presentation about "*The key to resilience*". Although she may not necessarily be very well known in the Nordics, Gratton surely took the stage at Nordic Business Forum.





Nordic Business Forum

Jynda GRATTON

 #NBForum2013 Jyväskylä, Finland

FUTURE of PEOPLE • WORLD

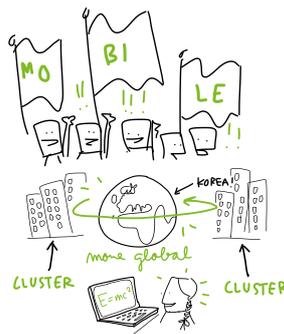
 • WORK

 • OUR CHILDREN

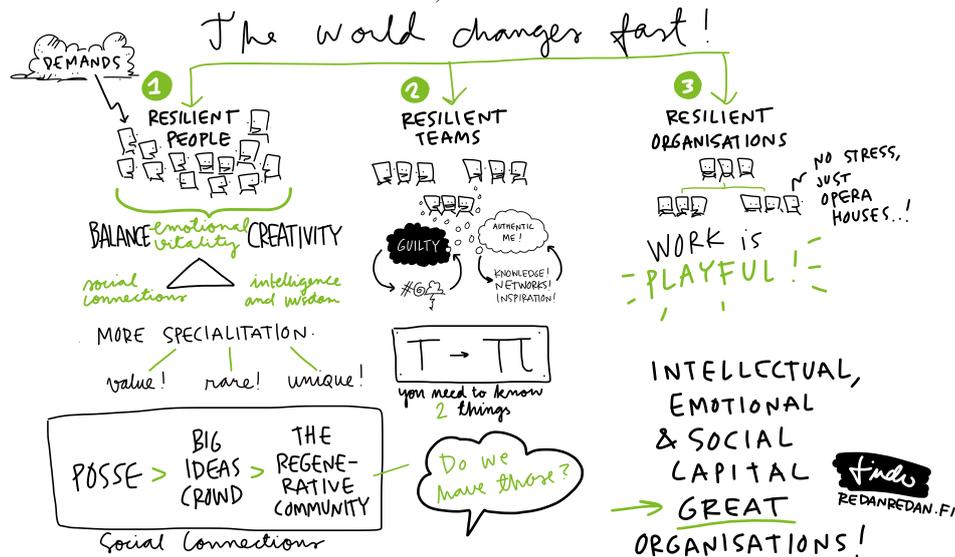
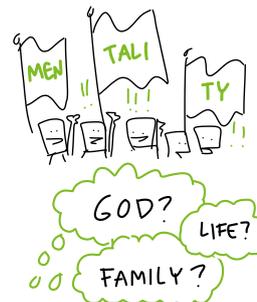
REVOLUTION 1:



Revolution 2:



Revolution 3:



“Your children are going to live 100 years, and they will live in a world of extraordinary change. It’s a fast-moving world. There are three signs of it: increasing complexity, exponential pace and multiple stakeholders.

Three revolutions (from The End of Power by Moisés Naim)

The “more” revolution is about the rise of the middle class. Two billion people were categorized as middle class in 2013. Between 2013-2030, the global middle class is set to rise to 5 billion.

People want to be more educated. In China parents use fortunes to educate their only child. In India, women are getting closer to men’s educational level. These are global aspirations: the

number of American Fortune 500 companies is decreasing. A world of health and literacy is here. Knowledge workers are rising.

The mobility revolution means that the world is not flat anymore. There is greater migration, continuing urbanization and increasing brain circulation. The world is made of creative clusters. A 14-year-old Pakistani girl would be an appreciated participant in an economists’ forum.

Urbanization is rising rapidly. Urban population is larger than rural population, and the gap is widening in an increasingly rapid way.

The mentality revolution means a global consensus on autonomy and choice, a demographic arc of instabili-

ty and an ever-changing society. There is not as much confidence as before in big businesses or religion. People want to find their own ways.

Working populations have different dynamics in developing countries. In 2030 less developed countries will have more children and youth - the working populations of near future. At the same time, in more developed countries, populations are getting older and older. Average number of occupants per household is decreasing everywhere.

Three layers of resilience

It starts with resilient people and is built through resilient teams, while the context is created by resilient organizations.



We have highly educated people, but what can we make of it? Value of your company is not in your every employee, not only in your brain, but in the people you know. Strong social connections are the most important. We have to protect, shield and build intangible assets.

Resilient people have emotional vitality, social connections and intelligence and wisdom. Emotional vitality equals balance and creativity. But how can you help your people to become like this, when work is over-demanding?

Work-home cycle can be either caustic or positive. In a caustic cycle, going from home to work a person feels guilty, overwhelmed and insecure. On a way from work to home, she feels angry, underappreciated and frustrated. There is no creativity left.

In a positive cycle, going from home to work a person feels authentic, resilient and supported, and on a way to home networked, inspired and knowledgeable. How to create meaningful agenda, values and vision? People are much more creative, when offered flexibility. Increasing pressure doesn't guarantee innovativeness.

Resilient organizations experiment with new ways of working, control

“Strong social connections are the most important.”

groups of flexible workers and shift from parent-child to adult-adult relationship. Work is playful, employees are given time to experiment and they operate beyond the pressures of work.

Intelligence and wisdom equals complex problem solving. Middle level tasks have vanished from the developed countries, the machines or cheaper countries take care of these tasks. Low skill jobs are decreasing, but you always have immigrants to do these jobs. Jobs for highly skilled people have become specialized.

Personal competencies create value, are rare, and are difficult to imitate. What is valuable in the future? Connections have power. The more social connections, the better speed and innovation.

If you want to be a specialist, find about six people from all over the world to make a posse. Then you should have a big ideas crowd and the regenerative community. In your closest posse there should be common expertise, deep trust and close communication. In big ideas crowd there is diverse input, virtual communication and it is built through networks. In the regenerative community there are close ties, physical proximity and it is important for wellbeing.

My advice to Finland is that do not underestimate your educational system. In Finland 13-year-olds have world's second best mathematical skills, and that could be a great advantage. You should build an entrepreneurial base. Try and get as many people to be entrepreneurs.”

Surely, we don't underestimate our educational system in Finland. But the question is, can we appreciate it enough? Can we utilize it to its full potential? Or is there a certain stage we lose the grip without noticing?

SUZY WELCH

Getting Unstuck with 10-10-10



Suzy Welch, a top of her class Harvard graduate, best-selling author and a television commentator gave an interesting presentation on self-leadership. Her topic "*Getting unstuck with 10-10-10*" is about a very helpful concept.

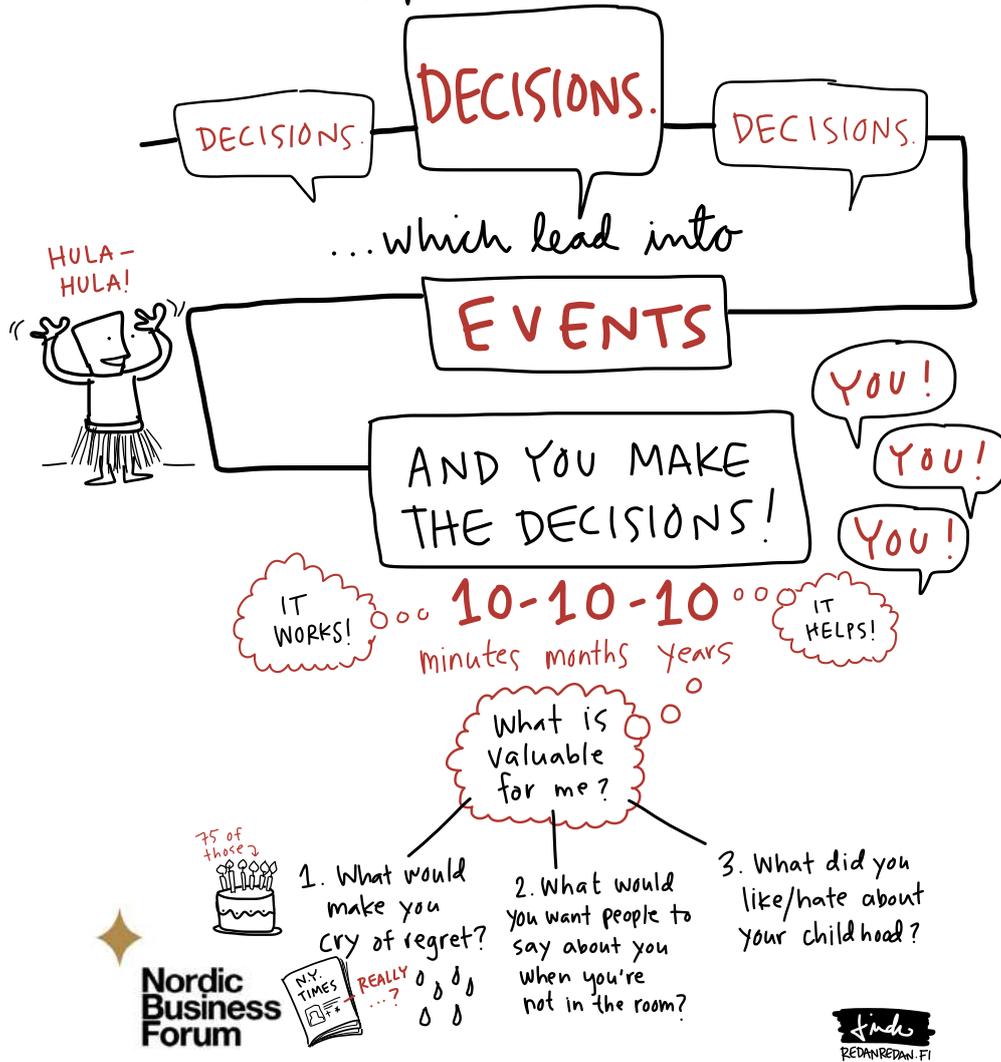


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SUZY WELCH

JYVÄSKYLÄ, FINLAND

life is a chain of...



“Every single person in this room has just made or is about to make a decision. Life is a series of decisions! A lot of people think that life is actually series of events that happens to us. Those people have a reactive mindset. Those with an ownership mindset think that life is a series of decisions we make and the events happen because of the decisions we have made.

I made one of my most important decisions in 1995 in Hawaii where I was on a business trip. A speech company had asked me to give a speech about the history of management, and of course

I said yes. At that time I had four kids under the age of six, and I decided to take two of them with me on that trip. I thought that the kids could have fun by the pool when I was giving the speech. In other words, I wanted to have it all at the same time.

Everything went well until the last day, the day of my speech. I put my reluctant children on a hula dancing class and started my important speech. But then, in the middle of my speech, I saw my children

running to me, screaming ‘mommy’ and stopping at the glass wall that separated the audience from the yard. If looks could kill, I wouldn’t be here today. The audience was simply disgusted with me.

I wondered to myself what had I done. I did it to myself with my decisions. I let my decisions happen to me. At that moment I knew I had to change.

I decided to make my decisions with a methodological way from that moment on.

“We actually can control so many more decisions with shifting mindset.”



Now I consider with every decision, what are the consequences in 10 minutes, in 10 months, and in 10 years. I put every decision in this frame.

So later on when my boss asked me to stay late on an evening I had promised to be with my children, I considered the options and decided to stay. I told the kids why I had to do that, they understood and no one had any problem with my decision. My method made it a lot easier.

When I worked for Oprah Winfrey's magazine 'O' I wrote about work-life balance and ended up writing about also 10-10-10 model. This idea came to help a lot of people and it actually seemed to start a little movement of people adopting the model. People kept telling me I saved their lives.

This method is very useful. It forces you to come to terms with what really matters to you. With 10-10-10 you can live authentic, happy life to your personal values. You should attach your

values to it, show who you really care about.

But how do you know your values? Use these three exercises:

1. Fast forward to your 75th birthday. What would make you cry from regret?
2. What do you want people to say about you when you are not in the room? What do you want to be known for?

3. What did you love about and what did not love or hate about your childhood? Repeat the things you loved, avoid what you didn't love. Are you creating the lifestyle you want?

We actually can control so many more decisions with shifting mindset."

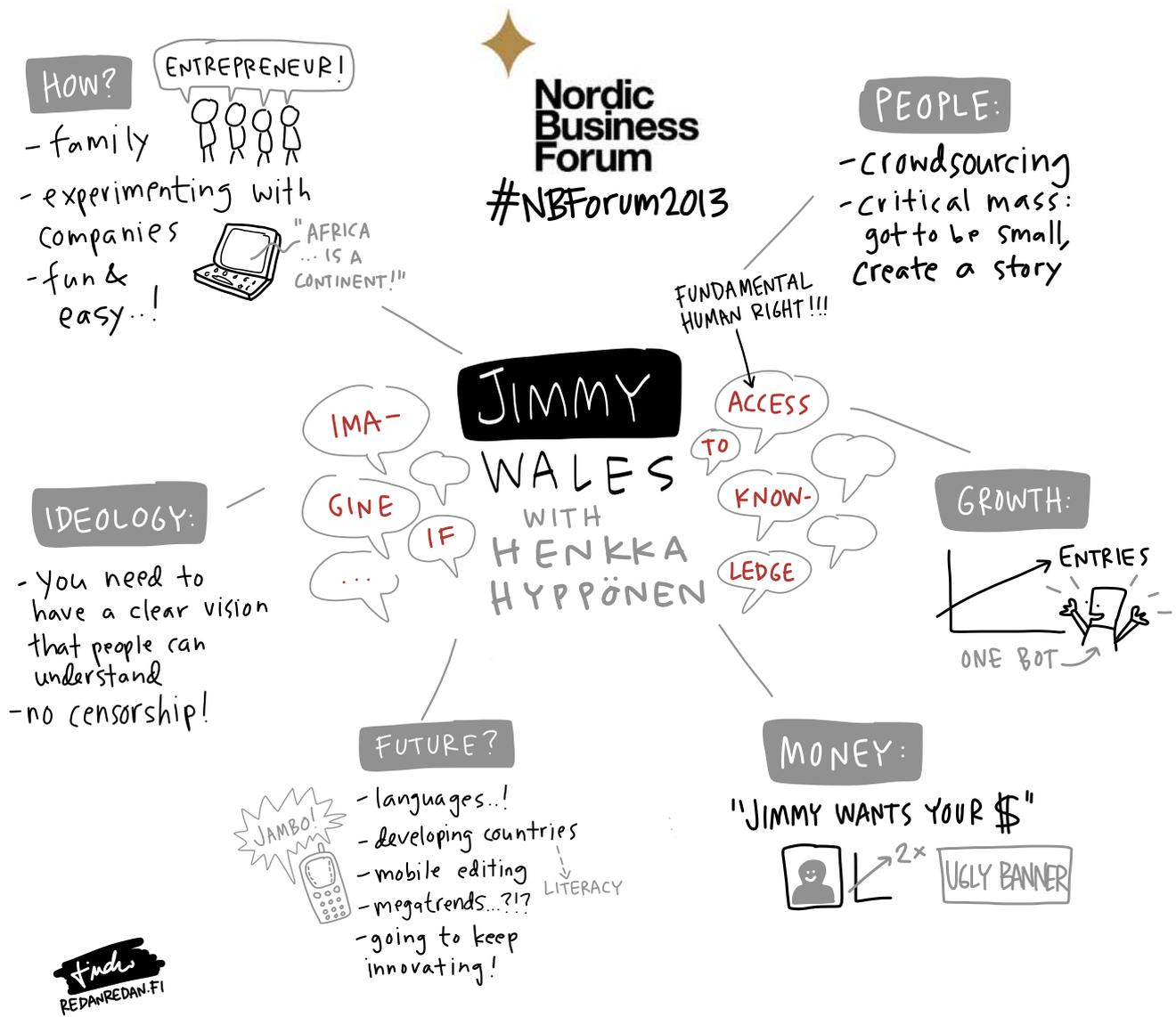
Welch's model seems very simple. When you really think about it, it is one of those eureka-moments that change lives. Not only for the inventor, but for many others as well. So, next time you are about to make a choice or a decision, start with the rule of 10-10-10.

JIMMY WALES

The Power of Social Media



Jimmy Donal Wales, founder of one of the most used information sources in the internet, Wikipedia. A man, who in 2006 was chosen as Time's 100 Most Influential People, as well as number 10 in The Web Celebs by the Forbes magazine, gave the audience a presentation about "*The power of social media.*"



“Imagine a world in which every single person on the planet is given free access to the sum of all human knowledge. That is Wikipedia’s goal, and it’s a very big goal.

In Wikipedia there are 27 million articles. Over 220 languages are widely used (in at least 1000 articles), and altogether 285 have been used. We have every month over 500 million people using our website, and this number is rapidly increasing.

Number of Finnish articles is ranked 19 with 332 051 articles. Northern European countries produce most articles per capita, people speaking those languages. Why is that? I think it is because it is cold outside in here; people have to stay in their houses. Also people here are intelligent.

In Wikipedia community means a lot. It is not the public audience, it is a group of people who know each other and work together. It is not like YouTube, where everyone loads his or her own contents independently. Many think

that in Wikipedia a hundred million people all write one sentence, and somehow it turns out to be an encyclopedia. The truth is much more complex. The organization behind Wikipedia is Wikimedia foundation, which has 150 employees. Its main purpose is to give support to our 100 000 volunteers. The real core community is 3000-5000 people organized and passionate about building Wikipedia. They build and maintain Wikipedia.

Wikipedia is an encyclopedia. It is not a blog; neither does it have funny cat videos. We maintain a neutral point of view, and never attack other people. We have free licensing: everything you put on Wikipedia is free to use, also for commercial purposes.

We respect copyrights. We focus on accurate sourcing, and we don’t just copy-paste texts, we write them properly. Writing articles on Wikipedia has ele-

ments of ethics, of pride. We are proud that we wrote it ourselves.

Civility is essential. If you are rude, nice people leave. Our core principle is to not attack other people.

We have an IAR rule, which means, “Ignore all rules”. There are no firm rules. If something is wrong, you are free to fix it.

Wikipedia’s community structure is an interesting composition. It is not anarchy, neither a majority’s democracy. We aim at a consensus, without voting. You can’t satisfy every lunatic, but you can always aim at a consensus. Our structure also has features of aristocracy. Administrators have to make tough decisions, so they have a certain sense of ownership. But monarchy doesn’t play a too big part: my own role is most effective the less I do.

Wikipedia is not some kind of magic, but a community of people. They are anybody, your people. Beware social

“Access to knowledge is a fundamental human right.”



media experts! Now is a gold rush time of social media consultants. They are good only if they understand your business. But why should I follow my dentist on Twitter? Some brands need social media. For others, community building is the way.

Q&A with Jimmy Wales

I come from an entrepreneurial family, and I always wanted to be an entrepreneur. I have experimented some different kinds of enterprises. In 1996 I had an idea of ordering lunch on the Internet – but at that time in Chicago, like I was from Mars. Then I built a search engine called Three apes: type your word, and the apes will search it. After that I got closer to Wikipedia by starting an encyclopedia called Nupedia. But that was too complex for volunteers; it wasn't fun.

I think one of the secrets behind Wikipedia's success is that we let people do and have fun, and we have made it easy for people to get involved. People like to build things together. Wikipedia produc-

es useful content for people who read, whether it's about physics or about football.

How to involve the critical mass to your service? Make sure the critical mass is smallest possible. Make it useful. Have a compelling big story that people care to repeat. Ask people to do something big.

In 2002 there was a volunteer called **Ram-Man** who authored thousands of articles on U.S. cities and counties using the rambot and other automatic article generation techniques. His articles caused a rush on Wikipedia statistics: every American found their hometowns in Wikipedia.

Wikipedia sure looks like 1990's, but we are not going to make it more modern. This way Wikipedia has a convincing, matter-of-fact appearance. We have also studied about fund raising: what pictures or messages on the front page bring the most donations. Having my picture on the banner brought twice the money, when attractive girl didn't bring

any money. And now ugly looking yellow banner is bringing the money. It is shown only five times a year.

For those who think Wikipedia is old fashioned, I tell that most of people who have made alternative designs haven't created designs that are used by 500 million users every month.

It is also important that the editing interface is good to use. When you edit articles for the first time, is that experience so pleasant that you will do it again.

In the future I think there will be growth in Africa and developing countries. We are working on Wikipedia's mobile experience. The challenge is to get people to access the knowledge of Wikipedia, but not paying data charges. Growth in using smart phones in developing areas is critical. That is today a very powerful trend worldwide.

We never cooperate with censorship. We think that access to knowledge is a fundamental human right. In closed countries people who speak several languages start the change."

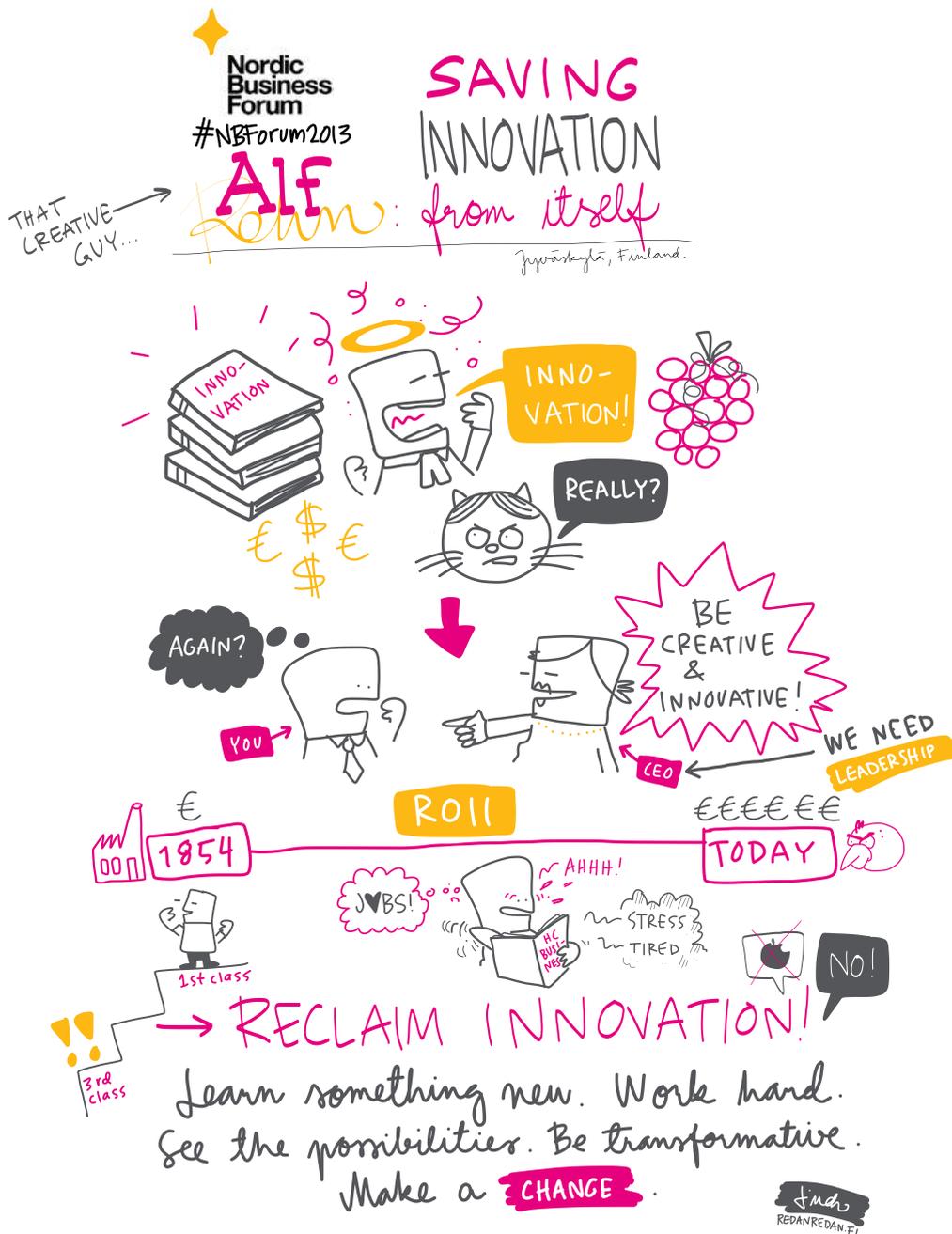
ALF REHN

Saving Innovation from Itself



One of Finland's most lively professors, **Mr. Alf Rehn**, spoke about "*Saving innovation from itself*". Rehn appeared on the Guru Radar in 2009 and was listed in 2011 by The Thinkers 50 as one of the up and coming business thinkers. He is also known for his book "*Dangerous Ideas*", which has been translated into multiple languages.





“How can we take over innovation and do something greater with it?

We live in a time of innovation. It can also be said that we live in the golden time of innovation. What do we do with all this? A grape that tastes like cotton candy? Innovation is nice and fun, but the results make you wonder what innovation really means today. Do we even understand how much innovation there is and could be in the world?

What is innovation today? Right now over hundred books on innovation are published every month throughout the world. Surely there cannot be this much to say about innovation, but still we keep on proclaiming the good news. Every year 2 trillion dollars are spent on innovations worldwide, probably even more.

Finally people are investing in innovation, but what is actually accomplished with this? Cute kittens on mobile devices!

I can neatly reserve a table from a bistro with my mobile device, but the food is still prepared in a very simple manner. I can use different applications on various things, but at the same time the water is running out throughout the world.

What kinds of discussions are we having on innovation? Do we see the problem areas? Innovation exhaustion has already begun to trouble us. Innovation was supposed to be an energizing passion, but instead it has caused stress and exhaustion. Before, people were supposed to be more efficient, and the efficiency could be measured. Now people are told to be more innovative, and deep down we know it's never going to end.

We only discuss the nice side of innovations instead of realizing that innovation might be in crisis today. Our conversations on innovation have turned into cute and simplified discussions. We don't see the problems, and we are lacking real critical discussions.

When we measure how many great technical breakthroughs have been made in contrast to the world's population, we notice that we're actually doing poorly. For example in 1854-1857 railroads and antibiotics were created – huge things, which started the Industrial Revolution. Since then there haven't been any giant steps.

1854 is an interesting year. Back then all the professors of the world would have fitted into the VIP seating of this seminar hall. Such a small group of peo-

ple made incredible innovations. Today, more money is spent on innovation than the entire gross world product of 1854.

What is ROI, return on innovation investment? How did we end up in the current situation, in which innovation is discussed and financed, but there is not enough of it?

Hype machinery and innovation porn

We live in the golden era of innovation porn. We have to watch innovation porn a lot more critically. The conversation on innovation has become like porn. We remove all the difficult things, and pretend that people would be excited all the time. For example Fast Company doesn't talk about problems but passion. The innovation industry is a hype machine, whose assignment is to tell pretty stories. If only we keep on believing the story, everything will turn out okay. We repeat the names of the stars. Steve Jobs is one of the best names, because since he is dead, he cannot fail anymore.

I don't like hype machinery nor do I like innovation porn. These make us invest in innovation without thinking about the issue more thoroughly. It is time to reclaim innovation and make it more powerful and stronger. We can only do it if we are ready to say no to simplifications. Nokia, Rovio and Supercell are already tired of answering the questions on innovation.

We can fight against innovation porn by laughing at it. It is bullshit to consider Alf Rehn as 'The creative guy'! If something is popular, that's not innovative anymore.

We all have a possibility to be innovative. Innovation is not continuous all of the time. Innovation happens only occasionally, it is a 'some-time' thing. We also should have moments for the dull daily routines, which also offer the possibility to be productive. Too often innovation is used as an excuse not to change any core processes. In the logic of porn you have to be always ready. No wonder we get tired and stressed.

Discussion on innovation has also raised discussion on class division once again. Even though the world is changing, the middle-class, 'normal', heterosexual man still remains at the center of the market, the products that are in-

"We need to look for the problems which have not been discovered yet."

novated are targeted at him. At times there is discussion on social innovation, in which diverse-looking people are dressed in colorful clothing and photographed. There are many groups that are left outside of the innovation discussion. We don't talk about the elderly or the single mothers, which would not make pretty pictures.

We don't, for example, have companies who make products especially for the Romani culture.

We should take all groups into consideration. Innovation porn has already twisted our view. There are still many

problems in the world that need to be solved but we cannot see them, because we want to have nice and glossy pictures.

Transformative beats disruptive. Industry doesn't need to be disrupted. We need to look for the problems which have not been discovered yet. It is important to consider whether we can really make a change. Our world is running out of food and water, we're going grey – this cannot be solved with smartphones.

We need leadership, not more systems. We need managers who don't care if something is innovation but rather, whether it is important."



Rehn urges us to think do we truly understand how much innovation there could be in the world. Surely, time will tell – but one thing is sure; it is people who are innovative, not machines.



PETRI PARVINEN

Sales Psychology As a Sales Manager's Tool in the 2010s

Parvinen is the only sales professor in Finland. No wonder we seem to lack sales skills as a nation. Parvinen introduced the audience to the mental side of sales – speaking about “*Sales psychology as a sales manager's tool in the 2010s*”. Being a professor, Parvinen's presentation was far from an academic, jaw-stretching theory.



“There is only one sales professor in Finland but 32 marketing professors. Why is it so?”

In the traditional view on sales the procedures and where these procedures lead are examined quantitatively. Yet today we talk about selling innovations, interaction psychology online, channel optimization and value-based selling. The processes of innovative companies differ from the processes of routinely working companies. Transferring contact and handshake to online world is not easy.

We have to be humble in front of the structural change. It is good to turn the sociological trend into a business innovation or sales method. It is unfairly profitable to identify the moving trains and use them to ease the sales, and this is what one should do. Being just a pioneer is not profitable, but turning innovations to sales is.

We Finns live from the woods. 43 % of the adult population go mushrooming, there are 300 000 registered hunters in Finland and 73 % of the households pick berries every year. Even 55 000 have grown cannabis at home. We shouldn't be ashamed of this, but instead take it into a consideration in sales. Forest based industries produce 4-5 times more marginal profit because the customers want to buy the products, the products don't need to be marketed to the customers.

Individuality is seen as a wish to be treated as an individual. We don't want to be basic customers. In the 1990s the business cases were calculated very precisely. The trend of calculating profitability has been unfortunate to the customers. S Group is known for the fact that people who want individual treatment don't like it. Now even S Group has started to change its strategy and they have shown that they want to treat every customer individually. They want every customer meeting to be different. These kinds of companies are more profitable. Customers' commitment is important!

The age of customer relationship management

Customer service situations are becoming more individual. People are also more susceptible to it. All the basic things (product, price, availability, selection, sales, sympathy) can be individualized. The efficiency of direct sales is actually declining and customer magazines



have reached the end of the road.

Both sales and marketing need to be targeted. People want to be distracted with things they're interested in. The customer is a customer all the time, not only when they're buying. Therefore, the optician has to remind the customer about the eye examination with an SMS message in order to keep the customer. The history of the customership has to be taken into account: regular customer will be served in a restaurant without asking.

Customers want to influence the service and the product themselves. Now also the customer's participation in car

repair is turning from a joke into a possibility. This has been already acknowledged in traveling agencies: small individual streams become cash flow.

Customer experience is longitudinal and according to user experience life-cycle: "Every third customer visit is the last."

Different sales psychologies

Customers are truly different as individuals – different sales psychologies influence different people. Some need social proofs of other people's experiences, others want to like things and the third trust in authority. Some people are look-



ing for commitment, others hunt for the possibilities of scarcity while some respond to reciprocity.

It is challenging to choose which sales psychology should be offered to each customer. Choosing the wrong psychology may drive customers away: for example some trust in authority, while others hate it.

Websites need to be optimized for each customer. This trend is strongly rising. With the individualizing algorithm we can guess which approach should be chosen for the customer. Even with this optimization the sales can be increased with 15 %.

The salesperson's source of expertise are the opening lines. If this seems boring, one needs to keep in mind that even surgeons practice to hold the knife in their hand at first. The salesperson needs to know how to choose the right psychology, the right opening lines. Different sales psychologies apply in the phone sales and meetings and on the internet, and thus, different opening lines need to be used.

Hedonists and utilitarians

Nowadays the trend is that people think I'm not able, I cannot and I'm not capable of doing something. And what the teens do first, the parents follow: hedonism grows, laziness increases, service society rises, inheritances are received

and work changes. Obesity is becoming a big problem. Hedonism produces marginal profit. Hedonism is not decay. It means we are going toward decay in Finland.

The trend of hedonism is even stronger in B2B. The buying decisions are closed already on the internet before meeting any salespeople. The lazy decision makers don't call the salesperson to visit. Therefore, the websites need to be altered to serve the right kind of sales: window manufacturer doesn't sell family's pancake feasts anymore but instead he sells planning and construction solutions to seaside apartment buildings.

Utilitarian is after a low interest margin and benefits of centralizing. Utilitarian sees easiness as simplicity and speed and also appreciates fast communication, for example SMS messages. The relationship with a salesperson is seen as a necessity to get the deal. Good price-quality ratio, appreciation and space requirement are the motives for housing. It is also good to tell the utilitarian about the deductibility of the interests and centralization benefits.

Hedonist seeks for easiness and wishes that he doesn't need to bother himself. Interest margin is good when it sounds low. He wants to decide how he is connected. The salesperson's role is to offer a possibility to assert oneself or to be a pal. In housing the motives in-

“Being just a pioneer is not profitable, but turning innovations to sales is.”

clude building an identity, enabling the lifestyle and the money left to spend. The hedonist appreciates when called by his first name and it is always good to tell him about the regular customer's benefits.

How can you get the upper hand on the internet with the hedonists? Find a way how to recognize the hedonists in your network. Choose marketing and sales approaches suitable for them. Share more information, moving images and encourage also the hedonists to share information. Include also the salespeople to work online. However, don't give the hedonist an opportunity for chilling forever but guide him to make a purchase.

As for Finland, it is about smart salespeople and sales concepts: education, trust and sales psychology. The firms who are faster than the structural change will win in the labor market.

Managing value-based sales

The management of value-based sales demands great persistence. The process needs to be fixed. When starting the process, the easiness of calculations and common sense are the keys.

The self-confidence of the salespeople must not suffer, the customers shouldn't feel themselves stupid. The customer process needs to start from the benefits, not from the offering, which makes the customer self-directional. Referring to the past makes the customer remember negative things. When choosing the strategic customers, size cannot be the most important criterion. We need to offer the supplier a possibility to utilize the value-based sales, otherwise it is not credible to the customer.

Implementation is the most important thing. Start with utilizing the already used benefit-based sales practices. Sales activities and procedures need to be denied and demolished, otherwise there will be hybrids and confusion. Some of the customers, sales activities, routines and salespeople cannot be applied to valued-based sales. This results in dismissal. The smarter and the most educated “special salespeople” often run into customers who want to choose their salesperson. Then we need to make the customer choose from at least two options. The salespeople who know the customer's business very well usually tend to put the price too low again and again.”

TOM PETERS

Excellence: Continuing the Search



Mr. Peters, a renowned speaker and co-author of "*In Search of Excellence*" – a book that was ranked as the greatest business book of all times back in 2002, gave the audience excellent insights. What is it that you have to consider before you are the best in the market – the only place, which is not crowded? Tom Peters and "*Excellence: Continuing the Search*", please.

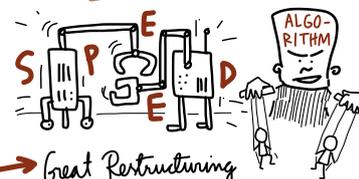
THE KEY:

 REMEMBER THE SHOWER CURTAIN.



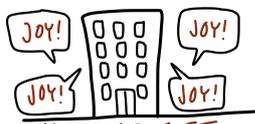
 Hilton

CONTEXT:



 → Great Restructuring

RE-IMAGINE EXCELLENCE!



 HARD IS SOFT.

 SOFT IS HARD.

PEOPLE:

 HOME! BRAND TAUGHT MEMORIES

 HUMAN CAPITAL DEVELOPMENT MANIFESTO

 ENRICHING LIVES!

 EMPLOYEES = CUSTOMERS!

 customer 1st

 GET THE BEST PLAYERS!

 Think about HIRING!!!

 - AND TRAINING! ★★★

WAYS TO SUCCESS?

 Whoever

 Tries

 The

 Most

 Stuff

 Wins

 AIM!

 The Fastest

 Let's hang.

 you

 Let's read.

LITTLE IS BIG



Engagement

 35 is the new old.

 ...wait...

 BEST

FUTURE

 of business is ruled by

Women!

 \$\$\$

 2x

 1x

 fifteen

 Respect!

"All human beings are entrepreneurs."

Conrad Hilton, at a gala celebrating his career, was called to the podium and asked, 'What were the most important lessons you learned in your long and distinguished career?' His answer was: 'Remember to tuck the shower curtain inside the bathtub.'

Today we talk about excellence and execution. You make money when the customer comes back second and third time. You get the customer to come back with the right placed shower curtain.

Some time ago in a car factory, there were two robots and a thousand people. Now the context has changed. Machines can replace even lawyers. Speed of technological change is beyond all protocols.

'Algorithms have already written symphonies as moving as those composed by Beethoven, picked through legalese with the deftness of a senior law partner, diagnosed patients with more accuracy than a doctor, written news articles with

the smooth hand of a seasoned reporter, and driven vehicles on urban highways with far better control than a human driver.'

— **Christopher Steiner**, Automate This: How Algorithms Came to Rule the World

The root of our problem is not that we're in a Great Recession or Great Stagnation, but rather that we are in the early throes of a Great Restructuring. Our technologies are racing ahead, but our skills and organizations are lagging behind. My and your problem is what we are going to do with work. Today is the time of GRIN: genetics, robotics, informatics and nanotechnology.

People are the most important

Enterprise at its best is an emotional, vital, innovative, joyful, creative, entrepreneurial endeavor that elicits maximum concerted human potential in the wholehearted pursuit of excellence in service of others. Others in this context mean employees, customers, suppliers, communities, owners and tempo-

rary partners. If you don't live thinking like this, you are throwing your life away. **Sir Richard Branson** has also said, that 'business has to give people enriching, rewarding lives or it's simply not worth doing.'

People are definitely most important! We all want to grow as individuals. Development of human talent is what it's all about.

Too often leaders think that if they get the numbers right, people will take care of themselves. That is not how it is. You have to get the excellence right. In hotels the location is not the most important thing, shower curtains are.

Herb Kelleher, very much appreciated former CEO of Southwest Airlines, said that his secret to success was that you have to treat your employees like customers. Another good example is WPP, whose mission is 'to develop and manage talent, to apply that talent, throughout the world, for the benefit of clients; to do so in partnership; to do so

with profit.' Usually I hate mission statements, but this one is great.

Corporate social responsibility starts at home and inside an enterprise. The only thing I care for more than profit, is a hell of a lot of profit. I can get there by giving staff great service. Brand equals talent, which is obvious. You can build a glorious symphony hall, but if the symphony is lousy, people won't come back.

Leadership is about mastery, not about theories. Promotion decisions are life and death decisions. **Peter Drucker** says 'a man should never be promoted to a managerial position if his vision focuses on people's weaknesses rather than on their strengths.'

Reductionist Leadership Training

A reductionist leader is aggressive 'professional' listener. He is expert at questioning. He sees meetings as leadership opportunity #1. He is creating a 'civil society', and he is an expert in 'helping.' He is an expert in holding productive conversations and fanatic about clear communications and training. He is master of appreciation and acknowledgment, effective at apology and creating a culture of automatic helpfulness by all, to all. He has presentation excellence. He is conscious master of body language. He is a master of hiring and of evaluating people. He is time manager par excellence. He is avid practitioner of MBWA, that is, Managing By Wandering Around, and an avid student of the process of influencing others per se, and also of decision-making and devastating impact of irrational aspects thereof. He is a brilliantly schooled student of negotiation. He is creating a no-nonsense execution culture and meticulous about employee development, 100 % of staff. He is a student of the power of 'd'iversity (all flavors of difference). He is aggressive in pursuing gender balance. He is making teambuilding excellence everyone's daily priority. He understands value of matchless 1st-line management and instilling 'business sense' in one and all.

I really don't understand why in the Army, 3-star generals worry about training, and in most businesses, it's a 'ho-hum' mid-level staff function. I would hazard a guess that most CEOs see IT investments as a 'strategic necessity,'

but see training expenses as 'a necessary evil.'

The memories that matter are the people you developed, who went on to stellar accomplishments inside or outside the company. The people of all stripes who years later say 'You made a difference in my life,' 'Your belief in me changed everything.'

My theory is WTTMSTFW: Whoever tries the most stuff the fastest wins. Beethoven's secret was that he produced a lot of stuff, of which we remember about four. Remember the three F's: fail, forward, fast. Acting gets you far ahead your competitors, who spend time planning for months.

We are the world

We are what we eat. **Billy Cox** said 'You will become like the five people you associate with the most—this can be either a blessing or a curse.' At its core, every relationship-partnership decision (employee, vendor, customer, etc.) is a strategic decision. Think of the most interesting persons you've met and get in touch with them.

We are what we read. 'If I had to pick one failing of CEOs, it's that they don't read enough', said a co-founder of one of

the largest investment services firms in the world.

Everything is turning into a game, and gamers got a point. Gamers don't play to win. They play to get better! Gaming process can change the world. We look for big ideas. What often matters is little. For example, when Wal-Mart introduced big shopping carts, sales went up 1,5 times.

Be the best. It's the only market that's

"Development of human talent is what it's all about."



not crowded. According to Financial Times, **Mr. Foster** and his McKinsey colleagues collected detailed performance data stretching back 40 years for 1,000 U.S. companies. They found that none of the long-term survivors managed to outperform the market. Worse, the longer companies had been in the database, the worse they did. Best situation is to be a middle sized company, which are agile creatures darting between the legs of the multinational monsters.

This is women's century. Forget China and India and Internet, it is women who make the growth. Women buy everything, but for different reasons than men. More and more leaders are women. Women are good at MBWA, Managing by Wandering Around. Every leader should routinely keep a substantial portion of his or her time unscheduled.

'If there is any one 'secret' to effectiveness, it is concentration. Effective executives do first things first ... and they do one thing at a time.' said Peter Drucker. Listening is the ultimate mark of respect. Don't be like doctors, who interrupt after 18 seconds. Listening can be studied and mastered like piano playing.

Muhammad Yunus said, 'All human beings are entrepreneurs. When we were in the caves we were all self-employed finding our food, feeding ourselves. That's where human history began. As civilization came we suppressed it. We became labor because they stamped us, 'You are labor.' We forgot that we are entrepreneurs.'"

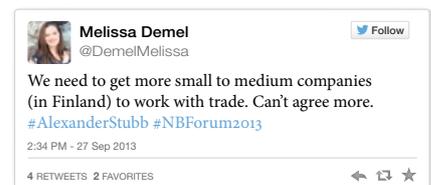
How convenient that Peters happened to refer to gamers, as he was visiting Finland! Maybe there is a catch to this – we all should learn from the attitude of gamers. Rather than trying to win, we should work on becoming better in what we do. Then we focus on the thing we do best – and the success is at hand, as **Sir Richard Branson** has said.

ALEXANDER STUBB

The Art of Going International



Speaking about "*The art of going international*", Minister **Stubb** impressed **Jack Welch**. After Stubb's presentation, Mr. Welch said he wants to pack him in a suitcase and take him to the United States to be a Minister of Trade there. Stubb, one of the most popular and charismatic politicians in Finland, the stage is yours.



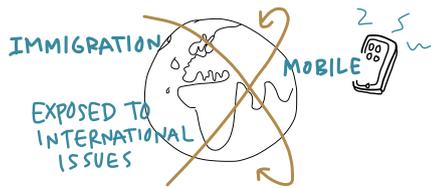


Alexander STUBB The Art of Going International

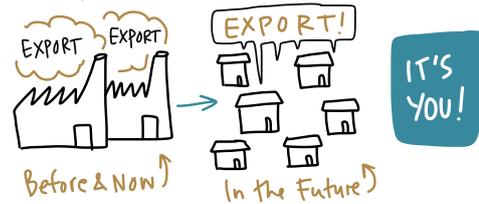
1. How did Alex become international?
2xX, 2xB
Languages!
Work! Studies!

2. How did Finland become international?
NORTH
TOP 30
TOP 3
EDUCATION
...BY BEING INTERNATIONAL!!!

3. Why the world is becoming more international?



4. Why should Finnish companies become international?



5. THINK internationally, but don't forget your roots.
SPEAK languages! [LÄNGVITSIIS]
TAILORMAKE solutions
TEST the market
1st STEP



“ I will share my thoughts about how to become international by telling you about five steps.

1. How did I become international

I come from a bilingual Finnish family. I have one letter X and two B's in my name. In Finland I attended a Swedish-speaking school. I speak several languages fluently, even though I know hardly any grammar. Dad always encouraged me to learn languages. I have had lots of use for my language skills, even if I wasn't good enough to become a professional hockey player. I am married to a Brit, and our children have two nationalities. I have studied and lived abroad for a long time. I feel I'm a bilingual Finn.

2. How did Finland become international

Internationalism dates far back to our culture. Our national culture is less than 100 years old. We've always been dependent on others. Now in credit ratings Finland ranks as a top-three country, thanks for being international.

In Finland we have more and more extroverts, who are good at talking to new people. An introvert looks at his own feet when talking; an extrovert looks at your feet.

Why should one invest in Finland? We have a stable economy. We have an advantage in our geography: you can easily fly to Asia from here, we are part of a big trade area, nowa-

days it's cool to live in the north, and we have a 1,300 km border line with Russia. And we have educated labor force.

3. Why the world is becoming more international

There are 7 billion people on earth today. We speak thousands of different languages. A big issue today is weather immigration – it moves more and more people. We need more foreigners in this country, as we are a prosperous nation.

People all around the world are more exposed to international issues than ever before. There are 6,8 billion mobile connections.

“You make your companies international.”



4. Why should Finnish companies become international

40 per cent of our gross domestic product comes from export. Our 25 biggest companies are responsible for half of our export, and the rest is done by over 18,000 companies. 15,000 Finnish companies export goods outside the EU. In 1990s, when Finland joined the EU, we had to become competitive, become capitalistic.

Some time ago there were 1,000 people working for Finnish government taking care of export businesses. Then we wanted to create something new and established Team Finland. Team Finland's aims are to search out promising markets, help exporting companies and abolish barriers. But you have to keep in mind that it's not public sector that will make you international. You make your companies international.

5. Internationalism and leadership

a) Internationalism is in your head. Be international by being yourself, being a Finn. Always remember your roots.

b) Speak English fairly well. Never feel ashamed of your accent or grammar, just talk. Then learn other languages. It's always good to know other languages.

c) There are only a few companies that can become really global. You need to tailor your product to the market you are trying to penetrate. Local people get best results; use their help.

d) Test local market first, even if you were born global.

e) Exporting a product is only a first step of becoming international. Be so global that in the end of the day you finish being local.

The culture of entrepreneurship is changing. We can see signs of this as we truly are more international and our mentality is changing. Success has been envied, but today that is not the truth. Finns are not silent and modest any more. Actually, we are best of the world in marketing. Even Angry Birds is all about marketing."



No wonder Minister Stubb was named as the most positive Finn in 2009. He surely knows how to boost our self-confidence, which, at times, is somewhat low. Now, let's speak foreign languages and be global!

JARI SARASVUO

Leading the Future of the Company and Its Sales People

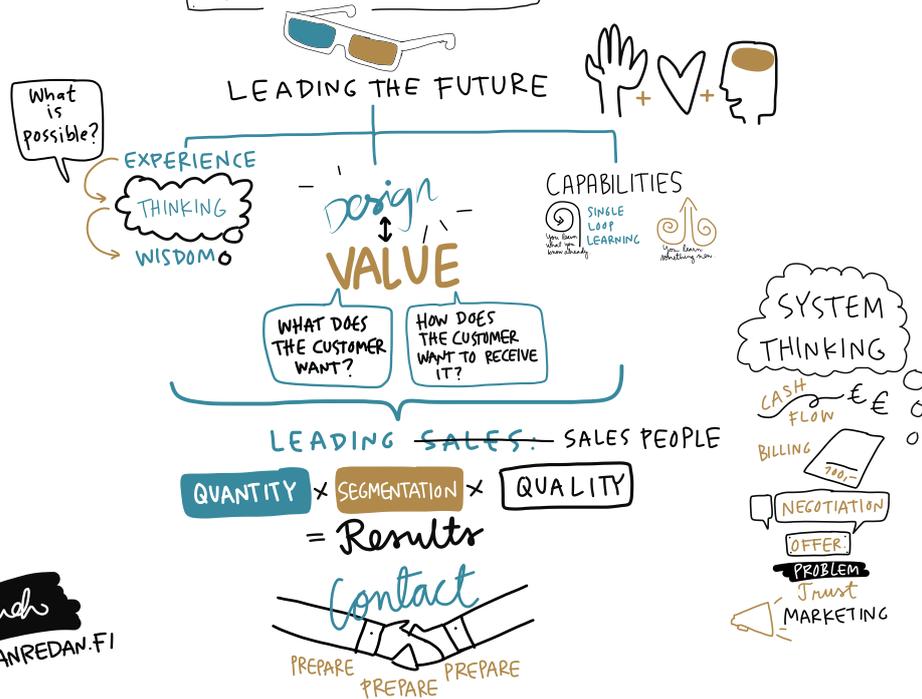


This year **Sarasvuo** offered the audience something concrete. Through his presentation, one could easily notice Sarasvuo is enthusiastic about the human nature, and that he is good with people. Sarasvuo's topic was "*Leading the future of the company and its sales people*".



Better FUTURE
& SKILLS & RELATIONSHIPS
& CAREER & FEELINGS
& SALES

THREE DIMENSIONS OF



finch
REDANREDAN.FI

“Today we are on a concrete level. This presentation has a lot of utility value. Events like this we’re now attending can be accomplished with these themes.

However, I will first tell about the upper level issue. Jenni Vartiainen, who also performed in the event, spent five hours in my library on Sunday preparing for my TV talk show, which started yesterday. We discussed about the artistic career. Jenni did her thesis on how voice can be used to ease pain, increase self-knowledge and take care of one’s brain. We ended up with one sentence manifestation. Manifestation means the process of something new developing, something that wasn’t before.

Our manifestation is:
Visualization + Vocalization
= Manifestation.

Visualization is a person’s ability to see something that doesn’t yet exist, but which would be good to come into existence. Vocalization is the process, which guides the birth. It is important to see and accept the things as they are now. Then we can see the things a bit better – and what could be possible. In the end one needs to learn to ask, vocalize so that the rest of the world wants to join the parade.

Managing the sales is also about managing the company’s future. It is decidedly difficult to speak about the sales work based on meetings, because it easily makes us slip in a discussion on sales channels.

Economic growth means the amount of investments, from which the savings are deducted. We save because the human experience on risks is crippling. In order to get to the positive side, we need exchange. However, the creation

of exchange is against the human nature: everyone wants to buy – no one wants to be sold. Selling means downgrading oneself.

Life is a game, in which we deal our own shame with different kinds of power plays. When dealing with customers the status of the salesperson changes. The meeting begins from the lower status. When the middle status has been achieved, the salesperson is able to tell his issue. Achieving the high status is always the most difficult, but one should aim for it, because the salesperson is supposed to guide the fearful customer’s decision making. Selling is about persuading the one holding the power, and the value and benefit have to exceed the trouble and costs in this persuasion.

All customer meetings are about the status game. Manners are supposed to smooth the tension brought by inequality. Exchange results in good things and



both parties win in exchange. Exchange often requires the other participant to accept the status game. Because this is against human nature, it has to be led. Management is the thing that raises people above the animals, out of the prison of instincts. Companies' future is led from the hidden needs of rejecting customers.

The story of an unknown company becomes famous, when the story is told to unknown people in vain. The story needs to be told to those who reject it at first. In order to make the story famous, one has to accept the possibility to run into these limitations.

Leading the future is ex nihilo – magic. Ex nihilo means 'out of thin air'. Management is about changing the non-existent into incomplete. Best leaders play probability games, not perfection games. Making something perfect is leading it from the inside, striving for inner splendor. Then

“Sales management is about leading the future.”

the company's lead-times, quality and breathability begin to be destroyed.

The outer splendor is led from the customer experience. Only that is management. People can still create things they cannot control.

When the world fills up with noise, only the meeting remains. Many sales technologies want to bypass this idea. There will never be a time when we can bypass the meeting.

People have a need to go forward and they always seek for improvement.

This statement is only true in situations, in which the stress level is low enough. How to make the experience of stress more composed is one of the most essential insights in human resource

management. Too much stress causes a short circuit.

People always seek for improvement. We want to improve our future, skills, relationships, careers, sales and feelings.

We renew via new people. We want appreciation, status and hope of tomorrow. Even if we fail in everything else, but we still manage to touch another person, it is the only thing that matters in the course of the time. We cannot fully trust what is considered as knowledge. We need to separate correlations and causalities by remembering the well-known ice-cream correlation.

Leading the future

If you don't understand the systems, don't be in a managerial position. System optimizes itself, but it doesn't lift its level on its own. For example relationships and society are systems. Systems are entities, in which the different components have a dynamic effect on each other: if you change one component, you affect them all.

There are three dimensions in leading the future.

1. Thinking
2. Design
3. Capabilities

The level of thinking of those who hold the power determines how the system can be led. Design is about the ability to modify the system. Capabilities are about learning.

There are two types of learning. There is single loop learning, which means inward spiraling and deepening learning. Then there is double loop learning, which means that people can challenge their earlier thoughts. Only the latter works in the changing world.

Leadership is primarily handwork and conceptual work comes only third. Know-how goes through the hands into the heart and from there to the head. Knowledge requires skills and will. Even **Aristotle** knew that wisdom comes from the public reflection after the experience. Feedback has to be received and handled together.

One's own thinking has to be led from the source of power. Power is where it seems to be the least: over at the meeting between the low-paid employee and the customer. What happens in the customer service situation tells all about the company's situation.

Think about leadership:

1. Lead from the source of power.
2. Lead from the possibilities and probabilities.
3. Create events and learn from the moments of truth.
4. Understand the sequence of bottlenecks.

We have more influence on the future than on the present, and past cannot be influenced at all. The limits of the present have been defined already in the past. The narrowness of everyday comes from the wasted future. There is narrowness because this moment was the future, which you decided to waste. Sales management is about leading the future.

Design means designing. It can focus on service, meeting, and product. Designing is changing. Design is about how things really work and how they feel. Design is always led from the value demand and that is why **Petri Parvinen's** example of utilitarian and hedonistic consumers is brilliant.

The value demands in design are what the customer truly and ultimately wants in the end and how the customer wants to receive what he truly wants.

Nothing replaces conversation. There is no such situation, in which the quality of conversation would not be more important than the quantity. We have



too few conversations with the rejecting customer. The customer has to have the opportunity to talk about issues that interest him. When the customer talks about himself, the dopamine level rises. When the person is heard, the stress level declines.

However, the meeting has been a waste if the customer's calendar doesn't change. Planning doesn't really change the calendar and thus, it can be considered as secondary activity.

We, sales people, cannot create value to customers. The customers create the value themselves, and the sales company contributes to this. Sufficient quantity multiplied by correct segmentation and high quality bring results.

Two out of three results can be led from the customer's calendar. This means sufficient amount of quality leads, phone calls to potential clients, negotiations, offers, deals and billing. Phone is a better tool than email, but one cannot sell over the phone. Instead one needs to build relationships and arrange meetings. Selling strains the relationship. Don't sell before the relationship is strong.

The following parts of sales take place in contact with the customer:

the phone call, the meeting, presenting the offer, closing meeting, the deal and growing the customership. These are the moments of truths, which are prepared when there is no contact with the customer: acquiring leads, preparing for meetings, building the offer, mid-play, and building the contract and design.

As **Tom Peters** said: 'You have to lead the people.' You shouldn't lead the sales but the sales people: their use of time and learning.

How to lead the flow of value creation

1. Healthy and increasing cash flow
2. Effective billing
3. Initiative and leadership in negotiation
4. Offer one cannot refuse
5. Problem you cannot keep avoiding
6. Trust and respect that cancels cancerous games
7. True, impactful and creative marketing

We need three things to succeed: inspiration, ideas and people who make the growth. Selling is about presenting good news to good people in a good way."

To pick one of Sarasvuo's ideas on top of others is the one about power. Do we really understand that the low-paid customer service personnel at the end of the food chain actually might have the future of the company in their hands?



JACK WELCH

Neutron to the People

A friendly conversation between **Mr. Welch** and **Mr. Henkka Hyppönen** was the epilogue of Nordic Business Forum 2013. Some people say Welch is "*Neutron to the people*" – like the topic of the conversation. Neutron or not – Welch's time on stage had the audience explode with applause and appraisal.



Nordic Business Forum
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JACK WELCH
& HENKKA HYPPÖNEN

LET PEOPLE GO
BYE, BYE!
IF NECESSARY.

RIGHT TEAMS & PLAYERS
= more important than \$\$\$

SUCCESSFUL COMPANIES DO GOOD WIN

4 Energy energize age execute of hiring

Generous!
STOCK OPTIONS

FIGHT... BUT WITH TRUST AND RESPECT!!

GOOD QUALITIES OF A LEADER:
open, straightforward...

finns
REDANREDAN.FI

“Some say I am neutron to the people. When I joined the GE we had 450,000 employees, and when I left the company there were 320,000 employees. So we had quarter less employees and six times the revenue. Big fat companies can't compete. I had the luxury that my predecessor left me with a big fat balance sheet. So we could be generous and take care of the people.

Things move on rapidly. How many times in your life have you said, 'Damn, I wish I waited six more months before I did that?' If something has not been working in 20 years, why give six more months?

Don't wait; you'll lose it. Don't pause. Waiting is a sin! I don't want to know those people who want to have time to do something.

Building a team, getting great people, is what matters. You got to love

your team and you're going to want your team to be promoted. Make your people flourish like you were a gardener. Love to see them get promoted. You can give them great lives, great futures – change their families' lives. A good manager creates an environment an employee doesn't want to leave. Employees have to be happy to be in, but also ready to leave.

My people have to have high values and high competence. If their performance fails, I give them a second chance. If they have high performance but low values, I get them out. Mission must be number one. I encourage boundaryless behavior. Don't focus on the bottom 10 percent of your employees, just let them drift out of the company. Talk about how to make the 70 percent better and talk about the top 20 percent you have. To good 70 percent,

give stock options. You must not misunderstand this 20-70-10 model: don't just fire the bottom 10; also reward the top performers. Also remember that one of the values in the model is teamwork.

Your responsibility is to let people know how they are performing. Why is it okay to rate children in schools, but you shouldn't rate your employees? You have to tell them where they stand, what the future is and what their task is. You have to give feedback at least every six months, tell what you like in their doings and what you don't like. When you keep this transparent, no one will be surprised if you fire him or her. It should never happen that when you let someone go, he or she asks you, 'Why didn't you tell me?'

Getting rid of people takes money, but it is only money. They will have a chance to go elsewhere. Building a right team is much more important.



You can't sell from an empty wagon. Only successful companies can do good. I think a company's responsibility strategy is to win. Then I can have social responsibility.

I can give some advice for hiring. Have energy, energize, edge, execute and passion and caring. Every good leader has a generosity gene. They love to see good things happen to you, they are not jealous. If you claim this is too soft thinking, it is pure crap!

Success is all about preparation; the results will follow. Preparation is absolutely critical.

I have come along with labor unions well. I come from a union family, and I know about dignity. I often go to lunch with union people, and we have become friends. And we never have had a strike! We always knew where we stood.

One of my values is teamwork. Without it you can't be on top 20. What I like immediately in people is openness, straightforwardness, authenticity and being real. If people are pompous asses, I don't want to be in business with them,

“How many times in your life have you said, ‘Damn, I wish I waited six more months before I did that?’”

I don't want to be partners with them. Trust is in the heart of building a team. When trust goes down, the place goes bureaucratic. Making a company informal in relationships raises the quality of

ideas. Always consider what you are adding to the team.

My absolute hate list consists of phonies, shareholders' values, pompous asses and bureaucrats. In 1960s in GE, I had a boss who gave me a

raise from 10,000 to 11,000. I was happy until I heard that everyone else got an equal raise too. It was not Soviet Union - he should have made differentiation.

America celebrates its entrepreneurs. People aren't jealous about their wealth, because they give it away. If in Finland people think some are getting too wealthy, you can change it by celebrating success. Shame on you who find excuses for not to celebrate! Have fun – you work for most of your waking hours. Focus on achievements, find ways to excite people.

You can get good at making decisions by making hell a lot of them. Worst CEOs are those who let crappy ideas go and happen and don't make decisions to stop those ideas.

What makes my life exciting? I play hard, I work hard but I don't take it seriously. I enjoy learning. I have Suzy and eight kids.”

Although Welch kicked out 25 % of his employees, one can see he cares for people. When you are a manager, talk to your employees. And the most important; remember to listen.



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