

# EXECUTIVE SUMMARY

2016

by  
**NORDIC**  
Business Report

**Seth Godin**

How to Get Your  
Ideas to Spread 14

**Ed Catmull**

Culture of Creativity 16

**Dick Costolo**

From Twitter to New Economy 10

Who got the best review  
of the NBForum2016  
speakers?

See on page 4



NORDIC  
BUSINESS  
FORUM

2016





# Table of Contents

- ▼ Intro
- ▼ Speaker Ratings

## DAY 1



**SCOTT GALLOWAY**  
Death of the Advertising Industrial Complex



**FRIDA BOISEN & PIA KALSTA**  
Hot Seat Session



**DES TRAYNOR**  
Creating a Product First Company



**PETER DIAMANDIS**  
Implications of Exponential Technologies Digitization



**GARY VAYNERCHUK**  
Why Smart People Dismiss Social Media, and Why They Shouldn't



**DICK COSTOLO**  
From Twitter to a New Economy



**JESSICA JACKLEY**  
KIVA and New Business Thinking



**VINEET NAYAR**  
Employees First, Customers Second



**AMY CHUA**  
Triple Package: What Really Determines Success



**SETH GODIN**  
How to Get Your Ideas Spread



**TONY HAWK**  
Finding Success Through Passion and Reinventing Your Brand Along the Way



**ED CATMULL**  
Culture of Creativity

- ▼ Partners
- ▼ See you in 2017!





# Introduction

## Nordic Business Forum 2016 – Digitalization, Marketing, Culture

October 6–7, 2016  
Helsinki Expo & Convention Center,  
Helsinki, Finland

**N**ow in its seventh year, the annual Nordic Business Forum in Helsinki, Finland, gathered over 5,700 business executives, entrepreneurs, and decision-makers from over 30 nationalities to the Helsinki Expo and Convention Center.

This Executive Summary takes you through all main stage presentations and offers you the key points from each speaker.

The visual summaries from the presentations were drawn by Linda Saukko-Rauta.



# Speaker Ratings

GRADING SCALE 1=WEAK – 6=EXCELLENT



**5.76**

**Gary Vaynerchuk**



**5.66**

**Seth Godin**



**5.18**

**Peter Diamandis**



**5.13**

**Scott Galloway**



**5.00**

**André Noël Chaker**



**4.84**

**Jessica Jackley**



**4.75**

**Vineet Nayar**



**4.63**

**Amy Chua**



**4.60**

**Tony Hawk**



**4.41**

**Des Traynor**



**4.36**

**Ed Catmull**



**4.35**

**Dick Costolo**



**3.00**

**Hot Seat Session**





DAY 1

SCOTT GALLOWAY

# Death of the Advertising Industrial Complex

LISA SIVA

With the advertising-industrial complex on a long, slow funeral march, Scott Galloway predicts the future of digital media – and how businesses will have to change in order to survive.

- ▼ The sun has passed midday on the brand
- ▼ The advertising sword is dulling
- ▼ Stores are still the most influential factor in the purchase decision
- ▼ Get into a business that has recurring revenues
- ▼ More money on R&D
- ▼ Digital marketing is a great place to work, as long as you work for Facebook or Google
- ▼ "I'm not here with a message of hope."

If you ask **Scott Galloway** what he does for a living, he might tell you he teaches marketing at NYU. Or he might tell you he's the founder of Red Envelope, a \$120-million e-commerce firm. But really, he's in the business of predicting the future.

Galloway will be the first to admit his predictions aren't always perfect: In his infamous 2015 talk, "The Four Horsemen," for instance, he declared Amazon would decline in value if it didn't open brick-and-mortar stores. "The moment I said this, it went viral. The whole world was ready, jonesing to hate Amazon," Galloway said. Naturally, the stock price skyrocketed.

Win, lose, or draw, Galloway promised he would hold nothing back at the 2016 Nordic Business Forum: "I have 135 slides and 35 minutes," he warned, "so fasten your seatbelts."

## The sun has passed midday on the brand

There used to be a simple algorithm for building a brand: You create an average product. You slap a brand code on it – "American and masculine" or "Italian and slim" – and then you beat consumers over the head with print and television advertising. "This is the algorithm of the greatest increase in shareholder value in history since World War II," Galloway said.

That was then, when we didn't have the time to find the exact right product and instead deferred to the brands who messaged the loudest. Today? Well, it's a different story.

Imagine you see a trendy hotel on Instagram. You look for it on Facebook and realize that all your young, cool friends have stayed there, liked the page, written a review – and suddenly, you want nothing more than to spend a night there, too. "The path of product discovery has shifted," Galloway announced. "Your favorite brand is what Amazon or Google are about to tell you that your favorite brand is."

## The advertising sword is dulling

At the crux of Galloway's argument was this: The fastest growing brands right now don't advertise anymore. Why would they? Across the United States and Europe, viewership for some of the biggest television brands has declined by as much as a third, replaced instead by over-the-top media – "essentially, media that is anytime, anywhere, and no commercials."

Leading the change in how we consume our media, Galloway observed, is "the young and wealthy." They're the ones cutting the cord, the ones who will pay a premium for ad-free experiences, the ones who decided the old broadcast media bargain – if they give us free content, we'll endure the advertising – was broken.

Take Business Insider, who makes about two quarters for every reader served an advertisement: "Tell you what, here's 60 cents. Save me from your shitty advertising!" Galloway joked. "That is where the world is headed."



## Stores are still the most influential factor in the purchase decision

If more and more consumers are tuning out advertising, how are businesses supposed to reach their consumers? Galloway's answer is simple: the brick-and-mortar store – which, to this day, outranks search, CRM, and social media in its impact on purchasing behavior.

Consider the two biggest producers of the smartphone: Apple and Samsung. Relative to its revenue, Samsung allocates twice as much budget to advertising, while Apple invests in its 480 stores – or, as Galloway put it, in its 480 bright and inviting "temples to the brand." Of the two companies, he asked, "who do you think is winning?" Exactly.

"The store is the first kiss," Galloway explained. When you set foot in an Apple store, you enter into a kind of relationship where "you feel good about yourself, and you feel even better about the person you're being physical with."

## Get into a business that has recurring revenues

After the first kiss, traditional marketing wisdom would have us perpetually re-acquire the same customer: Send him coupons. Shower him with more advertising. Mark down products at the end of the season. "It's exhausting," Galloway said. His advice to businesses today? Stop dating your customers on and off. Embrace monogamous, long-term relationships – and the beauty of recurring revenue.

Procter & Gamble, for example, has partnered with Amazon's Dash Button program, devices which can be placed around a consumer's house. If you run low on detergent, you hit the button on top of your washing machine, automatically adding the same product, from the same brand to your Amazon Prime cart.

It's cheaper. It's simpler. It means your customer suddenly has a greater lifetime value, Galloway said, "and you aren't constantly stopping and starting, trying to resell to the same customer."

## More money on R&D

Galloway pointed out that in the auto industry, four of the top five advertisers have one thing in common: They're all declining in market share. The most-searched car company? Tesla, who spends next to nothing on advertising.

"Now, innovation in auto is true innovation," Galloway said – not simply sticking Cindy Crawford in a Cadillac ad. "I get a tune-up wirelessly on my car, and then they send me an email saying, 'Overnight we tuned up your car.' Tesla is reallocating all of [its advertising budget] into R&D."

Even outside the auto industry, Galloway noted, we see the same pattern: Dollar Shave Club outstrips Gillette in search volume, even though the latter owns 82% market share. Last year alone, Estée Lauder and L'Oréal lost 3% market share to nimble, independent beauty brands. The takeaway? Invest in your product, not advertising. "I think that great products do break through," Galloway said, "that people will find them and share them."



## Digital marketing is a great place to work, as long as you work for Facebook or Google

Somewhere in India, a snake farmer ventures out onto his land to collect thousands of small, commercially worthless snakes. He stuffs them in a chest, shuts the lid, and turns the key in his padlock. When he opens the chest a month later, there are now two large snakes he can turn for a profit. "That is the world of digital marketing," Galloway said. "It's full of anxiety, humidity, and death."

In his analogy, the snakes left in the chest are Facebook and Google: For every dollar reallocated out of traditional advertising budgets, these two companies take a whopping 90 cents, while everyone else is left squabbling over a dime.

It's no wonder, Galloway said, when Google is "the most trusted person in the history the world," and when Facebook is allowing us to connect and "love at scale." If we want to share great ideas, these are the places we turn to.

Eventually, Galloway theorized, the public will grow tired of privacy violations and call for the break-up of Facebook and Google. Until then, the "beach party will get bigger and bigger, and the DJs more and more famous."

## "I'm not here with a message of hope."

Following his breakneck, 100-plus-slide presentation, Galloway answered just one question from the audience: If traditional media is dying, digital media is a death trap, and small, niche brands are thriving, what hope is there for big companies? Not much, he said, but two options:

First, take a hard look at your business model and ask yourself, "Am I advertising and building my brand on channels that are on a structural decline? Am I distributing through retail channels that are in structural decline?" Put another way: "Have I unwittingly entered into a suicide path?"

Most importantly, Galloway said, take a cue from Yoda and "forget what you know." "The new consumer has new technology and a new way of approaching consumer discovery," he explained, "so you have to experiment and be willing to fail."

This is not, as Galloway admits, a message of hope – but it is a message to embrace failure, to walk bravely into the unknown and fail over and over again. The alternative, he said, is failure by default.







## FRIDA BOISEN & PIA KALSTA

# Hot Seat Session

GENEVIEVE HATHAWAY

In a rousing and passionate presentation, **Scott Galloway** put forward the idea that traditional ways of marketing are going away and a new path to product discovery is appearing. The value of brand is in decline, and traditional advertising is dead. We are in the era of Google, Amazon, and Facebook and this has shifted the landscape to let the consumer find the exact thing they are looking for through these internet platforms.

During a Hot Seat Session moderated by Professor **Alf Rehn**, **Frida Boisen** (Head of Digital at Bonnier Media) and **Pia Kalsta** (CEO of Sanoma Media) addressed Galloway's statements and predictions.

Both Boisen and Kalsta began by agreeing with Galloway that the advertising and marketing industry was undergoing a big change at the moment, but both women disagreed with Galloway that their companies would be on the decline. Rather, traditional companies were evolving to meet the new needs.

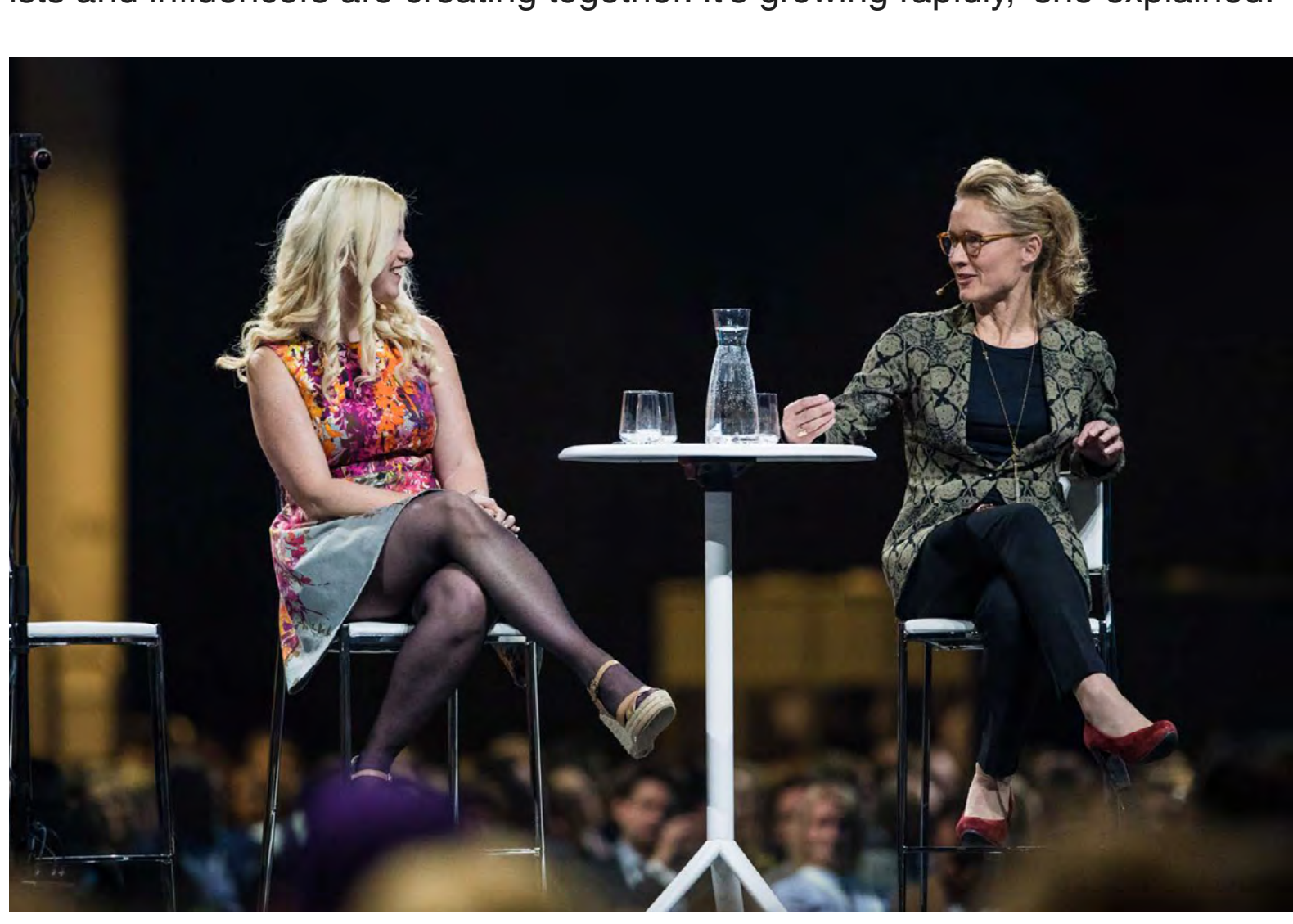
Boisen agreed with Galloway that bad ads are dead; but good ads and stories are very much alive.

"Consumers want a great story," she said. As a result, we are in time for "native and naked advertising."

According to Boisen, with native advertising, the ad experience follows the natural form and function of the user experience. Naked advertising focuses on realism and authenticity.

Kalsta also agreed that the bar is set high for good marketers. Advertising companies need good marketers who can navigate the choices in today's quickly changing media climate and know what are the right tools to get the job done.

To grow with the changes in marketing and advertising, Boisen explained that Bonnier Media was "building a house of influencers" with the aim of creating the best ad stories with their greatest storytellers – the journalists and new influencers. "There is a demand for native stories and for the stories our journalists and influencers are creating together. It's growing rapidly," she explained.



"Global trends are there to support Scott's ideas," Kalsta admitted. She believes the Nordic and Finnish markets are different than the U.S. market and have been out front embracing the new technology and new ways consumers are interacting with advertising. She went on to say, "The U.S. market has always been dominated by advertising, especially TV advertising. A shift from TV to another type of media is a major change. In the Nordics, we already have a more balanced media mix."

Boisen also agreed that the Nordic market is unique – it is on the frontline of the digital era. She believes that the banner ad is dying. And programmatic ad buying isn't as useful in the current climate. Boisen proposed that naked advertising is where the future of advertising is going because it feels real and that is what consumers want. That is also what consumers respond to. The written ad is the old way of doing things; video is the new way.

When Professor Alf Rehn asked whether more ad-free paid content will be offered, as Galloway indicated it would, Boisen responded she had not seen that trend since her business uses ads that are a part of the overall user experience and not disruptive. Kalsta followed up Boisen's comment that she too had seen only a small percentage of people wanting to pay to block ads.

"Follow 10-year-old girls; they are the trendsetters," Boisen told Professor Alf Rehn when asked about how young people are engaging with advertising differently. The younger generation, she explained, is very comfortable with native ads on social platforms. In fact, many times they like those ads (and would even pay to see the ad) because of the strong storytelling component and their connection to their favorite influencers.

Rehn then shifted the dialogue to whether VR and AR are a means to recreate traditional media. Both Boisen and Kalsta agreed that VR and AR would be a big part of advertising very soon. Kalsta expanded on this idea, explaining it is part of the natural evolution of media. "There is all the time evolution of storytelling. First within the news media came video. Now new reality (with VR and AR). So I think it's part of that evolution. And it's more engaging all the time."



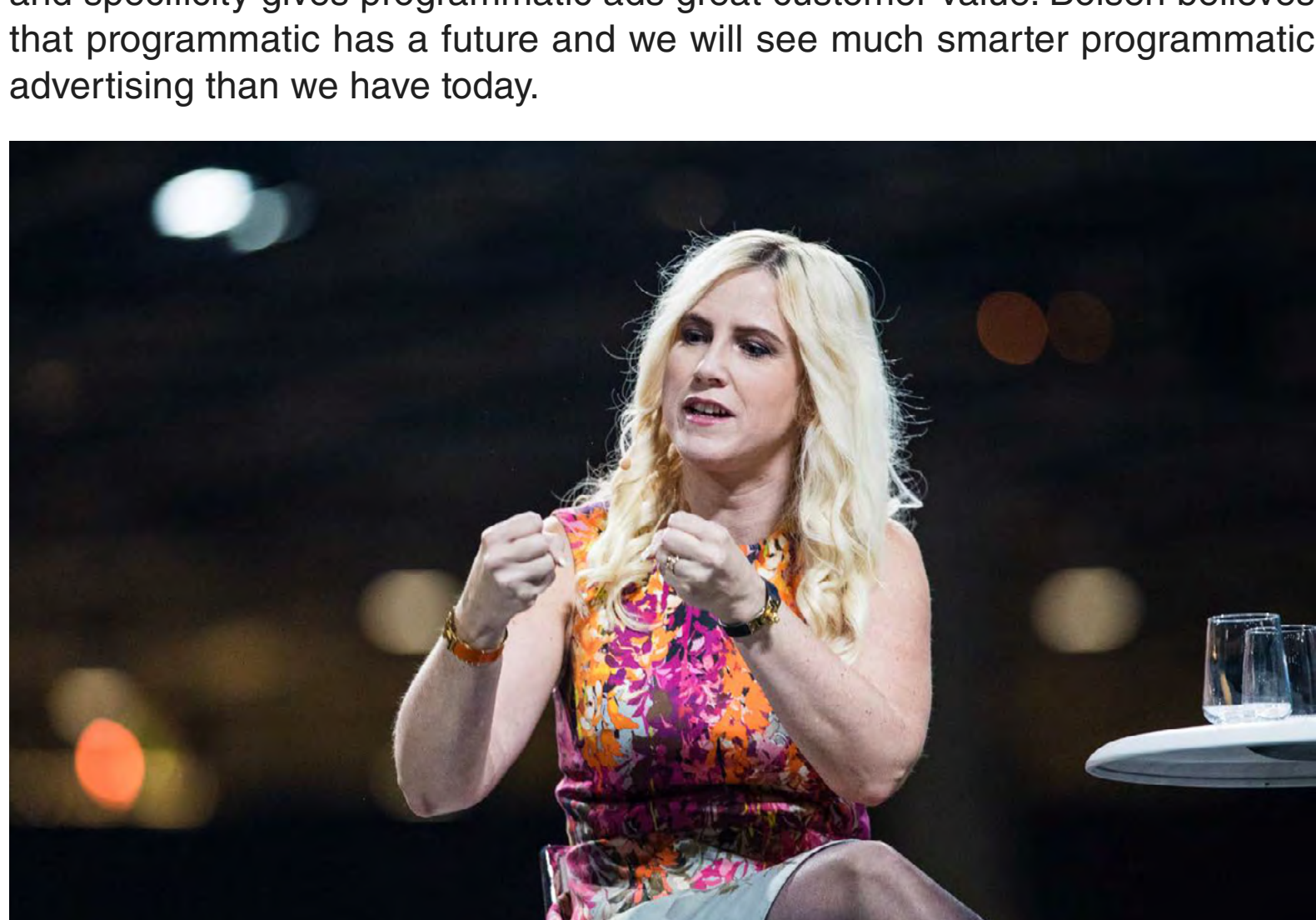
Is there a risk that media companies – in their fear of becoming outdated or old school run after any kind of new technology that someone says is the hot thing right now?

Boisen chimed in that most media companies pursue to follow what consumers want and what makes the most sense from a business perspective. Kalsta responded to Boisen's comment explaining that it is important to listen to the consumer and deliver what they want rather than the flavor of the month.

The discussion then changed to programmatic advertising and the role it has played in the traditional ad market.

"Programmatic advertising – it enables us to target more precisely. What could kill us is to think it's enough to target and forget about the story. It's important what the message is," Kalsta pointed out and explained that the target needs to be big enough to have the commercial effect you need. Programmatic is just a tool to get there.

Unpacking what programmatic marketing is, Boisen agreed with Kalsta's assertion. "Instead of spraying and praying with your ad, you can target the exact people you want to target with your ad." It lets marketers personalize ads and specifically target the exact customers. It can be very precise. This accuracy and specificity gives programmatic ads great customer value. Boisen believes that programmatic has a future and we will see much smarter programmatic advertising than we have today.



Throughout the Hot Seat discussion different types of new advertising methods had been addressed – programmatic, social media, native, naked. The question that followed was whether all the new options advertisers and marketers have at their disposals is holding some clients back simply from the sheer complexity of how to advertise in this new environment. Kalsta explained that there is a common challenge across businesses to raise the bar to use these new options for advertising to provide better stories and content to consumers. This is a time of opportunity and the companies that will survive will embrace the advertising that best reaches their clients.

Having covered marketing to clients, the conversation then shifted to business to business marketing.

Kalsta addressed the subject of how to effectively market in a business-to-business environment. She explained that B2B advertising is more about big ticket items and that they have a more limited target group. "Here it is even more important to embrace current tools that we have," Kalsta concluded. Boisen added, "Currently most of the B2B marketing doesn't utilize influencer strategies. I haven't seen it at all. So let's get to it. Let's start today, and I'm sure you would see great success."





DES TRAYNOR

# Creating a Product First Company

DEVIN KATE POPE

Software changes constantly, but that's not bad. The ongoing upset leads to better results.

- ▼ The only constant is change
- ▼ The only thing that changed was everything
- ▼ Three mega trends enabling product first companies to grow
- ▼ Key ingredients for product first success

**Des Traynor**, co-founder of Intercom, pulls from his 17 years in the software industry to confidently school the audience on Nordic Business Forum 2016 on product first companies. He does it with wit and energy, but make no mistake; he's not sharing half-baked ideas.

## The only constant is change

“Every time you think you know something, it goes away, and you’re dumb all over again,” Traynor says. That pattern is as old as the software industry itself. In 1969, IBM filed the first software patent and, the industry is born. Then, in 1976, Bill Gates writes his famous “Letter to Hobbyists” imploring people to start paying for software. “Business software was pitched as being this phenomenal solution, but when you actually paid for it, it looked like shit,” Traynor says. The consumer didn’t know what they would get, and the software didn’t always work. Part of the problem was the way the software was sold. The buyer didn’t use the software, and the user didn’t buy it. The birth of Software as a Service (SaaS) in 1999 changed this.

## The only thing that changed was everything

SaaS had a monumental impact because it broke down previous barriers. “Every single thing is different because we can buy, sell and consume it online,” Traynor says. With SaaS, what was in the server room moved to the cloud. People didn’t know what that meant, but it increased adoption. Next, developers began to think, “Maybe we should design this software with human users in mind.” Thus began the era of user experience. The third change was that distribution got baked into products. Once the world connected through the Internet companies were able to grow an audience on a \$0 marketing budget. Traynor’s bottom line is that if you sell good things, people share it with their network, and then word of mouth takes over.

## Three mega trends enabling product first companies to grow

### 1: The software market is growing fast

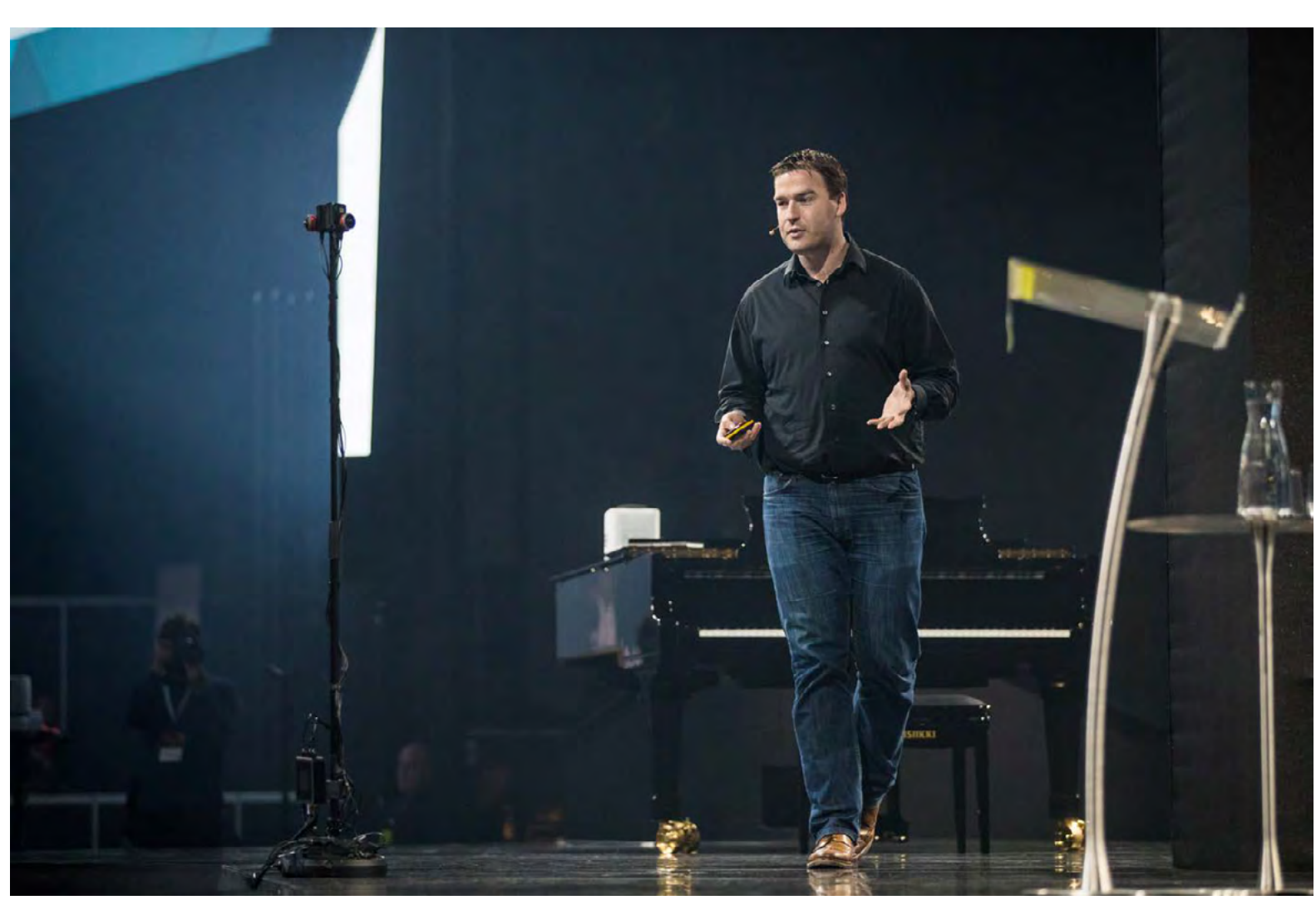
All mediums are converging on a piece of glass, single-task items, such as newspapers, are dying. Companies at every size and scale are buying software, and SaaS is quickly becoming the favorite choice. Traynor says there's a lot left to happen and even niche markets can hit ~\$10M in annual recurring revenue. To say the demand for software is huge right now is an understatement.

### 2: Go-to-Market has evolved

Products enter the world differently now. Sales teams don’t hope on planes to woo potential clients anymore. “What we do is to sell to the end user. You sell to me. If I like it, I tell my team, if they like it, it spreads around the org,” Traynor says. The industry has also moved to the ‘try before you buy’ approach. Users can try before they even talk to a salesperson. There is an ever expanding market waiting to adopt and evangelize great products.

### 3: Recurring revenue is the norm

“Anyone who’s making money these days wants to make it on a recurring basis,” Traynor says. In February 1990, Photoshop cost \$895. And once you bought it, Adobe could stop caring. Today Photoshop is \$19.99 per month. Adobe needs people to stick around to make money, so the product must be engaging. If the product is good, people will consistently pay – and a lot more people can afford \$19.99/month.



## Key ingredients for product first success

### 1: Your product’s impact is core to your company’s success.

Companies must ask: “What change do I want in the world, and how can my product make that change?” Then ask “What are we here to do?” Eventually, ask “What are we doing day to day?” The questions get less abstract and more pragmatic, but they stay in line with the mission. Mission and impact must align around the product because if it’s unclear what the mission has to do with the product, there’s a problem.

### 2: Your product must always be feasible, viable, and desirable.

All three qualities are necessary when building and maintaining a brand that is most importantly a great product. That’s why there’s an uptick in research and development. Companies that start by building something small and viable and figure out the problems along the way avoid common pitfalls when scaling.

### 3: Ruthlessly focus your product work.

People don’t understand how small software companies are compared with the value they create. Whatsapp had 30 engineers when it became bigger than the entire SMS network. When a small team makes a significant impact, leadership must steer the team well. There is no time to waste on things the customer rarely does. Company work should be in high impact and high effort projects first.

### 4: Charge for the value you create

And never create value you can’t charge for. Traynor says a lot of people come to him with products they think will make a good business, but not every good product creates a good business. Don’t solve small problems people rarely have, solve big problems that people have all the time. Additionally, don’t build complicated but cheap software because the costs of goods and services will drag you down.

### 5: Follow meaningful SaaS metrics

Entrepreneurs approach Traynor and say, “Hey look at my revenue growth!” And it looks great. But it’s important to show the other side. Are people staying around? A business can’t survive if there’s high churn. The whole point of being product first is that the product is good enough to keep people around. “Product first companies should worry about churn way more than growth,” Traynor says. “Your bet is that most people are loving your product. Prove it.”

### 6: Be patient with growth

Intercom is now in the 10s of millions of ARR, but it wasn’t always that way. Putting a lot of money into marketing gets a fairly quick return. If you dump 50 million into R&D, like Intercom did, you have to be patient. But when the investment does come back, it lasts.











## GARY VAYNERCHUK

# Why Smart People Dismiss Social Media, and Why They Shouldn't

ANCA DUMITRU

- ▼ Day trading attention
- ▼ From humble beginnings to building successful businesses
- ▼ The era of underpriced opportunity in digital and social marketing
- ▼ The iPhone is the television
- ▼ Self-awareness and culture
- ▼ The difference between sales and marketing
- ▼ Hiring a social media manager vs. putting in the work

At first glance, **Gary Vaynerchuk** may come across as loud, arrogant and brash. And he curses. A lot. However, he is insanely intriguing. Once you start following him on social media and learn his spiel, whether it's through his books or videos, you get to discover his relentless work ethic, sharp emotional intelligence, and values based on being good to people. Let alone his endless energy.

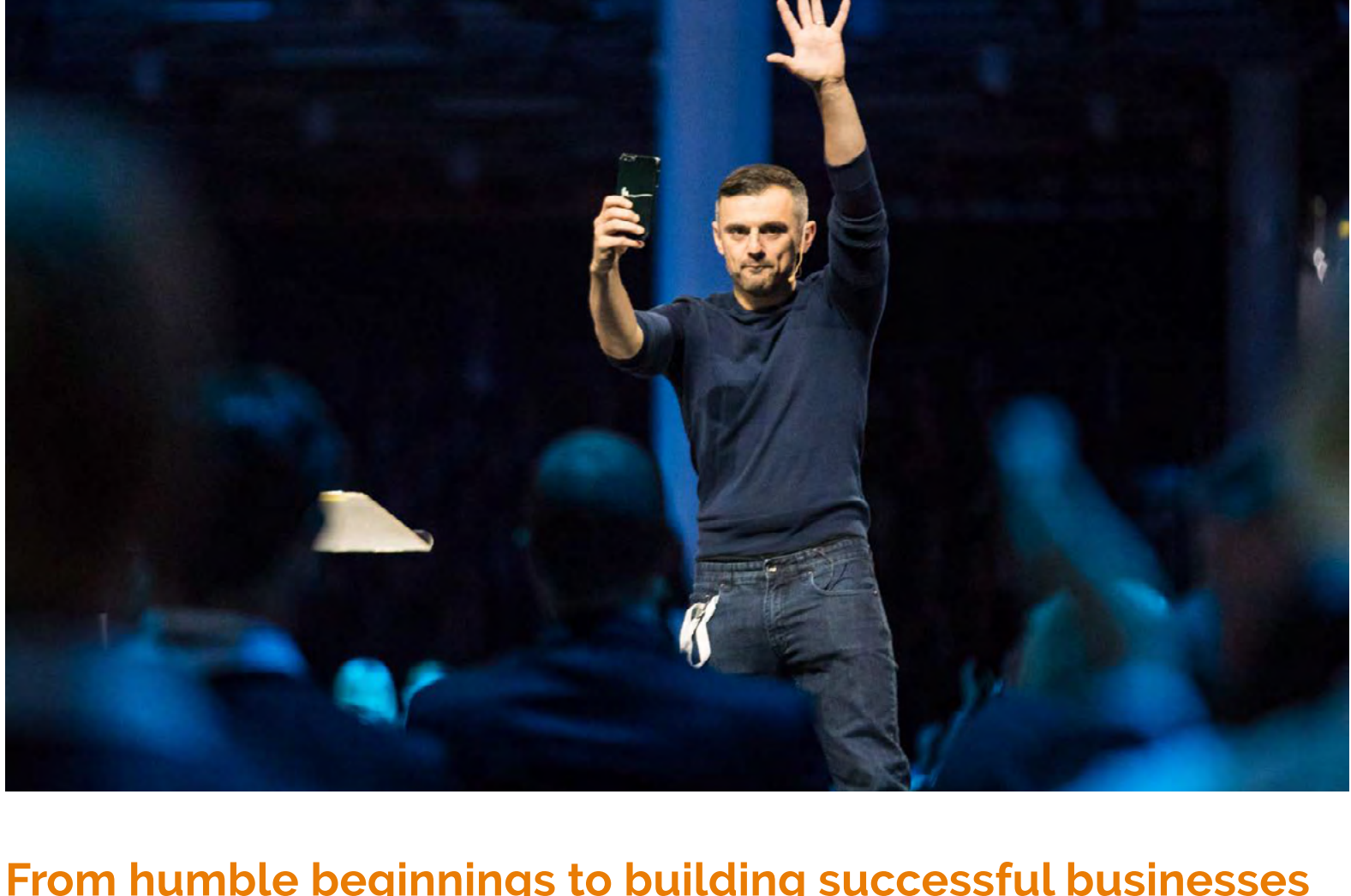
Whether you read his books, get free business advice through his #AskGaryVee shows, or watch him "hustle" 16-18 hours a day in his DailyVee videos, you're nothing but enthralled.

As was his audience at the 2016 Nordic Business Forum. An innate communicator, Vaynerchuk had them in the palm of his hand even though the majority of the people in the room had no idea who he was.

### Day trading attention

Before explaining his background, Vaynerchuk began by saying that he was targeting his talk aggressively more towards the B2B environment, given" the makeup of people in the room" and the landscape. He also made a point that no matter what businesses the people at the conference were in, "the number one thing from a business perspective that ties all of us together is quite simple – you need somebody's attention. The currency of business is attention."

He then highlighted how massively vulnerable entrepreneurs would be in 2017 if they don't catch up with the high speed in which B2B and B2C customers are moving.



### From humble beginnings to building successful businesses

The eldest son of Belarusian immigrant parents, Gary Vaynerchuk was three years old when he came to the United States. His dad worked hard as a stock boy in a liquor store long before he was eventually able to buy a small liquor store of his own in New Jersey.

As an entrepreneurial kid, Vaynerchuk "day traded attention" from the young age of 7, when he had six lemonade stands. When he was 12, he sold baseball cards in the malls of New Jersey, making \$1,000-\$2,000 a weekend.

Things changed, and his dad dragged him into his liquor store, which he hated at first, but realized that people collected wine and he was into sports memorabilia. That was the connection. "I decided to jump into my family business, open up 4,000 liquor stores across America, sell the franchise one day, and buy the New York Jets American football team because that is my dream," he said.

In 1994, in college, he discovered the Internet or the "information super highway" as he called it. Within 20 minutes, he landed on a message board where people were buying and trading baseball cards, and realized: "My God, I can do business on this thing!" Over the next year, he learned about eBay, Amazon, the early Internet culture, and in 1996 launched winelibrary.com, one of the first two e-commerce wine businesses in America.

In 1997, he started an e-mail newsletter that grew in a year to 200,000 subscribers and 91% open rates. "In 1997 no one was emailing. We hadn't ruined it yet. Marketers ruin everything," Vaynerchuk said.

Between 1998 and 2003, he grew his dad's business from \$3 million to \$60 million. With no marketing budget, he focused on making every penny work like a dollar.

### The era of underpriced opportunity in digital and social marketing

"When you day trade attention, you don't overspend on what everybody believes is tried and true. You have to find angles of what's underpriced," Vaynerchuk pinpointed.

So, what is underpriced right now, as we speak? Facebook ads. Why? "Because a lot of people in this room still debate what the ROI is, and they're emotional that reach has come down, and now they have to pay for it," explained Vaynerchuk.

As we live in a world of "headline readers," very few people understand that the creative is the variable when placing an ad: "And just because you did it once doesn't mean it doesn't work. It might mean that the creative, the video, text, or the picture you put out just sucked." The ad has to bring value.

He highlighted that this is the remarkable era of underpriced opportunity in digital and social marketing. Yet he's empathetic to why most B2B people do not believe that since most of the advice positions this in a B2C environment.

He then told the audience that the sooner they understand they're a media company, the quicker they'll be successful. "The number one emerging thing in society in value is time. Time is exploding in value to us because we now live in a 24/7/365 world."

People don't have time to read sales pitches; they want to read something that brings value. More importantly, every company will need to hire an editor-in-chief.

### The iPhone is the television

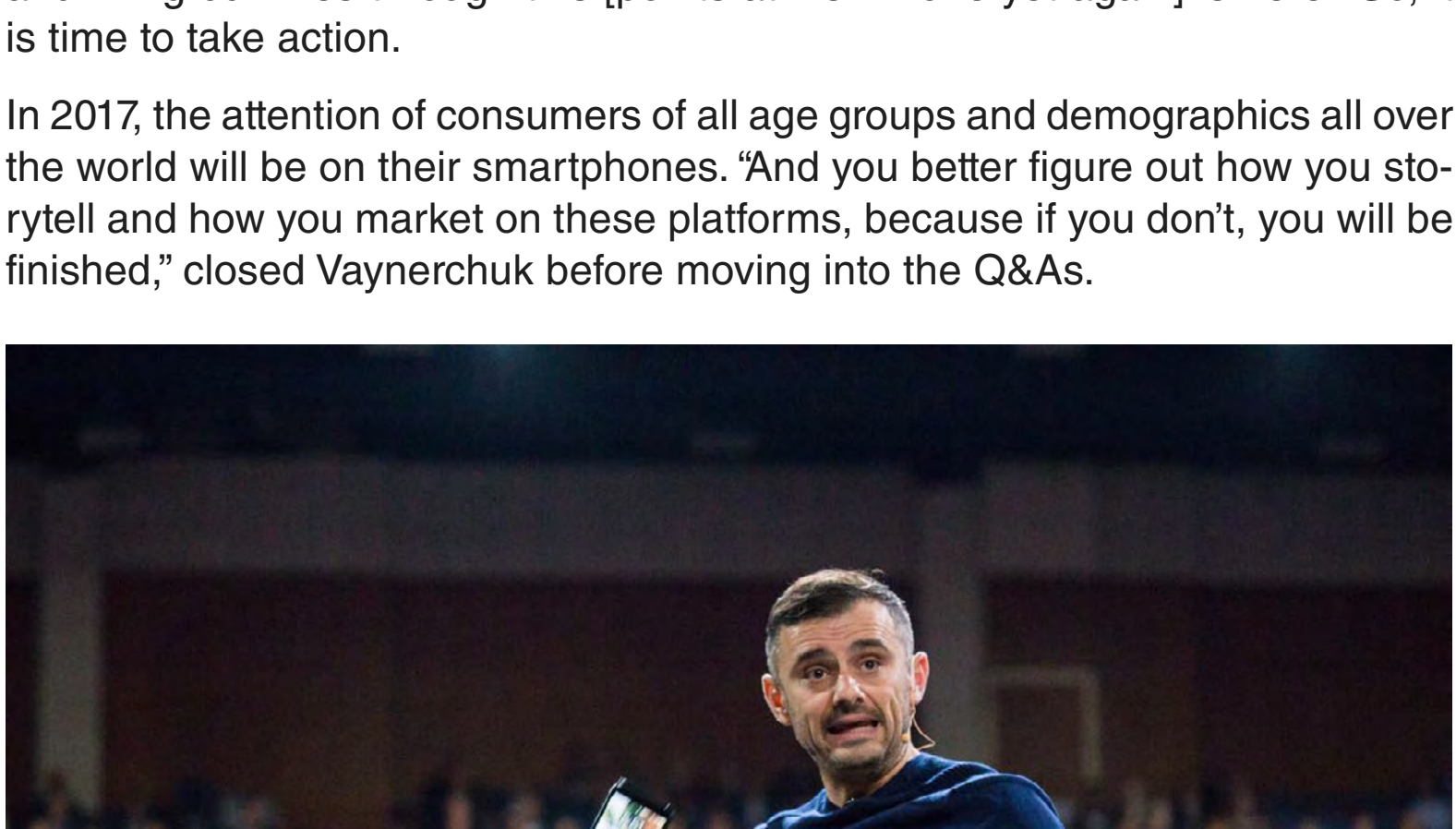
At VaynerMedia, the company Vaynerchuk co-founded with his brother AJ and grew to nearly \$100 million in revenue in seven years from zero, they work with the likes of GE, Pepsi, Under Armour and Toyota. The number one thing his clients spend money on is programmatic banner ad buying. Nobody is looking at banner ads, though.

"We're living through a revolution. This [shows his iPhone] is the television, and the television is the radio, and it's 1960, and there's a huge opportunity for everybody," Vaynerchuk pointed out.

Before starting VaynerMedia, Vaynerchuk built businesses. His KPI is to sell something. That's what businesses do. And he urged the audience to understand that social media – "is going to be the only game." Otherwise, they'll miserably fail.

"The concept of us consuming information, and making business decisions, and living our lives through this [points at his iPhone yet again] is here." So, it is time to take action.

In 2017, the attention of consumers of all age groups and demographics all over the world will be on their smartphones. "And you better figure out how you storytell and how you market on these platforms, because if you don't, you will be finished," closed Vaynerchuk before moving into the Q&As.



### Self-awareness and culture

Vaynerchuk was asked to encourage the Finns, who are a bit shyer, to day trade attention. He strongly believes that everybody has to deploy self-awareness – everyone needs to know who they are. Once people get comfortable with who they are, unbelievable things start to happen. "You need to figure out the medium that, allows you to communicate with the world, and on which social media platform. By not communicating in the best form for you, you're leaving money and opportunities on the table." His advice: "Do YOU. You know YOU. Stop being scared of who YOU are."

He may not know what's next, but when something new is happening, he's not scared to put in the work and figure it out: "I have one talent," he said, "I know what you're going to do before you're going to do it. And I do it by intuition, but also looking at the data. And also watching what you do with it."

When it comes to culture, in his agency of more than 700 employees, he tries to make sure the person managing a VaynerMedia client's account is going to be as good as him. However: "They're not. Otherwise, they wouldn't work for me. My game is to create a culture internally of being better than the alternative in the marketplace."

He takes pride in his people skills, yet admits he's been wrong many times when hiring: "The key is to make sure people can't stay in the system if they're not qualified: a) emotionally – getting along with people; and b) meritocracy – you have to be good enough to carry your weight."

### The difference between sales and marketing

Another question that came up about how to convert Snapchat and Pinterest into sales had Vaynerchuk clarify an essential aspect: "There's a big difference between sales and marketing, and we're blending them too much."

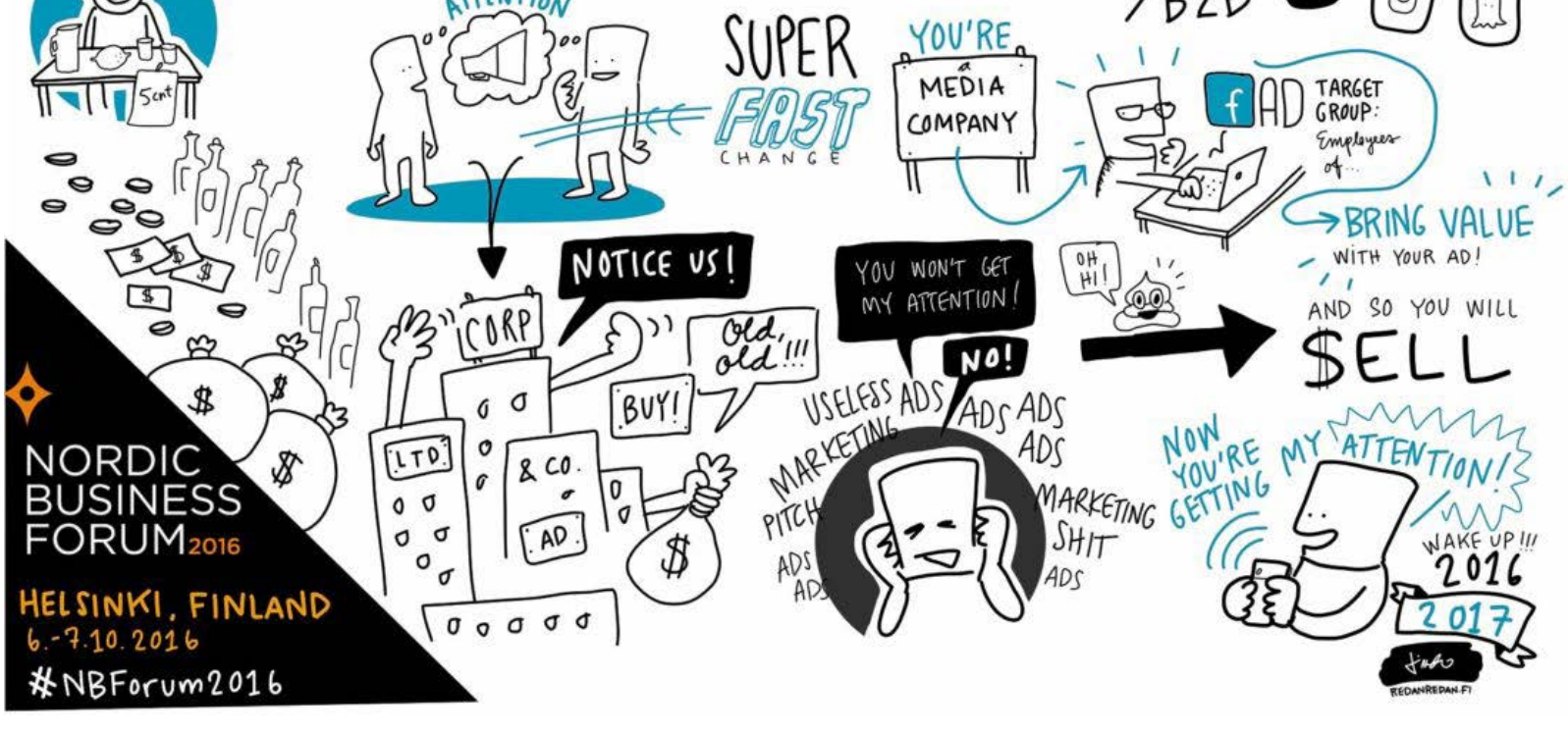
What Vaynerchuk mostly does is marketing. He creates awareness, gives away his ideas, people follow him, get into his funnel and become aware who he is. And all of his content is free.

"There are platforms great for sales, and there are platforms great for marketing," he said. "To be really big, you have to do both. And some platforms, like Facebook, are incredible at both, and that's why it's special."

### Hiring a social media manager vs. putting in the work

One last takeaway Vaynerchuk wanted to give to his audience was not to use the cliché of hiring a 22-year old to handle their social media – just because they know how to use it for business. "That 22-year old was using social media to hook up with people, not necessarily to sell stuff. When you have the audacity to own your own business, you need to put in the work."

He conveyed his genuine concern that entrepreneurs might hire somebody who has no idea what they're doing. Or on the flipside, a person who is going to perform well, and their work will make a difference for the business. Then they'll have the leverage, and might leave and do their own thing. Both problems could be avoided by learning to do stuff by yourself. "You have to be the best executor in your organization. This is communication. And communication drives everything," Vaynerchuk stressed out.







## DICK COSTOLO

# From Twitter to a New Economy

ANCA DUMITRU

- ▼ Fundamental change with artificial intelligence and wearable technology
- ▼ How to implement technological change in a company
- ▼ Experimenting at Twitter
- ▼ Not technology for some people, but technology for all people
- ▼ Optimism and diversity in Silicon Valley
- ▼ The value of being a startup founder
- ▼ Fitness and humor in business
- ▼ Innovation labs vs. real startups

Former CEO of Twitter **Dick Costolo**, a natural leader with an easygoing personality, got right into his talk with a relevant example that can be used as a metaphor for technological change. He referred to Hemingway's book *The Sun Also Rises*, where there's an exchange between two characters. One asks: 'How did you become bankrupt?' The other responds: 'Two ways – first gradually, then suddenly.'

He recommended his audience to use this exchange for two reasons: "In reality, in the short term, it seems like things aren't happening quickly. However, in the long term, it seems like things are happening all of a sudden."

While at Twitter, Costolo thought about this a lot, and the things business leaders can do regardless of the business they run "to enable innovation inside their company; to foster change; make it easy for people to be more creative inside the company; and making easier for leadership to recognize shifts in the landscape when they occur."

## Fundamental change with artificial intelligence and wearable technology

Artificial intelligence and wearable technology are timely examples of 'gradual' and 'sudden'. The former has broad implications for humanity, whereas the latter has some implications for humanity, but is more practical.

According to Costolo, AI is an area of innovation where it doesn't seem like a lot happens very quickly. And although a game like Go would be hard – if not impossible – to solve with a computer algorithm, as it's based on judgment and intuition, Google's DeepMind algorithm behind AlfaGo recently defeated the world Go champion.

During the AlphaGo match, the Google algorithm made moves in early games that seemed "amateurish and stupid." But the algorithm won. Something that even the programmers of AlphaGo DeepMind said they couldn't understand. It looked wrong but turned out to be the right move.

"That has fascinating importance and immediate implications for the ethics of artificial intelligence; because we've just been taught that the computer did something we may think it's wrong, but it knows better, and it was right in the end. Imagine being taught that over and over again," added Costolo.

He then pointed out that if we pay attention to the landscape, even though these things seem to change slowly in the short term, we'll notice these fundamental changes over the long term.

When it comes to something more practical like wearables, which have been out for a while now, the initial feedback is that they're ok, but not necessarily great. However, Costolo believes they will have profound implications for the healthcare industry. The devices that will come out in the next six to 18 months will fundamentally change the landscape by correctly diagnosing dozens of physiological traits in real time, far more accurately than what's out there now.



## How to implement technological change in a company

At Twitter, Costolo made sure that "we're always moving as fast as we could, constantly evaluating the landscape to understand what has changed, and challenging our own assumptions."

He did that in three ways:

1. "You have to absolutely be ok with people making mistakes," Costolo clarified. "You want to foster creativity and experimentation, and change things in the company, and the things you're trying. You must never punish people for making mistakes. It's not the job of great leaders to prevent mistakes from happening; it's the job of great leaders to correct mistakes when they happen."
2. He instituted the bias to yes rule that is similar to Amazon's bias to action: "That meant that no one in the company is allowed to tell you you're not allowed to do that." Employees have the responsibility and ownership of what they're going to do, and if they did something that was illegal, they would get fired.
3. At the beginning of every quarterly leadership meeting he had, the first question they tried to answer was about identifying the things that were taking too long to learn, and the why of it taking so long to learn. "The benefit of having that discussion is people start to question generally accepted beliefs inside the company," said Costolo.

That would change assumptions about what Twitter would test and validate about its user base.

## Experimenting at Twitter

Early on in his role as CEO, they looked at the user base to understand the user cohorts and divided them into several categories that identified the different types of users. Then, for a long time, they accepted that those were the user cohorts they had when discussing the experiments they were running.

A year later, they reran the data and saw that the users shifted dramatically. They started running these data analyses more frequently to understand the user cohorts month to month.

One last way he enabled change inside the company was to set up that, for several years, any engineer could run a set of experiments on a small percentage of the user base without having to get any executive's sign off.

"That was enormously beneficial in helping us understand different kinds of ideas that the engineering team had and ideas that might be antithetical to the way we've thought about our user base; how to affect its growth, and how to affect engagement on the platform," said Costolo. That was incorporated into the much broader bias to yes initiative down the road.

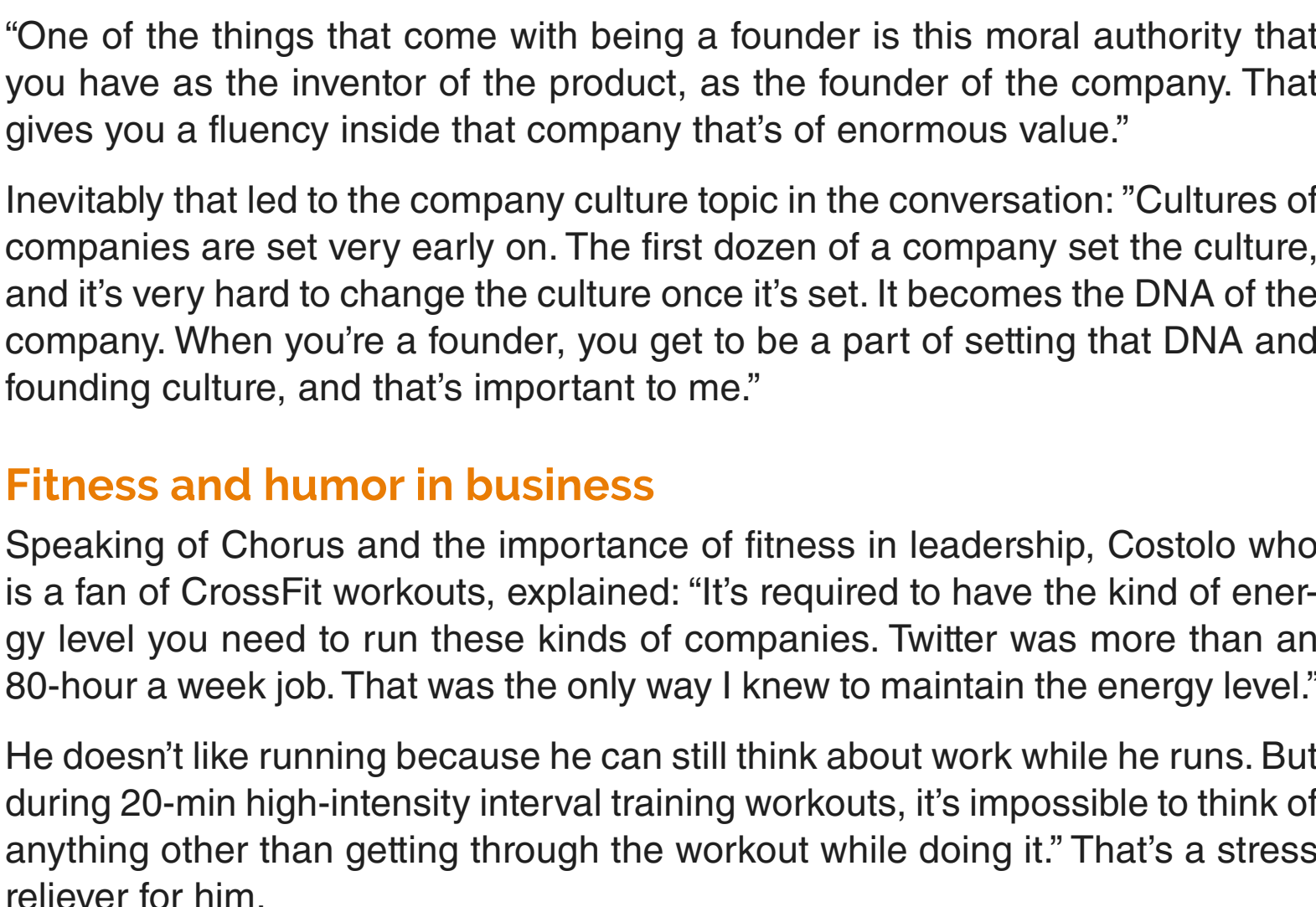
These were the key elements Costolo wanted his audience to take away from his keynote, which will enable the companies to move quickly and make changes in the shifting, underlying technology landscape.

## Not technology for some people, but technology for all people

As he transitioned into the Q&As, Costolo was challenged from the first questions the moderator asked. Did he truly believe that AI technologies will solve all our problems? How long do we have to wait?

"AI will dramatically benefit society in the long term," believes Costolo. "I don't think we're going to see what we believe, at least on the outside, this remarkable shift in healthcare, like an MRI can be analyzed by IBM in the immediate term, and disease solved. I think these things will be a much longer term, and month-to-month and year-to-year you won't notice them so much."

When it comes to directing these great resources to the less fortunate, he thinks that the history of technological innovation shows that this is already happening – devices, software, bandwidth get broadly accessible.



## Optimism and diversity in Silicon Valley

The series of challenging questions continued to be precisely targeted towards Costolo, who is also the consultant of HBO's Silicon Valley show. He was asked what is great about Silicon Valley, and what we shouldn't learn from what's happening there.

His response was that one of the great things about San Francisco and Silicon Valley, and wherever innovation is happening now, is that "everybody's optimistic and everybody feels in their heart that the changes we're making are going to benefit society, are changing the world in the long run, and are for the good."

As to diversity in the workforce, bringing a much larger percentage of women engineers into the company has been discussed frequently. Having a too smaller percentage of women engineers is bad because "when you have a population inside the company that's out of reflective of the broader population, you have a biased population that's not in sync with the rest of the world."

One of the things he tried to do at Chorus, his new fitness startup, is to make sure from the beginning that there are 50% or more women in the engineering team: "All companies in Silicon Valley talk about the need for more women in engineering, but are already so far behind that it's almost impossible to catch up."

## The value of being a startup founder

Making the shift from Twitter, where he had physical security and was rubbing shoulders with celebs ranging from Kanye West to President Obama, to Chorus, where he doesn't shy away from doing the dishes, is a big cultural change. But he loves being a founder.

"One of the things that come with being a founder is this moral authority that you have as the inventor of the product, as the founder of the company. That gives you a fluency inside that company that's of enormous value."

Inevitably that led to the company culture topic in the conversation: "Cultures of companies are set very early on. The first dozen of a company set the culture, and it's very hard to change the culture once it's set. It becomes the DNA of the company. When you're a founder, you get to be a part of setting that DNA and founding culture, and that's important to me."

## Fitness and humor in business

Speaking of Chorus and the importance of fitness in leadership, Costolo who is a fan of CrossFit workouts, explained: "It's required to have the kind of energy level you need to run these kinds of companies. Twitter was more than an 80-hour a week job. That was the only way I knew to maintain the energy level."

He doesn't like running because he can still think about work while he runs. But during 20-min high-intensity interval training workouts, it's impossible to think of anything other than getting through the workout while doing it." That's a stress reliever for him.

Asked about his previous improv experience and how standup comedy translates into leadership, Costolo said how much he values humor: "It's an enormous lubricant for business. Costolo is like tension and release. That's the what comedy is. When you have the ability to diffuse an intense environment or arguments in meetings, it's a great way to relax the tensions in the room."

He then discussed resource conflict and how to decide what idea to pursue and what not. This tied back to the engineering experiment he talked about. "I felt like the best ideas in the company could come from anywhere in the company. And I felt that, if the only product ideas I'm seeing are the ones filtered up from product leadership, then we're going to miss some of the best ideas, and we may allocate resources inefficiently."

By using engineers to experiment with the product in very small segments of the user population, like things that would test a different kind of engagement, the test results showed they could make better decisions about allocating resources.

## Innovation labs vs. real startups

Lastly, Costolo was asked to give his take on the startup boom, and people who have half of an idea, but a great desire for funding. "I think it's great. The market will sort that out, and things that don't work will go away. And entrepreneurs that live to fight another day, and keep experimenting until they find the right answer, will be successful. The more, the better."

He's not a big believer though in the separate innovation labs created by some existing companies, for two reasons. They tend to physically simulate a startup, but they're not really startups. If something doesn't work in the lab, those people still come to work the next day. "If something doesn't work in your startup you have to figure it out right away. Otherwise, you're going to run out of money."

Secondly, "you want that culture of creativity, that complete elimination of fear in an organization, and that embrace of uncertainty to permeate throughout the organization, not be over at some separate address away from the headquarters."

All in all, what people should take away from Costolo's presentation at the 2016 Nordic Business Forum can be summed up in three phrases: bias to yes, bias to women, and bias to courage.







JESSICA JACKLEY

# KIVA and New Business Thinking

DEBRA B. MCCRAW

By seeing potential in others, you begin to see it in yourself as well.

- ▼ Seeing poverty from a new lens
- ▼ Building slowly from a solid foundation
- ▼ Knowing when to say no

In 2005, **Jessica Jackley** met Patrick, a brick maker in Uganda. He and his brother fled their homeland when the rebels invaded and settled in an unfamiliar village with the only family they had left. One day, he began digging, first with his hands, then with a stick and then with a piece of metal. He hit clay and realized he could turn it into bricks, so he began to make bricks and sell them. He used his profits to buy tools to make stronger, more uniform bricks and sold even more. He established a business, hired employees and built himself and his brother a brick home.

At the 2016 Nordic Business Forum in Helsinki, Jackley compared this story to that of a woman she met in Tanzania who owned a charcoal business. At first glance, she appeared not to have much, living in a sparse home and wearing tattered clothes. But her books told the story of a profitable business. When Jackley asked about the money, the woman replied she had buried it, fearful of the possibilities that came with increased wealth.

“Why do some people dig and end up building and some people dig to bury treasures?” she asked. “I think it’s because they’ve chosen to believe in this invisible opportunity out there in the future that no one else has seen. They believe in the pursuit, that it’s possible and worth it to get there. They’ve chosen to believe in life that’s lived entrepreneurially.”

She shared Harvard Business School Professor **Howard Stevenson’s** definition of entrepreneurship: “The pursuit of opportunity without regard to resources currently controlled.” In what she called an “incredibly romantic, beautiful definition,” it doesn’t matter what you have now.

“For me, it’s this groundbreaking, an earth-shattering a-ha moment of disassociating what we have from what we can do in our lives,” Jackley said.

## Seeing poverty from a new lens

Jackley had always wanted to help those living in poverty, but it took some time for her to figure out how. She gave her time and money to various causes but began to feel like she could give everything she had, and it still wouldn’t be enough.

As an administrative assistant at the Stanford Graduate School of Business, she absorbed everything around her, sitting in on lectures and speaking with professors. While listening to **Muhammad Yunus**, the founder of Grameen Bank, speak about microfinance, she found her calling.

“He was talking about people who were smart and strong and hardworking and doing everything right who just didn’t have access to fair capital,” Jackley said. “It was so game-changing for me.”

That lecture spurred her to leave Stanford for the microfinance world. She traveled to East Africa with Village Enterprise, learning the stories of entrepreneurs like Patrick, the brick maker.

“I met people who started with a needle and thread under a tree and now they had an office and capital equipment from [that first \$100 loan],” she said. “They were interested in doing things on their own terms, working on their own to bootstrap, lifting themselves out of poverty.”



## Building slowly from a solid foundation

She wondered what would happen if she kept in touch with the people she met. If she collected small amounts of money to fund these microenterprises. In 2004, to kick things off, she and her co-founder, **Matt Flannery**, chose seven entrepreneurs in Uganda who needed \$3,000. She left her cell phone with the goat herder to stay in touch and headed back to the States to crowdfund before crowdfunding was trendy.

“God bless them, our friends and family chipped in,” Jackley said. “My grandma handed me a \$20 bill.”

They earned the money quickly and sent it back to Uganda. After six months, all the loans had been repaid, and Jackley knew this could grow into something really wonderful.

She learned that it’s ok to start small to figure out what’s going to work. Spend time getting to know what you want to do and whom you want to serve. Start with one person and grow from there.

“Do not feel embarrassed about starting small,” she said. “Figure out that change you want to make and experiment, iterate. It’s, I think, a really fantastic way to find what works.”

In October 2005, the experiment officially became Kiva, which roughly translates to “nice” in Finnish, although when Jackley chose it, she thought it was the Swahili word for “unity.” She connected lenders with borrowers, sharing the stories of microenterprise with people willing to give \$25 to help them get started. In its first year, Kiva facilitated more than \$500,000 in loans, and each year it grew. After a decade, Kiva is closing in on more than \$1 billion in loans.

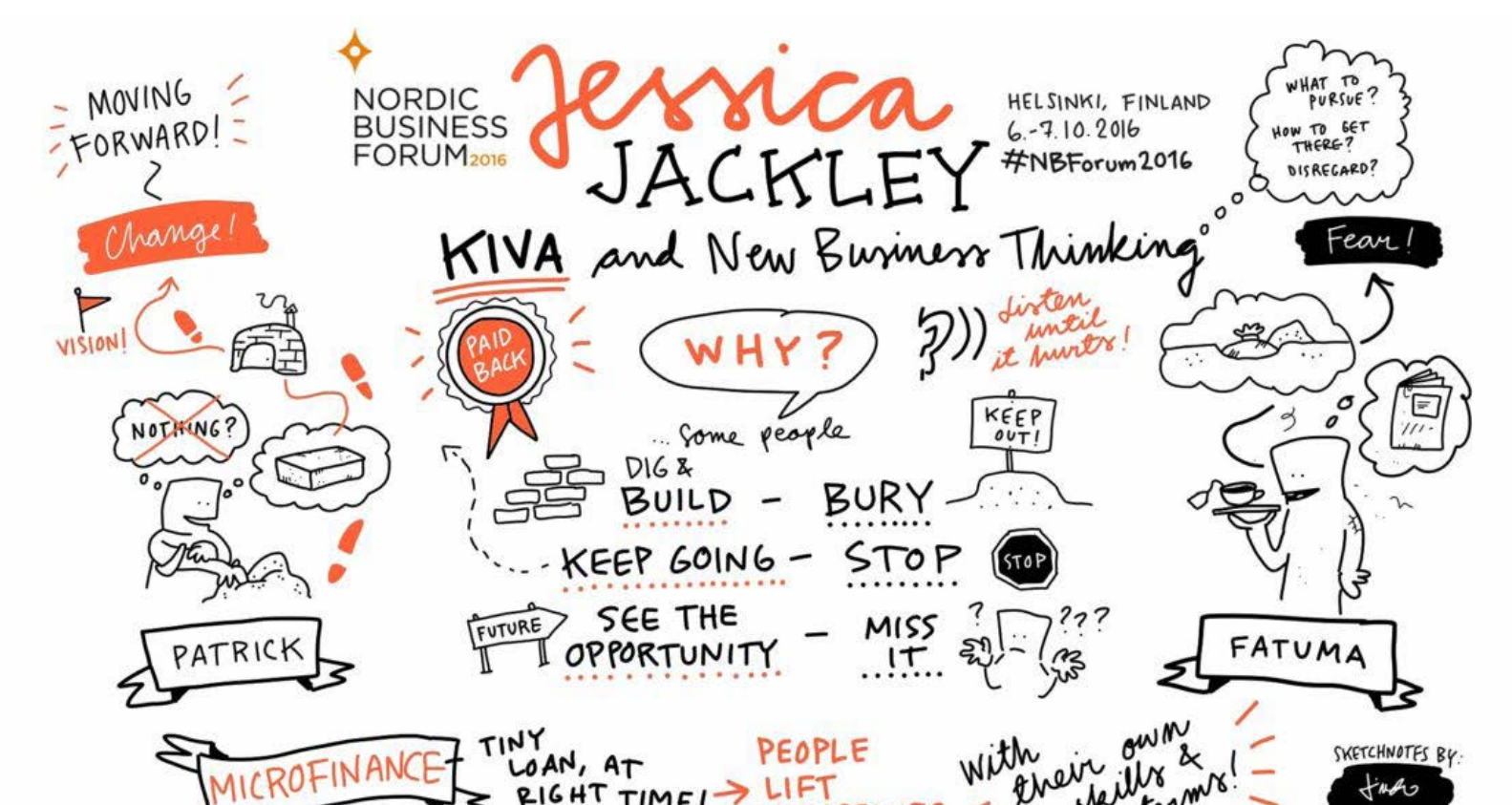
## Knowing when to say no

Jackley called entrepreneurship a practice, like yoga. She continually asks herself what to pursue and what not to pursue, how to get there and what to disregard. She said that one donor wanted to give Kiva \$10 million. Although that money could help a lot of people, getting that much from one donor would disrupt Kiva’s mission of connecting people through lending to alleviate poverty, so Jackley said no.

“It would have clogged the pipeline and taken away opportunities from individuals to donate their \$25 and make that connection,” she said. “Know who you are, what you want to pursue and what you’re ok saying no to.”

She closed by emphasizing the importance of perpetuating these stories of possibility and potential.

“The more that you see that in others, the more you believe that for other people, I think, the more you can believe it for yourself,” Jackley said.







VINEET NAYAR

# Employees First, Customers Second

MIKE STURM

- ▼ The secret to the 1%: a high-performing team
- ▼ The 4 transformational questions
- ▼ The 4 steps of transformation
- ▼ What transformation can do
- ▼ Do you have Amma's vision?

**V**ineet Nayar has a smile that implies that he knows something that many other people don't. He wears that smile as he addresses the audience at the Nordic Business Forum. He begins by telling them that of companies that lose market share in a given industry, only 4% are able to recover, and only 1% are able to not only recover, but actually grow after recovering.

The 1% is a pretty exclusive club to be in, and as Nayar talks about it, it becomes clear just why he is smiling. He is part of that 1%. He was able to take the IT services firm HCL Technologies on that journey from losing market share to unbelievable growth during his tenure as CEO. But his way of doing it runs counter to much of the received wisdom in the broader business world, and that way is captured in the title of his bestselling book: *Employees First, Customers Second: Turning Conventional Management Upside Down*.

## The secret to the 1%: a high-performing team

In Nayar's assessment, a company that is trying to grow--whether to regain market share or just explode--should be looking to transform. Nayar emphasizes the literal definition of that term; to transform means to change the form of something. In order to really grow, a company will need to make two changes:

1. Change its form into what Nayar calls a high-performance team
2. Adopt the philosophy of "employees first, customers second," and throw all of their weight behind it.

According to Nayar, the definition of a high-performing team is simple: it's a team that does what others consider to be impossible. But how do you build such a team? How do you get together a group of people who are willing to take on the impossible, and get them to execute at a high level to do it? That, in an of itself, seems impossible.

For Nayar, building a high-performance team is all about embracing impossibility. A team does that by focusing on the "impossible" stuff, rather than the day-to-day stuff that drags us all down. This means focusing on the future--rather than the past. It means thinking outside of the normal boundaries of logic and reason. The key to doing all of that is to learn to see what isn't there--but whose absence is beneficial.

Nayar tells an interesting story to illustrate that point. A young boy with only one arm wanted to learn Judo. Numerous coaches turned him down, saying that a one-armed person could never excel at Judo. That was until he met a coach who not only taught him Judo but helped him win an entire tournament.

"Everybody was surprised...they rushed to the coach and asked him "what happened?" He said, "all of you were looking at what he didn't have, I was looking at what he had."

In Judo, there is an aggressive move--the counter of which is to catch hold of the right arm of the opponent and spin them around. Since [the] boy didn't have a right arm, there is no counter to that, and therefore every time he will attack, he will win."



## The 4 transformational questions

To get a transformation to happen, Nayar explains, his company set out to answer four questions:

- 1. What is the core business? Why do you--the company--exist?**  
The purpose of the business is to create and deliver differentiated value to the customers. Nayar explains "The more differentiated value we deliver for our customers, the higher we will grow."
- 2. Where does your differentiated value get created?**  
The value is created at what Nayar calls "the value zone"--which is the interface between the employees and the customers.
- 3. What creates the differentiated value?**  
Given that the value is created in the value zone that exists between the customers and the employees, it seems obvious that it is the employees who create the differentiated value.
- 4. Given the fact that the value is created by the employees in their interface with the customers, what should the business of the managers be?**

If increasing differentiated value to the customer is what drives growth, the job of the leaders can be nothing other than to "enthuse, encourage, and enable" those creating value--the employees.

## The 4 steps of transformation

- 1. Create Discomfort With the Status Quo**  
To drive the kind of transformation he's talking about, Nayar repeats that you must break from the past. To do that, you must "create dissatisfaction with the status quo." Making that happen requires radical honesty--especially with new employees--about where things are not working well.

Nayar tells the parable of a plumber who shows up at an expensive house, and the owner wastes 2 hours telling him about how great the house is. But all the plumber is there to find out is where the leak is. For a company to truly transform and get better, it needs plumbers--people who are interested in finding the leaks and fixing them.

- 2. Foster Trust**  
"If you wish to lead," Nayar explains "then people have to follow." It seems obvious, but Nayar hammers home the point that so many leaders are not being followed. They give orders, but the orders are not executed because there is no trust.  
  
"The fastest way of creating trust between the employee and the management" Nayar explains "is to push the boundaries of transparency." For his company, that meant doing what Nayar calls "airing out the dirty linens"--putting all the problems out in the open. It also means acknowledging each and every problem that employees voice opinions about. Once that is done, you can ask "what are you going to do about it?" As Nayar explains, that questions gets you some plumbers who are excited to fix the leaks.

- 3. Create a Compelling Vision for Tomorrow**  
Employees at a company can get a paycheck from anywhere. So as a leader, you need to be able to provide your people with a vision that resonates with them. Money cannot be that. Benefits cannot be that. Nayar has his eyes on something more: pride.  
  
His vision for HCL was simple: in 5 years from the time they began their transformation process, he wanted 90% of his employees--when they met someone and shook there hand--to answer the question "where do you work?" by saying proudly "HCL," and having people reply "wow."

- 4. Flip the Organization**  
Nayar reminds the audience that he's talking about transforming, which he says requires that "you depart from the old form entirely." For HCL, that meant flipping the organization and making management accountable to the employees. Under his guidance, they utilized a ticket system when employees had issues that required management's help. The system had a guaranteed resolution time.  
  
Management also had appraisals done regularly by employees. They were anonymous, electronic, and published company-wide. The company did it for eight years, for about 6,000 managers. It kept those in management in a position to lead because the people believed that they should be there.



## What transformation can do

The main thing that Nayar points to in the type of transformation he's talking about is empowerment. He tells the story of a prospective customer of HCL whose stated reason for picking that company was because the secretary had overheard them talking about blowing off HCL's presentation. She personally told them how hard everyone had worked on the presentation and how hard they will work to create value for them. The value zone in action.

Nayar also proudly tells the story of his philanthropic venture--The Sampark Foundation. Nayar used the four questions and four steps in Indian schools to vastly improve educational outcomes--specifically in English and math. There were 200,000 teachers who needed to teach English and math to 3 million students in 50,000 schools.

Nayar helped to break with the past, and helped to create a program using audio programs on boomboxes to help teach English to teachers and students at the same time, then empower teachers to reinforce and build upon the lessons to the students.

The results tell the tale. After one year, 76% of Grade 2 children could multiply and divide. They could also construct over 100 English sentences that they had never heard before.

## Do you have Amma's vision?

Nayar closed with a bit of Indian cultural education:

"In India, when a child is born, the first person to come and pick up the child is the grandmother. We call her the Amma. She comes and picks up the child and defines the vision for the child....There is no data to back that theory, but everybody in the family truly believes that vision...And over a period of time the [child] starts believing in Amma's vision...believes that is her destiny, and starts working very hard for it. And something which is unreasonable, not backed by data, completely disconnected from the past, suddenly becomes a reality of the future. The question I ask you today is, do you have that grandmother's vision for your employees? Does your boss have that vision for you?....Does your team believe in you?"

If the answer to any of those questions is "no," Nayar says, then perhaps it's time to put his transformative process to work for you.







AMY CHUA

# What Really Determines Success

DEVIN KATE POPE

A mission to discover what generates drive in individuals, groups, and businesses.

- ▼ Three elements that lead to success
- ▼ How do superiority and inferiority go together?
- ▼ Can a superiority complex be a good thing?
- ▼ Working to understand success
- ▼ The triple package and business

**A**my Chua isn't one to shy away from saying something not everyone will like. Chua's most recent book, *The Triple Package: How Three Unlikely Traits Explain the Rise and Fall of Cultural Groups in America*, co-authored with her husband and Yale colleague **Jed Rubenfeld**, introduces the thesis that being successful, as an individual, nation, or business, is connected to three distinct traits.

Chua, the daughter of Chinese immigrants and the John M. Duff Jr. Professor of Law at Yale Law School became known to a wider audience as the "Tiger Mom," after her book, *Battle Hymn of the Tiger Mother* about strict Chinese upbringing, became a bestseller. In her fourth book, Chua wanted to explore why some cultural groups, such as Mormons, Nigerians, Jews, or Indian-Americans seem to be disproportionately represented at the top levels of American society. Her findings on success were also the topic of her speech at the annual Nordic Business Forum in Helsinki.

"We discovered three qualities accessible to anyone that generate disproportionate success," Chua explains. Anywhere there is a group, this dynamic applies.

## Three elements that lead to success

The first is a superiority complex. A superiority complex means that a person has a "deep-seated sense of exceptionality." This breeds confidence and nerve. The second element is a sense of insecurity or an inferiority complex. People must feel like they aren't quite good enough, and that they have something to prove. This is opposing the superiority complex, and that's the way it should be, Chua says. The third element of the triple package is impulse control; a person must have self-discipline. When explaining impulse control, Chua mentions the Finnish word "sisu"; a compound of bravado and bravery, ferocity and tenacity, of the ability to keep fighting after most people would have quit, and to fight with the will to win.

## How do superiority and inferiority go together?

It's common to be slightly taken aback after learning that a successful person is supposed to feel superior and inferior. How does that work? "It's the combination of those two things that generates drive," Chua says. People who are simultaneously superior and insecure have a chip on their shoulder and are driven to work hard to get recognition and respect. Steve Jobs is an excellent example of the triple package. "No matter how successful he was, he had to keep working harder and harder," she says. Jobs was known to be a perfectionist who had no problem being ruthless to innovate. Framed this way, seeing examples of how superiority and inferiority work together isn't that hard. Thinking about successful athletes, actors, politicians and artists and the triple package traits are often clear to see.



## Can a superiority complex be a good thing?

There are great dangers in a superiority complex, and parents should never encourage arrogance in their children. But in *The Triple Package*, Chua makes the argument that some forms of superiority – for example, if rooted in a work ethic, good morals, or self-control – can have a positive impact in a person's life. In immigrant families, people tend to foster a sense of superiority based on hard work. "You can bootstrap yourself, so you feel exceptional," Chua says. "You exercised grit and discipline and got yourself to the point of success that others can't."

## Working to understand success

Chua and Rubenfeld coined the term 'the triple package' after studying groups in America today and realizing there were three common traits in successful groups. It didn't matter how different the groups were, the traits were the same – and brought success. For their research, Chua and Rubenfeld defined success by income level and other outward markers of success. The groups who are successful now aren't permanently successful and haven't always been successful.

"There is nothing innately successful in a group," Chua says. "Groups in America rise and fall after two generations." Success isn't easy to pin down, and it isn't easy to achieve. Chua says that *The Triple Package* doesn't sugar coat the truth, like other books about success, sometimes do. "We wanted to write an honest book about the price of drive," she explains. "Sometimes drive isn't great." Too much superiority leads to arrogance and narcissism. Being too insecure can be paralyzing and lead to neuroses. A heavy dose of impulse control can lead to a life that lacks spontaneity and joy. In the same breath, *The Triple Package* cites studies that show being able to delay gratification is essential to success.

## The triple package and business

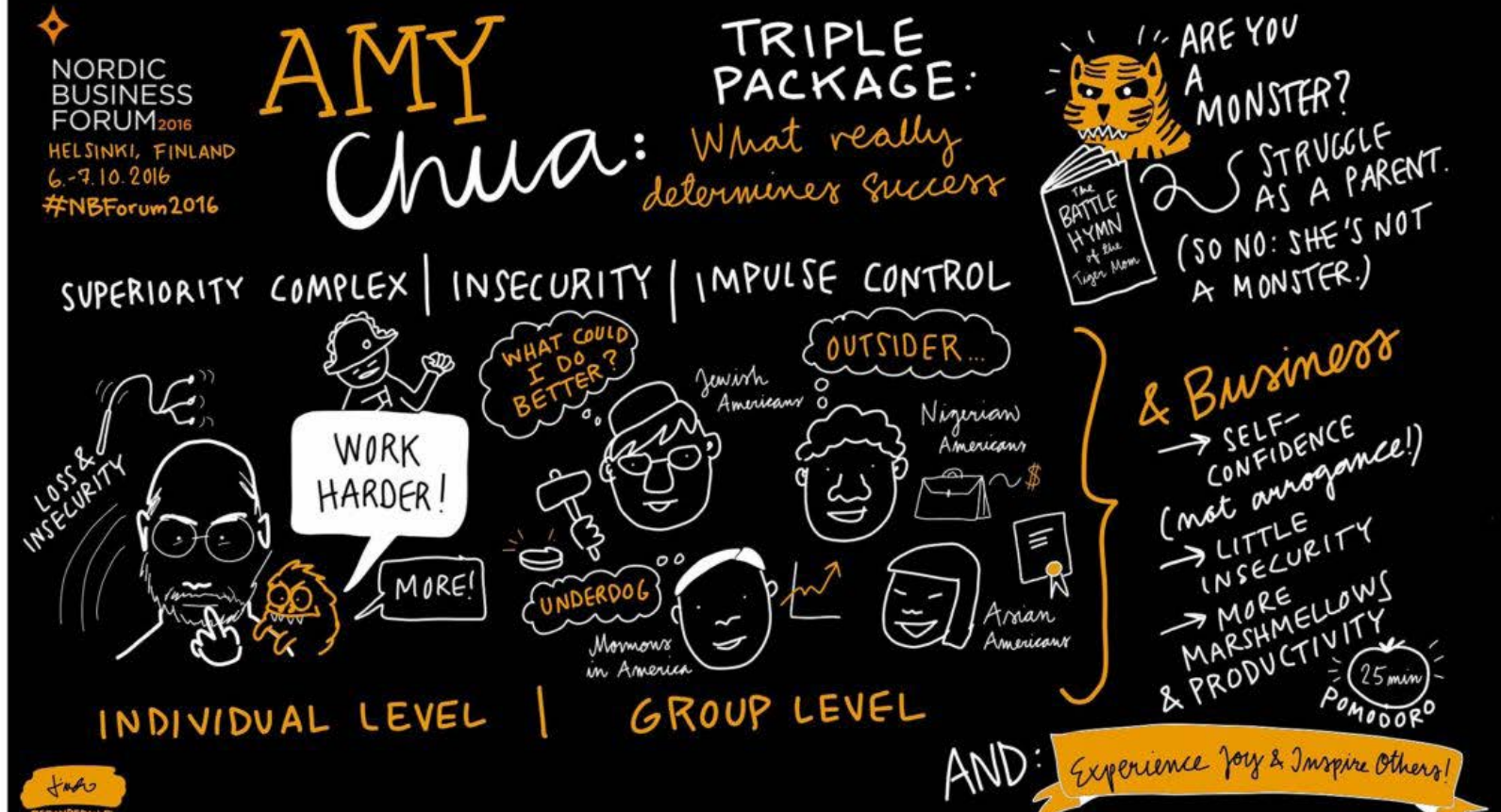
Looking off the stage, Chua speculates that many in the audience work at small companies. In industries filled with giants, smaller companies have to be smart and agile to survive. "You have to do more with less, and that's where the triple package can be helpful," Chua advises.

There's a lot of talk about corporate mission. Why does it matter? It helps instill a sense of exceptionalism into employees and makes them feel like they're part of something important. That's the superiority complex.

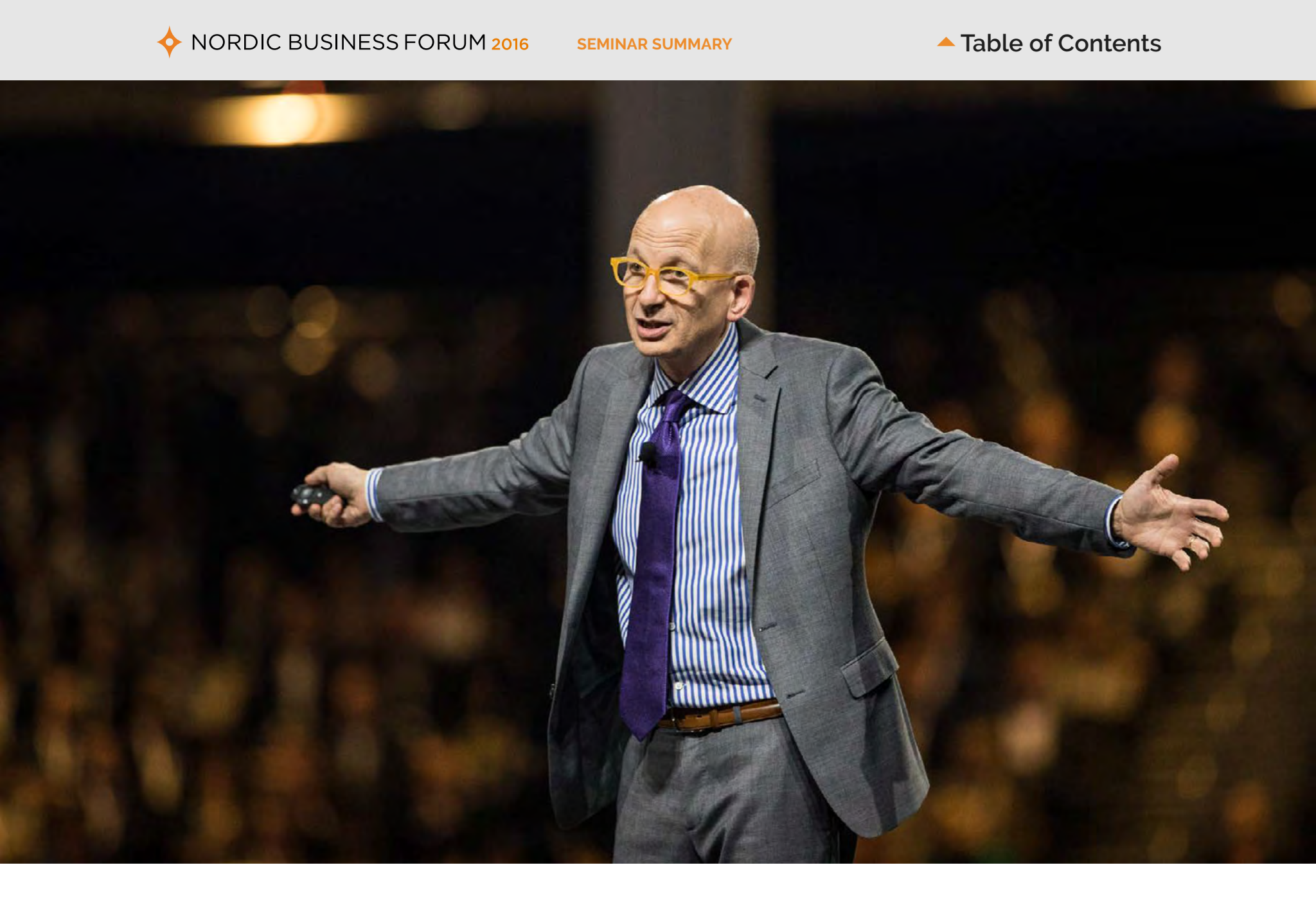
Companies should also have an atmosphere of constant learning and striving to do better. That's the inferiority complex.

Impulse control must start at the top and move down to the employee level. Chua says that to be successful in business you have to invest in the future, which means taking risks, failing, and trying again. All of that requires patience and dealing with short-term pain (the opposite of instant gratification). "Impulse control is the secret sauce of productivity," she says.

With notifications and apps always vying for our attention, impulse control must be a choice. And, luckily, impulse control can be cultivated and strengthened with training. In the same breath, Chua encourages everyone not to forget to experience joy, too: "Don't look so far into the future that you forget what makes life worth living."







SETH GODIN

# How to Get Your Ideas Spread

LISA SIVA

In Godin's brave new world, the winners will be those who can find the weird people and lead them.

- ▼ We have branded ourselves to death
- ▼ We don't need average. We need beautiful.
- ▼ People like us (do things like this)
- ▼ Dancing with the fear

The Internet of the early '90s was the Wild West: Swiss programmer **Tim Berners-Lee** had just developed the World Wide Web as we know it. Underground newsgroups had begun to proliferate on Usenet. Thousands of more users were dialing up every day. The future was uncertain, but it was bright.

Marketing guru Seth Godin saw this, so he armed his sales force with promotional t-shirts and wrote a book. Spoiler: Almost no one bought it. Meanwhile, two thousand miles away, a couple of scrappy Stanford grads named Dave and Jerry decided instead to build a website – maybe you've heard of it? – called Yahoo.

"At one point, my half would have been worth \$80 billion dollars, and all I got was this lousy t-shirt," Godin joked onstage at the Nordic Business Forum 2016. "The reason is simple: They saw what was possible. I had a cloudy vision because I saw what I knew how to do."

18 bestsellers later, Godin is now the founder of two multi-million-dollar Internet companies – and he still keeps one of those decades-old t-shirts in a box on his desk, as a reminder to see the world clearly.

So what do we see when, like Godin, we wipe off the smudges and put our glasses back on? Nothing short of a revolution: "Just about everything we did is going to be done differently," Godin told the audience. "What a chance of a lifetime!"

## We have branded ourselves to death

Godin had good news and bad news.

First, the bad: For seven decades, the mass marketing worked beautifully – and it had a perfect specimen in the record business, Godin said. As a consumer, you'd find a record you liked, listen to it ad nauseam, and then you'd just have to buy the next one, wouldn't you? But the real genius lay in surrounding the consumers with advertising on MTV, in the pages of Rolling Stone, and of course, on the radio, in your car, as you drove across town to buy your shining new vinyl record.

Today, the record industry is dead, and no amount of ad space will resurrect it. "This mindset that we have to find some poor schmo and assault him over and over again until one day he buys from us," Godin announced, "is now officially broken." He identified three main problems with this old way of thinking:

1. By indiscriminately bombarding consumers with advertising, mass marketers are "busy trying to sell something that solves a problem people don't think they have."
2. In our digital age, we learn that customers have the attention span of a goldfish, and we treat them as such: Marketers make ever noisier advertisements, brighter banners, and flashier videos. "Here's the thing," Godin said. "Your customers aren't goldfish."
3. Mass marketing requires a mass product – and mass, by definition, means average. But when all the products (say, big-box hotel chains) are the same, your customer will simply "take the cheap one."

Now, for the (mostly) good news: "Everyone is a click away," Godin said. Used to be, if you were a business in Helsinki, you simply had to be the best of your kind in Helsinki. Today, "for anybody, anywhere, if they want you, they'll find you. And if you're the best in the world, they'll buy from you."

In short: The world is your competition, your market, your oyster.



## We don't need average. We need beautiful.

So in this brave new world where "mass" is useless and "average" is a death sentence, what's left? Well, what's left is weird.

Godin asked the audience to consider billion-dollar brands built in the last decade – brands like Warby Parker, Facebook, and Spanx, "every one of which is for weird people." Warby Parker makes glasses for the millennial hipster. Facebook was built for college students. Spanx is for women who are tired of traditional lingerie. "All of them started at the edges, and it's at the edges where we're going to have people who want to talk to us," Godin said.

In Kenya, there's an old Zulu greeting, sawubona, which translates in English as "I see you." It also means "I know who you are" and "I respect you," Godin observed. "Is there anything our customer wants more than sawubona?"

Put another way, when we create products that speak to weird, wonderful, and different people as they are, we create products worth talking about.

## People like us (do things like this)

Imagine you've created Godin's proverbial purple cow. Your product is remarkable. To the right kind of weird people, it's the soul-satisfying equivalent of sawubona. Now what?

To illustrate, Godin split forum attendees down the middle and challenged each half to clap in unison. Even in an audience of hundreds, it took less than 10 seconds. "We like doing what other people are doing – not all people, just our people. We want to be in sync with our tribe," he explained. "It's your job to connect people who want to be connected."

In fact, Godin boils the state of marketing today down into one sentence: "People like us (do things like this)." The job of the marketer then is to find the people like us and determine what do things like this really means. "We get to invent the product, and we get to invent the culture, and we get to invent the movement," Godin said, "and we get to lead the tribe."

Consider Harley-Davidson: If you ride with a biker gang, there's a good chance you'll see at least one arm inked with the infamous bar and shield – while, as Godin pointed out, almost no one gets a Suzuki tattoo. "Is a Harley the most efficient way to get from here to there?" he asked. "No. Is it the best way for a certain group of people to say, 'This is who I am?'" Of course."

## Dancing with the fear

Godin is calling for a revolution. Yes, it's a tall order. Yes, you need the grit to stand out, to demand better. Yes, you will fail a hundred times before you get there. But, he says, "that's all we've got."

Everywhere, from Helsinki to New Haven, Connecticut, we're afraid that someone will tap our shoulder and tell us, "You know what? You aren't as good as you think you are." This fear, said Godin, pressures us to fall in line, to fit in – that is unless we learn two ways to "dance with it:"

1. Mise en place: Before the restaurant opens, a chef prepares his mise en place, or all his ingredients, measured, chopped, and ready for service. In the same way, if we treat creativity not as a mysterious, elusive muse, but as our job, "we can organize to do it."
2. Anchor up: Set the bar high and ask others to help you stay accountable. For instance, Godin said, "We can promise ourselves, and the people around us, 'You'll get something big from me at noon tomorrow. Not 12:05, but at noon.'"

Ultimately, when we are afraid, when we peer into the void and wonder if we are ready to leap, Godin asks us to remember the iconic last scene of Singing in the Rain: It's pouring in Hollywood, but **Gene Kelly** waves away the waiting taxi cab, closes his umbrella, and begins to tap dance through the streets in his rain-soaked suit. "The rain is the point," Godin explained. "The uncertainty is the point. The vulnerability is the point."

Right now, we have a chance to make a difference. "There are people out there, disconnected people, lonely people, people who are disrespected...and they're saying to you as clearly as they can, 'Please, we need you to lead us.'"

So the question Godin asks of all of us is this: Will you show up and lead?



NORDIC BUSINESS FORUM 2016  
HELSINKI, FINLAND  
6-7.10.2016  
#NBForum2016





TONY HAWK

# Finding Success Through Passion and Reinventing Your Brand Along the Way

GENEVIEVE HATHAWAY

**T**ony Hawk was ten years old when his brother changed his life; giving him a blue fiberglass Bahne skateboard. At fourteen he turned pro, going on to win the skateboarding world championship 12 years in a row, create the billion-dollar video game franchise Tony Hawk's Pro Skater, become the most recognized action sports figure & brand in the world, and build various successful businesses such as Birdhouse Skateboards and Hawk Clothing.

Skateboarding, as well as entrepreneurship, takes determination and perseverance. As a young kid, Hawk literally ran into walls and was regularly injured while skateboarding. But he didn't quit. Instead, he channeled that determination and perseverance to keep on skateboarding.

Like all entrepreneurs, Hawk had plenty of failures and setbacks before success. Skateboarding and entrepreneurship taught Hawk to embrace failures as a part of the learning process.

"I took a bad fall as a young kid sustaining some injuries, but all I wanted to do was go back out there and try it again. This was the turning point of wanting to be a professional. The first time you get hurt is the determining factor – especially in a sport like skateboarding. Do you really love doing this or do you not want to risk it anymore?"

Because of his small physical size, Hawk had to invent his own way of skateboarding. He was made fun of for his unique techniques but he didn't give up.

"I continued to do it, and eventually my style became more noticed and more appreciated. It started to win me some of the big events. I was still considered this circus skater because I didn't have the style. I had the tricks, which at that time wasn't popular in skateboarding. What was popular was the style."

After high school, Hawk won more competitions and eventually was offered endorsements and sponsorships. At the beginning of his career, he didn't try to manage his brand but later learned from his mistakes and started to be more careful in protecting what he had.

"If you have a brand and you sign control away from your brand, it will never come back. And it will never be what you envisioned it to be."

In the 1990s, skateboarding decreased in popularity, particularly Hawk's pool and vertically oriented style. Skateparks were closing due to liability issues, and skateboarders were now taking the streets. That was the sea change moment for skateboarding.

"Once skateboarders realized the urban landscape was their skatepark; that's when they realized you could skate anywhere," Hawk says.

Hawk understood that if he wanted to stay in skateboarding, he needed to start his own skate company. He needed to evolve.



"I needed to start my own company, have my own team, and pick riders who are exceptional."

Hawk knew that it would be cheaper to build a brand when the market and popularity of skateboarding was down. He believed that skateboarding would come back around, understanding the industry's cyclical nature. If he established himself as the biggest name in skateboarding, it would take less capital to establish his company as a well-recognized brand. There was a lower barrier to entry into the industry - cheaper ads and the ability to get a team for an affordable price. He took out a second mortgage on his house, bought a van, put together a brand and a team; then started guerilla marketing.

The whole time he was acting as if. Even if on a tight budget, he was acting as if there was a quality brand. The key components were in place: the brand, the team, and the van.

However, it did take longer than anticipated for his brand to grow. "More than the lesson of getting hurt and getting back into it, this is the lesson of perseverance," Hawk explained.

He took every opportunity to promote skateboarding, his company, or himself. No job or opportunity was too big or too small. His entire team treated every skating opportunity with the utmost professionalism.

As Hawk had predicted and anticipated, skateboarding came back into popularity and his name was considered one of the biggest in the industry. With the return in popularity of skateboarding, Hawk also received much larger jobs and sponsorship opportunities. He fought to keep control over his brand, likeness and image.

"It was a tough sell – people don't want to give you those rights. Especially if you are not proven."

To continue growing his brand and business, Hawk pitched a skateboarding themed video game to numerous companies. But they weren't interested.

About a year later he received a call from a gaming company that had heard he was pitching around the skateboarding game idea. Soon, Hawk and Neversoft created the wildly successful video game; Tony Hawk's Pro Skater.

"You need to put your name out there. Even though you're facing rejection, you're out there, and if someone is looking for it, they will find you then."

Before the game launched, Neversoft offered Hawk half a million dollars to waive any future royalties. He turned them down, believing the product would do very well – and he was right. He went on to make much more than the offered sum.

"If you're a smaller brand and you're offered some ridiculous amount of money. It can seem ridiculous not to take it. It's hard to stay true to your core and to keep it authentic and to believe in yourself enough to say no I'm going to see this through. Don't let your brand go early on."

Having seen his brand, and other brands, grow and evolve into the digital era, Hawk has a few pieces of advice for social media - stay authentic, interesting and engaged. Don't just be a message.

Looking back on his career and journey to build his brand he doesn't regret the mistakes and failures. They led him to make good choices later. The only thing Hawk feels he should have focused more during the early years of his career was how fortunate he was and how few get the chance to travel the world at someone else's expense.

"I was so focused on competing and being my best that sometimes I lost sight of the general fun that was being had by everyone."







ED CATMULL

# Culture of Creativity

DEBRA B. MCCRAW

By removing the barriers and getting people comfortable with failure, you invite creativity in.

- ▼ Collaborating without judgment
- ▼ Eliminating the fear of failure
- ▼ Working together, but remaining separate

“Many people naturally ask, ‘How do you become more creative?’” Ed Catmull said to a full room during his keynote on creativity at the 2016 Nordic Business Forum in Helsinki. “I think this is the wrong question. The real question is, ‘What are the management and cultural forces that block creativity?’”

As the co-founder of Pixar and the president of Walt Disney and Pixar Animation Studios, Catmull knows a thing or two about creativity. And as one of the leaders during the Disney–Pixar merger, he has learned how to remove some of those barriers that inhibit creativity in the workplace.

## Collaborating without judgment

One thing developed at Pixar, and subsequently Disney, was the establishment of brain trusts. This group of storytellers, directors and writers assemble at certain times to help each other resolve issues with their films

The brain trusts follow certain rules:

- The director is the ultimate decision maker, but everyone else in the room is equal. By removing the power of override, the director has the ability to listen to all of the options and decide what will work and what doesn’t.
- Everyone listens and gives honest feedback. The director doesn’t have to take every suggestion, but he or she does have to acknowledge if there is a problem so it can be resolved, no matter how long it takes.
- Collaboration makes the group successful. It’s not a competition. Everyone is there to support each other, which in turn helps the company succeed.
- Lastly, they keep their attention on the problem. Good and bad ideas are presented, and none are judged other than to decide whether or not they resolve the problem. This creates a safe space for all contributors.

“Every once in awhile, magic happens,” Catmull said. “You feel the ego disappear from the room and all attention is on the problem. Ideas come and go without people becoming attached to them. This is the state that we aspire to.”

## Eliminating the fear of failure

While this may sound like a simple concept, they have learned lessons along the way to fine-tune the process and enhance the creative culture of the organization. The first lesson was how they perceived failure. Catmull said there are two kinds of failure – professional failures from which we learn and “school” failures that make us feel like we’re not smart enough or that we didn’t work hard enough.

“There’s a palpable aura of danger around failure, and this meaning is deeply ingrained in us,” Catmull said. “It’s almost impossible for people to separate these two meanings emotionally ... but if you separate the meanings and realize they’re two different things, you can see that failure is not a necessary evil, but a necessary consequence of doing something new.”

He believes that we fear failure because we can never be sure what we will learn from it until after it happens. The brain trust is a way to make people more comfortable with failure. It’s a safe place for people to put ideas out there, whether they are good or bad, and see what works.



## Working together, but remaining separate

When the two companies merged, Disney hadn’t made a successful animated film in years, and Catmull and John Lasseter were tasked with reinvigorating the team. While many suggested that they merge the two animation studios, they decided to keep the two separate. He encouraged them to “beg, borrow and steal” from each other, to share resources and talk to each other, but to continue doing things their own way. He encouraged a diversity of opinions on how to run things. Bringing the brain trust to Disney also helped that team find its footing.

“The talent was there. We just had to remove the barriers and allow their creativity to flower,” Catmull said. “I believe everybody has the potential to be creative. It is our choices that block or enable that creativity. We have to make it ok to make mistakes. We have to remove the blocks to candor.”

While working on the movie Bolt, the animators ran into challenges with one of the characters. They called the technology group, who said it would take six months to fix. The movie had to be completed in eight months, so they needed another option.

“At this point, we were pretty much screwed, so we called the company together and said, ‘Someone has to do this and figure out how to do it quickly,’” Catmull said. Following that meeting, two people went home and got it done over the weekend.

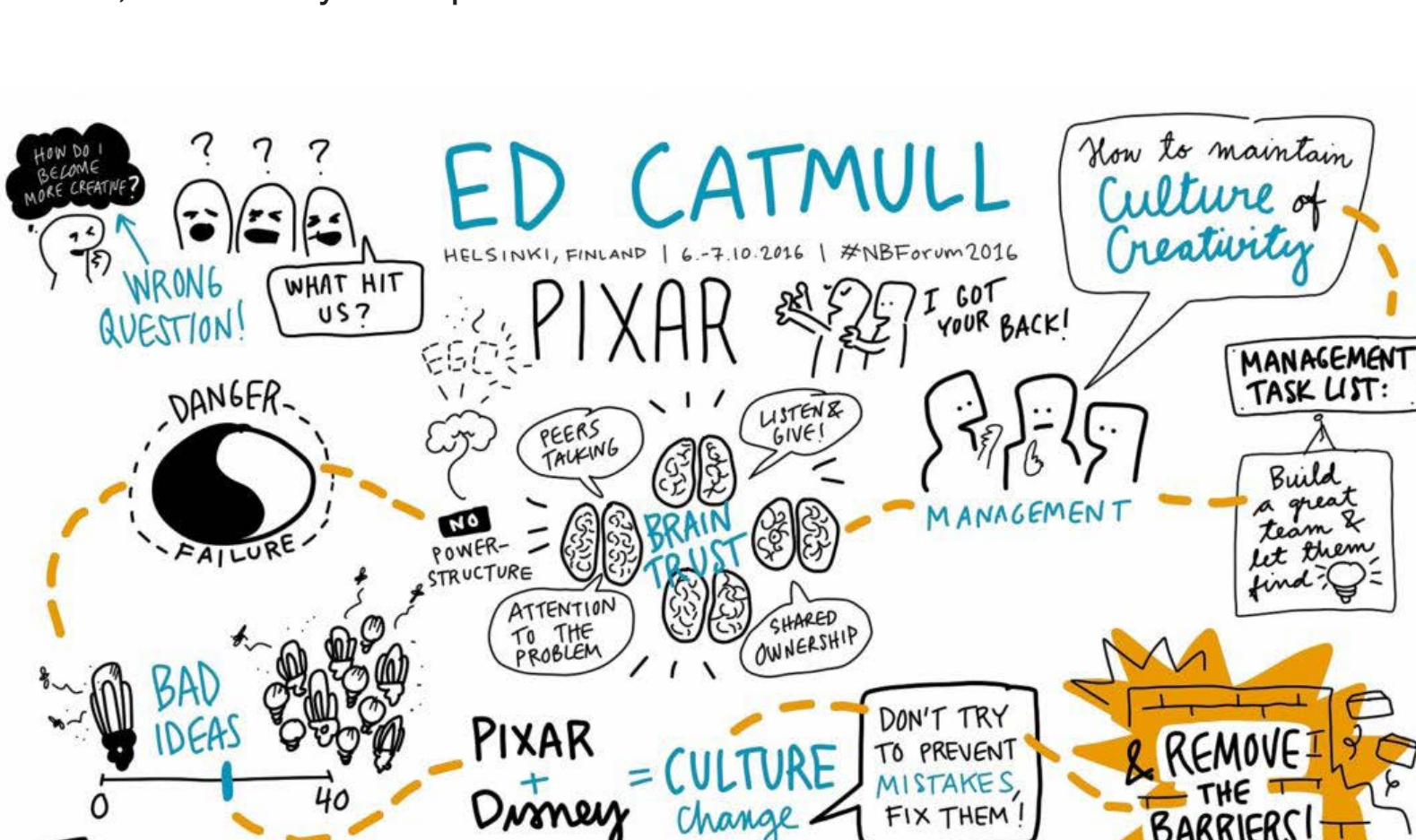
“The six months was a system we had in place to prevent errors,” he said. “It’s much easier to fix the errors than try to prevent them all. Our job is not to prevent the errors. It’s to respond when things go wrong. This is where creativity arises.”

The teams also helped each other on problems the other studio was having. Pixar’s Inside Out had a tonal problem, but the creative team could not put its finger on how to fix it, so it asked the Disney brain trust to review it. They were able to tease out the problem, which elevated the movie.

Then the Pixar Braintrust looked at Zootopia, which was having problems. “The team found two deep, fundamental flaws that completely changed the film and made it fantastic,” Catmull said. “Having two groups working in such a way that they really want to help each other has been an enormous value. Consolidation would destroy that and actually make it more difficult to make changes.”

He added that to be open to other ideas, you have to assume that you don’t have all the answers. You need to accept that everyone has different experiences and by joining them together, you end up with a better product.

“If someone comes up with an idea or they disagree with you, you start by saying that’s a very interesting idea,” Catmull said. “You discover frequently that they see things you don’t see. You have to open yourself up to assume there’s a reason why they’re saying that and want to know what that is. If you know what that is, it adds to your experience.”





# A warm thank you to the partners of Nordic Business Forum 2016!

## Main partners:

---



## Partners:

---



## Media partners:

---





# Thank you and see you again at **Nordic Business Forum 2017!**

◆ NORDIC BUSINESS FORUM 2017

Responsibility,  
& Purpose  
Leadership

October 2 - 3, 2017  
Helsinki, Finland

October 2 - 3, 2017  
Helsinki, Finland

◆ NORDIC BUSINESS FORUM 2017

Responsibility,  
& Purpose  
Leadership

October 2 - 3, 2017  
Helsinki, Finland

◆ NORDIC BUSINESS FORUM 2017

Responsibility,  
& Purpose  
Leadership

October 2 - 3, 2017  
Helsinki, Finland