

EXECUTIVE SUMMARY

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**THE TIMES
THEY ARE A-CHANGIN'**

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Anita Krohn Traaseth



NORDIC
BUSINESS
FORUM



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Introduction

Nordic Business Forum NORWAY & Nordic Business Forum SWEDEN

January 22 & 24, 2018
Oslo, Norway & Stockholm, Sweden

Lean was the word on the street in both Oslo and Stockholm in January 2018 as two Nordic Business Forum events took over the towns. NBF-Norway opened its doors for the first time on January 22nd, welcoming 550 business executives and thought leaders at the Radisson Blu Plaza Hotel in Oslo. It was an action-packed day of learning and networking and, two days later, the second annual NBFSweden took place. On January 24th, over 1,000 CEOs, entrepreneurs, and decision-makers from 19 nationalities gathered at Stockholm's Waterfront Congress Center to discuss all things Lean.

This Executive Summary takes you through all the main stage presentations from both events and offers up the key points made by our speakers.

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



ANITA KROHN TRAASETH

The Times They Are a-Changin’

ERIN STURM

▼ Innovation Norway

Anita Krohn Traaseth is one of Norway’s top young business talents, the author of *Good Enough for the Bastards*, and the CEO of Innovation Norway. Krohn Traaseth references the lyrics of the iconic Bob Dylan 1964 song “The Times They Are a-Changin’” and asserts that they are still relevant today when thinking of lean leadership. She poses the question: “Is lean leadership possible for the public sector?”

In 2015, the UN adopted the Sustainable Development Goals (SDGs), which defined the 17 most important human, environmental, and economic factors that need improvement. From a business perspective, these are more than goals. They are an order. “If you can solve any of these issues, you have a global market,” explains Krohn Traaseth. She continues to describe how solving these challenges allows for new technology, new innovations, and new *Steve Wozniaks*. That prospect is extremely interesting for small countries like Norway and other Scandinavian regions because it shifts how they perceive the world and their place in it.

One of the SDGs is called “Life Below Water”, which aims to eliminate pollution and overfishing to promote healthy oceans and seas. Krohn Traaseth believes that this topic resonates with Norway as it is well-positioned to gain insights and sell technology and solutions that contribute to this goal. Moreover, some solutions could offer huge potential for technological breakthroughs, leading to growth in the health and med-tech sectors. One solution could be developed from mushrooms found in the sea, which are being studied by Norwegian scientists to determine if they could create the next generation of antibiotics. The country is already the second leading seafood exporter (behind China), but it believes it has more to offer as an ocean nation.

The biggest obstacle to Norway’s success, according to Krohn Traaseth, is figuring out how to scale solutions into sustainable businesses. The country is not a big market, encapsulating roughly 5.2M people. Lean leadership may be the key to scaling. In order to solve the UN’s list of issues, Krohn Traaseth advises, the public and private sector need to work together; issues cannot be solved in a vacuum.

Innovation Norway

As the Norwegian Government’s leading agent of change for enterprise innovation and development, Innovation Norway is tasked with building strong entrepreneurs, transforming existing industries, and building new clusters of industries. In 2017, Krohn Traaseth explains that the company called for new innovations, hoping to encourage more collaboration and innovation between public and private sectors.

Krohn Traaseth believes that this collaboration is required because there is a gap between the income and expenses in the public and private sectors, which will continue to increase by \$5B each year. In 2060, this gap will represent 10% of Norway’s total expenses. Norway is currently one of the wealthiest countries in the world and one of the most desirable places to live. One reason why the citizens are so happy is because of the welfare services available to them. Citizens are not willing to compromise on these services, so Norway needs radical innovation and new ways of thinking to close the expense gap.

Krohn Traaseth reassures that Norway’s expense gap is not large compared to other countries. Norway has always been a country that saves money; there isn’t a sense of urgency around this gap. The country is hailed for creating the world’s largest pension fund, and believes in saving for future generations. However, changes in mindset may be required if it is to begin investing in new technology.

Still, there is no time like the present to begin work. Krohn Traaseth illustrates three ways in which Norway can close the expense gap: increase revenues, decrease costs, and increase the number of people working (as well as how much they work). Innovation Norway focuses on finding the low hanging fruit and, in this scenario, that is increasing productivity. If productivity could increase by 0.5% in the public sector, then the gap would close.

Norway could also take the lead from Sweden and its export strategy. Sweden does not have a vulnerable export chart, but Norway does. Krohn Traaseth describes how, during the past year, the country launched an export strategy where the public sector, and its purchasing power, made a big impact. The city of Bergen, for instance, created clean energy and exported it around the world. This was made possible by the collaboration between the public and private sector. Every year, the Norwegian government buys \$5B of product and services; this money could be used to help boost startups and transform existing companies.

In contrast, Krohn Traaseth asks: What would happen if the public sector was to innovate on its own? One example of this happening is within the school systems. She briefly describes the traditional classroom setup, which has been the same since 1905. Public sector innovation has been mostly incremental, but one recent radical change in schooling came from the private sector. Krohn Traaseth tells the story of a young female engineer who created robots to be the eyes and ears of students who cannot attend school because of poor health. She quickly reaffirms that the robots are not learning on behalf of children, but rather, they’re communicating with teachers and relaying information to the children. The hope is that this technology can be used to help children in underprivileged regions of the world.

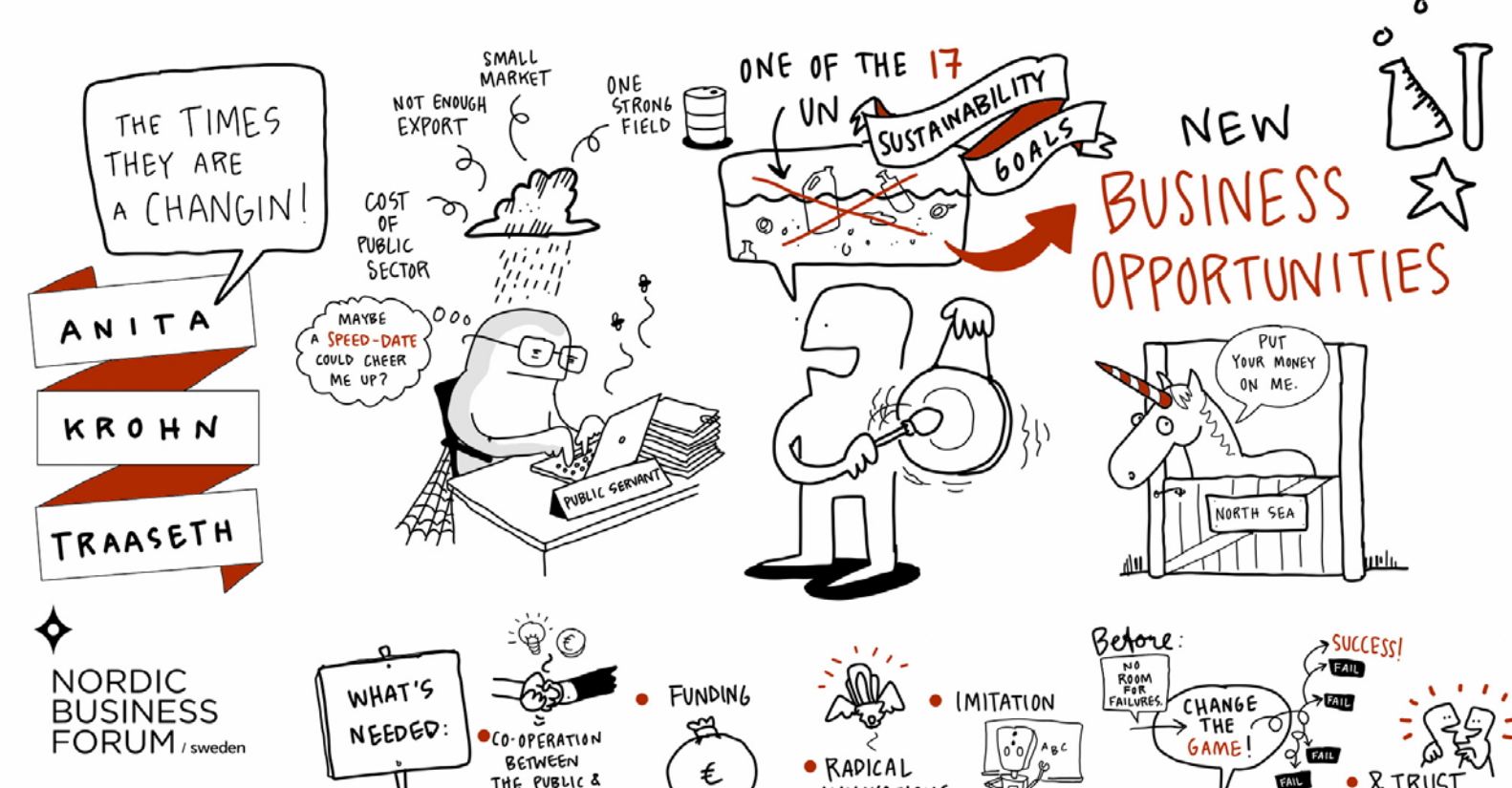
“No one can innovate by themselves,” Krohn Traaseth states, citing a study that evaluated whether the public or private sector in Norway is more inclined to be innovative. The study found that both sectors rank equally for incremental innovations, but big changes are more likely to come from radical innovators in the public sector. Krohn Traaseth claims that the gap between delivering incremental innovation versus radical innovation is significant; currently, only 1.4% of Norway’s public procurements are innovative, leaving a lot of room for improvement.

Innovation Norway is working on changing the way public procurement is handled. Krohn Traaseth demonstrates this by describing a new law recently introduced in Norway to promote innovation — in fact, the word *innovation* was mentioned in writing over 30 times. Now, unlike before, if you’re a startup and a public servant, you can host a workshop to explore your industry’s needs and have a dialogue openly about innovative solutions and resources. If you create something, you can pilot test the solution for the municipality and get paid for it. In other words, you can compete and you can win. Krohn Traaseth says that this new law is just the start of future changes within the culture. The city of Bergen is using the Internet of Things (IoT) in private and public innovation, which allows organizations to think at scale. Using the example of lightbulbs, Krohn Traaseth says that the city can have a conversation about making 1,000 buildings more eco-friendly rather than focusing on just buying better light bulbs. Another example is applying innovative solutions that make tourists feel safe in the mountains. This problem was solved in 36 hours with the help of entrepreneurs. In Krohn Traaseth’s words: “To be Lean, you have to work with partners and you have to open up!”

Innovation Norway’s vision is to be “easy to use and easy to love” — but this is not an easy task. Krohn Traaseth jokes, “Do you have that impression of any bureaucratic organization?” This challenge hits home for many companies, and especially so for one with offices all over Norway and in 30 countries, more than 1000 pages of policy documents, and 100 different services offered.

Krohn Traaseth describes how she and Innovation Norway are making a change by hosting more than 1,000 *speed dates* with customers to learn what they should be doing to be easier to use and love. To its credit, Innovation Norway has improved its response times, reducing the startup application process from 60 days to four, and integrating 17 systems.

Finally, Krohn Traaseth claims that Norway need more imitation. The Norwegian municipalities has the potential to cut costs – equivalent to 12% of operating costs – by learning from each other and applying best practices. These costs would equal \$50B each year. “We will never be able to solve the world’s problems if the public and private sector don’t start working together,” Krohn Traaseth announces. The global community is already starting to see change; in order for the potential for greater development to grow, Norway and the world needs the public and private sector to work together.





ALEX OSTERWALDER

Competing on Business Models

DEVIN KATE POPE

- ▼ The leadership challenge
- ▼ Product and technology aren't enough
- ▼ Be aware during success

It's not enough to focus on the product and technology. Companies that are serious about maintaining success must lead with innovation and business models.

When people call **Alexander Osterwalder** a consultant, he cringes. He likes to think of himself more as a *facilitator* who helps bring out the ideas that people already have, and pair them with the right tools and processes. Osterwalder, the inventor of the Business Model Canvas, thinks disruption is real and widespread. No one is protected from failure, he says, and that's a good thing because it forces innovation.

The leadership challenge

According to a KPMG study that Osterwalder cites, 74% of CEOs are afraid of new entrants disrupting their business model. Despite this concern, these CEOs don't do enough. "Not because they're not smart," Osterwalder says. "Because they're under pressure from the stock market and investors to focus on the short term."

People within companies are trying to innovate, but their success depends on the actions of leadership. "What we need is leadership that goes beyond money and lip service," Osterwalder critiques. "A CEO that doesn't spend at least 1-2 days [a week] focused on innovation isn't going to innovate."

In most institutions, there are two worlds, according to Osterwalder. One world that improves and one world that invents — and the second is where most companies struggle. Each world needs an entirely different way of working, and that's where Osterwalder sees the challenge. "Companies need a dual culture or dual operating systems," he says. "And they need to be world-class at both."

"It's not just government organizations that are having a hard time, it's every single company I've seen in the world that has a challenge with creating breakthrough growth," Osterwalder explains. One company that he says has cracked the code is Amazon. "We can all learn from them. It doesn't matter the industry. You can copy their culture," Osterwalder exalts.

Product and technology aren't enough

Not everyone thinks about their business model hard enough to compete beyond products. And, Osterwalder warns, it's increasingly hard to just innovate on technology and product. "GoPro has a great product and great brand, but their business model is a disaster, and that's why they can't keep ahead of the competition," Osterwalder says.

The range of questions in Osterwalder's Business Model Canvas is meant to make people think long and hard about the reasons underlying their decisions. Some are about the external parts of the business: Who are my customers? What value am I creating for them? How am I reaching them? Other questions tend to the internal matters: What assets do I need? At which activities do I need to be world-class? Which partners can leverage my business model?

The full set of questions help people articulate their business model, which, in turn, "tells the story of how you create, deliver, and capture value [for your organization]," Osterwalder outlines.

Be aware during success

"When you're doing well, it's hard to think of the future," Osterwalder suggests. "Success is the basis for future failure because you get arrogant and so focused on squeezing every dime out of your success that you kill everything that looks different." For institutions that are serious about sustaining growth, Osterwalder encourages them to invest in innovation teams or startups and to remember that many experiments will fail. "You need to invest in 10 ideas, and, if you're a large corporation, invest in 100, because only four are going to outgrow everybody else on a substantial basis," he justifies.

What does Osterwalder want you to understand? "There are business models out there that will disrupt industries with a completely different way of working. ... For most senior executives this is a very hard thing to understand because they've lived with the existing business model for their entire career."

And finally, Osterwalder says: "If you're competing on products and technology alone, good luck — your risk. Think of competing on business models."





ERIC RIES

Lean Startup for Corporations

TAO LIN

- ▼ Overcoming institutional hurdles
- ▼ Changing how we think about internal innovation

Businesses of all kinds can use the Lean Startup methodology to think like a startup and drive cultural change and growth. However, fundamental mindset shifts are needed within more established organizations for the method to work.

In his seminal book *The Lean Startup*, Eric Ries stated that a startup is “a human institution designed to create something new under conditions of extreme uncertainty.”

He said nothing about the size of the company, industry, or sector, and from the moment that his book hit shelves in 2011, Ries had managers of large companies approach him saying they wanted to test out his theory and method.

More importantly, they wanted him to help them. Ries always felt that it was not his place and that it was someone else’s problem to solve. That is, until a couple of well-known general managers pushed over the edge.

Overcoming institutional hurdles

Speaking at the Nordic Business Forum, Ries describes his time applying the Lean Startup method with General Electric (GE), and explains the challenges of applying the method to larger, legacy organizations.

One of the first challenges he faced at GE was when he was asked to help apply the Lean Startup method to the Series X engine project. A hockey stick graph forecasting the annual revenue of the project for the next 30 years was presented to him at a GE workshop. When he questioned the room, which included GE engineers and 25 of the company’s vice presidents, about who actually believed the forecast, uncertainty about the business plan crept in.

“In real life, if you go around claiming that you can predict the future with the power of your mind, you could be committed for insanity,” Ries jokes. “In business, for some reason, we have become obsessed with the idea that if you’re a really diligent manager then you should be able to predict the future — and a failure to do so is some kind of failure of execution and imagination,” he continues.

A core principle of the Lean Startup method is the *minimum viable product* (MVP), which is a quickly-built version of a product that allows a startup to learn the most about its customers with the least amount of effort. But, according to Ries, there was a running joke at GE that no one would ever fly with “a minimum viable engine.” Here, he had to clear up another misunderstanding: Lean is not about cutting corners, but rather, it is about making the problem easier for the engineers to solve from the outset.

The GE team wanted the Series X engine to be a revolutionary, multipurpose engine, but Ries challenged this, suggesting they create one engine to serve just one purpose instead. Why not focus on one specific use and then see if they could add on the complexity of other use-cases?

This idea was the catalyst for a huge transformation within GE; Ries advised GE to think of all its projects as internal company startups. “My experience with them is that they are every bit as much entrepreneurs as anyone you would meet near my house in Silicon Valley. They just work in a totally different context.”

Changing how we think about internal innovation

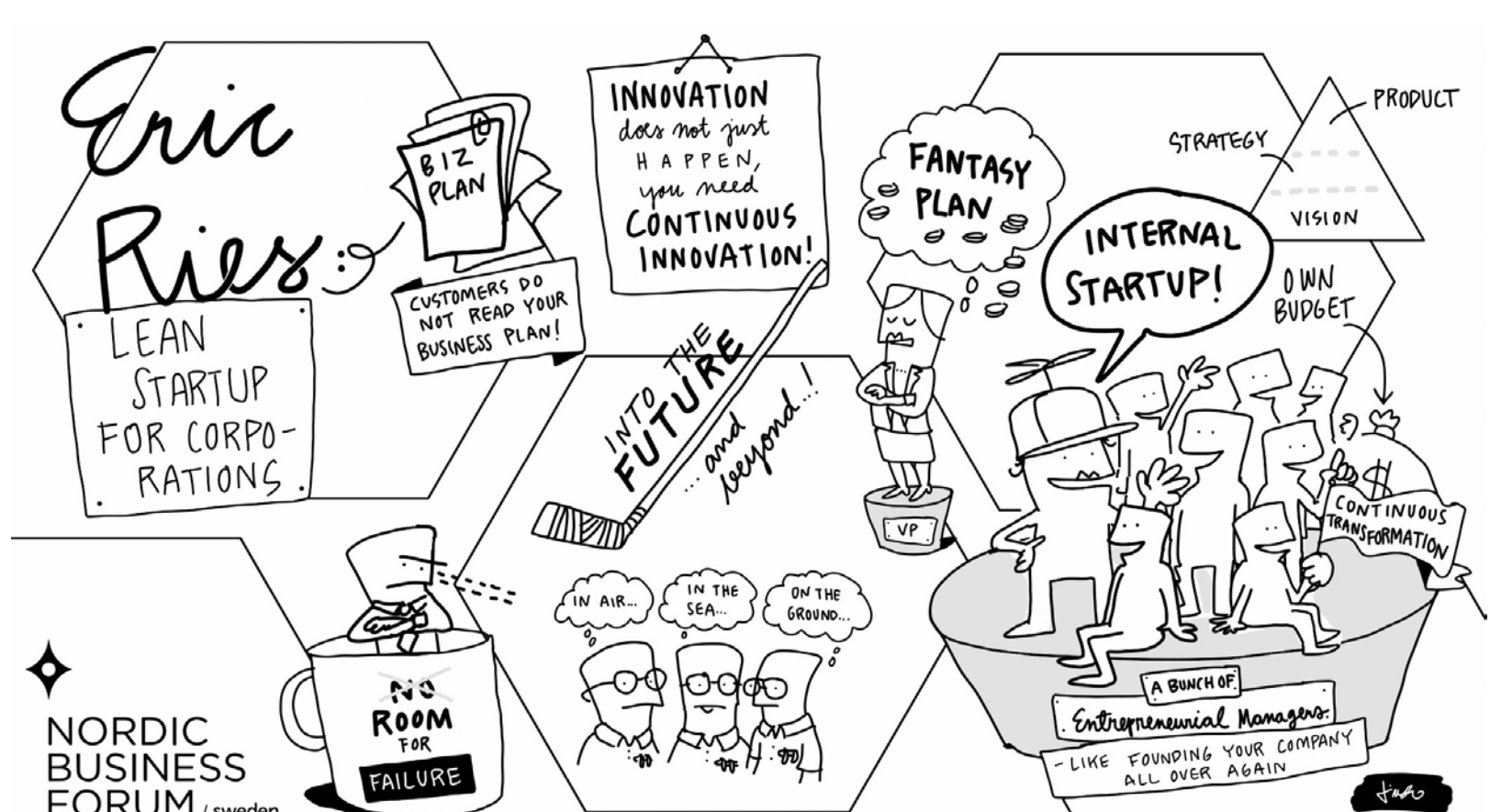
Setting up projects as internal startups is easier said than done when dealing with existing mindsets in a traditional corporate setting. Ries explains that one of the beliefs that needs to change is that good ideas and innovation only happen *outside* of the company.

In reality, experimentation and the execution of ideas is a spectrum and a company’s position on that spectrum changes as it grows and as projects develop. Even a small startup has execution questions and even the most successful company needs experimentation.

With growing innovation and internal startups comes the need for new functions within organizations. Ries explains that when he met with company executives and asked them who was in charge of innovation, most said something along the lines of: “Everyone is in charge of thinking innovatively.”

“Can you imagine if that was the answer we gave for any of the other functions of the corporation? Everyone’s in charge of marketing. We don’t need a Chief Marketing Officer. We don’t need a Chief Financial Officer. Everyone’s in charge of finance,” Ries laughs. “I hope that sounds ridiculous to you, except that’s exactly how we handle innovation in most companies.”

Without an innovation function and someone to oversee it, those tasked with a company’s innovation will be evaluated on another function’s criteria, which is nonsensical. He explains that an entrepreneurial management system is designed to coexist with general management. They rest on common foundations, including investing in people and long-term planning, and both value execution and discipline. Therefore, he concluded, general managers and entrepreneurial managers can work together to produce shared outcomes and, eventually, produce continuous transformation.





DAN TOMA

Innovation Beyond Post-it Notes

MICHAEL STURM

- ▼ Misunderstanding innovation
- ▼ Understanding true innovation
- ▼ A parting shot

The *Corporate Startup* author Dan Toma opens his talk at Nordic Business Forum by telling a story of Albert Einstein. While teaching at Princeton, Einstein was asked by an assistant why the test he had just administered had the same questions as the previous year. Einstein said that this was no mistake. The questions may be exactly the same, but the answers are not. The fast pace of change in physics made answers to problems obsolete fairly quickly. This is not far from reality in the world of business. For years, the answer to most problems had been *optimization*. Now, the answer seems to be *innovation*.

Toma challenges the audience in attendance to ask two key questions: What does innovation really mean? Is innovation really the answer to all of our problems?

Misunderstanding innovation

It is certainly true that coming up with great new ideas, doing research, and prototyping are all vital to innovation. However, Toma emphasizes that this is just the first part of the equation. The second part requires the development of a business model to turn new ideas into a profitable business; the full process turns mere invention into innovation. “Otherwise,” Toma quips, “your innovation department is just a cost center.”

Innovation is not dependent on the size of a company’s budget. Especially in today’s business climate, where funding is ubiquitous and easy to come by, many equate the effectiveness of innovation with the budget thrown at it. Toma believes this to be a misguided belief held by many. He points to a graph that illustrates that the amount of sales revenue generated by a sample set of companies had almost no correlation with their R&D budget. In the same way, Toma admits that innovation does need a team but cautions against thinking that throwing more labor at innovation will yield results. He claims that most innovation teams, even at the largest of companies, are only about 9 members strong.

Toma illustrates his next point by citing his consulting career where he is brought in by large and small teams alike to advise them on innovation. These conversations quickly get stuck on the different tools that should be used, but Toma comments that this is wrong because that misses the first step of innovation. At its core, innovation is about knowing *where* to deploy tools and resources for the best effect – the *how* is not as important. “It’s like digging for gold,” Toma analogizes. “When you’re digging for gold, striking gold depends more on your ability to understand where you need to dig than on your capacity to dig.”

Design Thinking, *Agile*, and *Lean Startup* are trendy innovation solutions, but Toma explains that too much importance is placed on the method, which ultimately sacrifices proper implementation of the tools. A misapplied methodology, however great it may be, can actually do more harm than good to a business. Toma advises companies to be less concerned with the method itself and more focused on the consistent application of its principles.

Companies have a tendency to worry about appearances – what innovation *looks* like – which is another way of getting stuck in the method. Toma recounts a time when he was advising a financial services firm that thought Casual Thursday was the key to sparking innovation. The company got specific about its wardrobe guidelines, including shoes of a particular brand and black turtle-necks, as if dressing the part would make employees more innovative. Clearly, Toma explains, this misses the point and develops an unhealthy fixation on something that isn’t related to innovation.

Understanding true innovation

Toma brings the audience back to his initial question; now that we know what innovation is *not*, we have to figure out what it *is*. Through a series of provocative questions, he insists that innovation is about building a culture where a well-developed process exists, with employee buy-in, which helps people “understand how to think, not what to think.”

Toma admits that part of his positive offering about innovation comes from venture capital firms. Most of them have an “investment thesis” that clearly lays out the types of projects in which they will invest. This concept, he suggests, would benefit companies looking to invest in innovation. With an *innovation thesis*, companies and departments alike could have clear and specific objectives and principles that dictate their investment of time and energy in innovation.

To demonstrate this point, Toma cites U.S. President John F. Kennedy who proclaimed that the U.S. would send a person to the moon and back safely by the end of the decade. Toma explains that Kennedy provided a clear description and timeline that defined a picture of success without being specific about the method. He didn’t tell the American people *how* the feat would be accomplished, but he provided a target at which all innovation efforts were to aim. And because of that, it worked.

It’s impossible to innovate in every sphere – even the biggest companies can’t innovate in every market or on every product. Innovation needs to be deployed strategically. To illustrate this point, Toma cites the examples of Facebook’s 3 Horizons model and Daimler’s Innovation Ambition Matrix. Both companies innovate in purposeful steps; the former looks at the maturity level of products and concepts, while the latter looks at market opportunities and value proposition. For Daimler, innovation becomes about moving from core products like Mercedes Benz and Smart Cars, to services like Car2Go, and eventually to a service like Fling where people rent cars by the minute.

Toma prefers a matrix that combines the two approaches. This way, a company can gauge the maturity of its attempts to venture outside its core business, as well as the distance from its core and its susceptibility to disruption. Toma explains: “basically, you’re not going to be successful if all of your ideas in one corner, or in the opposite.”

Once a company has mapped out its products and services, their levels of maturity, and whether they are core or non-core, it needs a framework or governance. Toma places a heavy emphasis on a framework. Without one, there is no clear way to implement innovation, know where products and services are in their life cycle, and no way to measure the effectiveness of any innovations.

At each stage of a given innovation framework, the business needs to ask a different set of questions. The reason for this is simple, as Toma explains it. The same metrics cannot be compared at two different stages of the innovation process; doing so will lead to the mistaken opinion that innovation isn’t working. That’s part of the reason why so many companies struggle with creating and sustaining a culture of innovation.

Without proper discipline and practice, even the most exorbitant budgets and largest teams will struggle to keep innovation going. Toma explains: “when you create a methodology, create it using the same process that you’re going to ask the people [in your company] to follow.” When that doesn’t happen, innovation rarely gets off the ground – and if it does, it doesn’t gain traction.

Toma encourages a company developing an innovation plan to then use that as a Lean Startup experiment. Like all good similar experiments, it should be customer-centric, where the test customers are your internal people.

A parting shot

As Toma closes his keynote, he shows a quote from Russian novelist Fyodor Dostoyevsky, which reads: “All happy families are alike; each unhappy family is unhappy in its own way.”

His contention is that, if a company follows the principles that he has laid out, they’ll be a happy family – similar to other companies that implement the Lean Startup methodology. Those who miss something along the way will be unhappy, but unhappy in their own way.





CHERI TREE

Personality Matters

DEVIN KATE POPE

- ▼ The way we approach sales is wrong
- ▼ The missing link in a broken system
- ▼ Crack the personality code

One entrepreneur’s argument that an overlooked metric is the most crucial part of selling.

After years of not making as many sales as desired, Cheri Tree, BANK-CODE founder and CEO, decided to figure out the missing link. Tree discovered more than she set out to find and has built her company around helping sales professionals succeed.

The way we approach sales is wrong

Tree has seen many companies focus their energy on sales and, sometimes, not get the results they want. Why? “There’s a myth out there that sales is a numbers game,” she says. “This is one of the great lies told in the sales process.” In fact, Tree cites this as a mistake and a myth that is causing more harm than good. She asks the audience to raise their hand if they’ve heard the saying: “sales is a numbers game.” Most hands go up in the air. “They tell you, to get more *yeses*, you need more *nos*,” Tree explains. “What if I told you that isn’t true? To get more *yeses*, you need more *yeses*.”

After Tree realized this, she began trying to figure out how to get more *yeses* instead of *nos*. “This is when I found the secret: sales is not a numbers game. Sales is a people game,” she reveals. She posits that the better you get at understanding people – as opposed to sales tactics – the more money you’ll make and the longer you’ll retain clients and employees.

The missing link in a broken system

In her first year at a commissions-only sales job, Tree made \$700 and was the worst salesperson on the team. “The only reason they didn’t fire me was that I didn’t quit,” she jokes. Her sights were set on making more money, so she spent the next five years learning how to sell. “I studied every sales training program I could find. I read the books and attended seminars like [Nordic Business Forum]. I took notes and hired mentors and coaches,” Tree recalls. “And I did see progress: my income went from \$700 to \$72k. But that wasn’t the type of income I wanted to earn. I was looking for a lot more than that.” It was at this point that Tree realized something was flawed in the sales process. “I wasn’t sure whether it was me that was broken, or perhaps it was the sales system itself that I was being trained on.” So, Tree reverse-engineered the sales process and found the missing link: she needed to speak using language that was values-based and customer-specific for more effective communication and more lucrative sales. She calls this concept *Buyology*, the science of buying behavior. Buyology tries to identify the exact trigger that makes one person say *no*, and another person say *yes*. The next step is simple: only do that which got a *yes*. After shifting to this approach, Tree says her earnings increased dramatically.

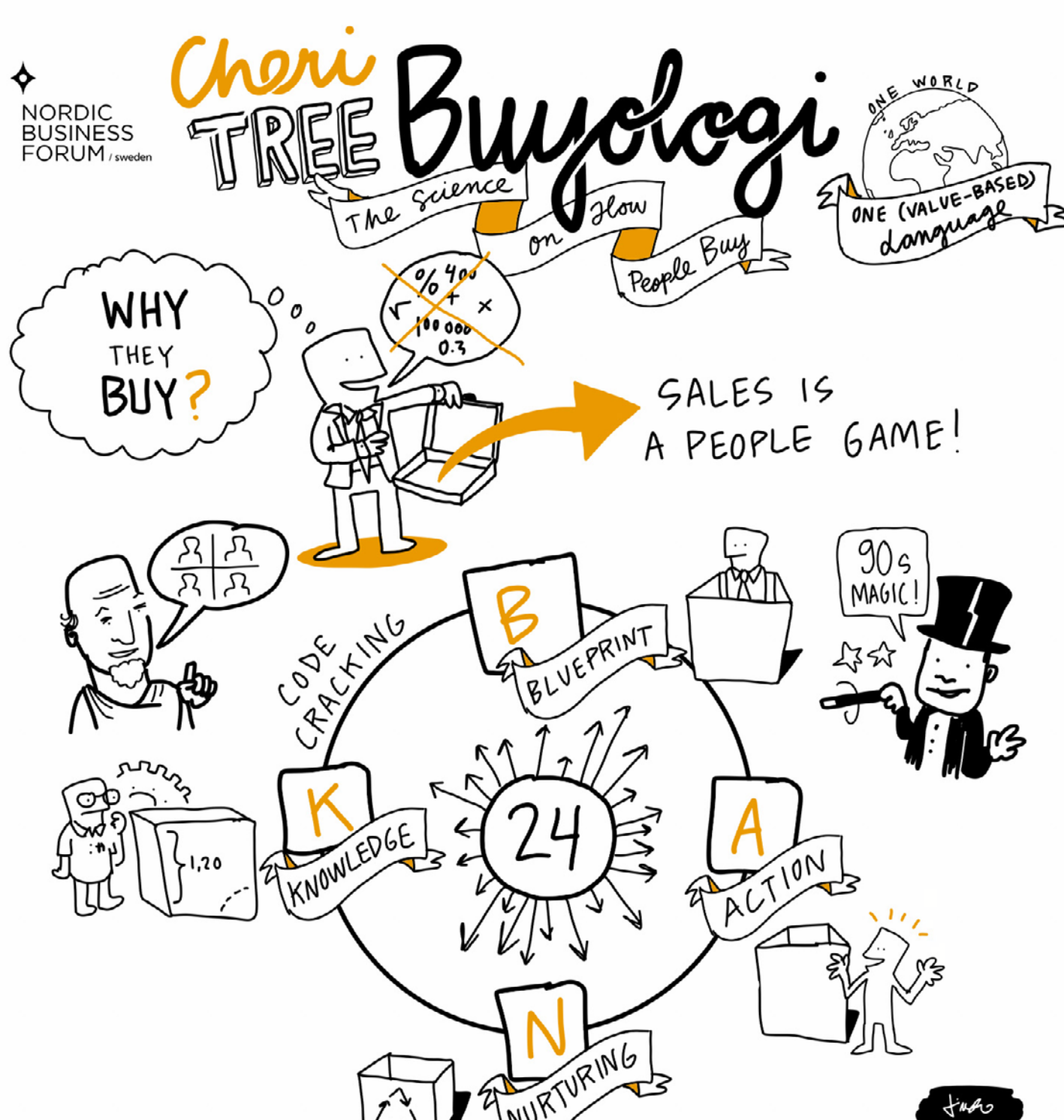
“Companies are spending thousands of hours and millions of dollars annually teaching their people how to sell,” Tree says. “Instead of investing in the only thing that impacts the bottom line, which is: why does your customer buy?” Focusing on the triggers that make a buyer say *yes* helps companies lead lean because it’s about getting *more* results in *less* time.

Crack the personality code

Tree asks the audience: “How many people have taken a personality type assessment?” Almost everyone raises their hand. “At first, I was fascinated, just like you, to get a 40-page report that told me everything about me,” Tree says. “But my fascination turned into frustration when I realized that not one of the tests made more money or helped me improve my sales.” Instead, Tree turned to Hippocrates who, in 400 BC, figured out that there were four fundamental personality types that he treated differently. This made Tree ask: If we all have different temperaments, do we all have different buying personalities too? Her answer was *yes*.

So, Tree advises: stop delivering the same presentation over and over and expecting to win more business. That strategy wastes time and brings more failure. Instead, Tree outlines a method to quickly identify and understand a client’s values, which she and her team developed. She calls this system BANK, an acronym for the four most common buying personalities, which is based on the work of Hippocrates. “I modify everything about my engagement with the customer based on their values,” Tree instructs.

To close, Tree says that her work focuses on the idea that salespeople should understand that customers are different and, as such, there are different ways to get them to say *yes*. “When you train this way across your entire company, you’ll be able to experience a lot more positive results, far more revenue and a happier experience onboarding customers.”





SETH GODIN:

Leadership vs. Management

TAO LIN

- ▼ Striving for excellence
- ▼ Leading the next generation

In a rapidly changing world, leaders – not managers – are the people we need to take us into the future.

Management has been around for more than a century, and it has worked well in terms of increasing economic efficiency and productivity. But, in the face of rapid change, the world needs more than management to successfully get through this next stage of unprecedented transformation.

In his presentation at the Nordic Business Forum in Stockholm, bestselling author and entrepreneur Seth Godin talked about the differences between management and leadership, the confusion surrounding them, and why the world needs more leaders.

Godin pulled no punches with the latter, saying: “When the world changes, management always fails because we don’t understand how to go forward.”

He explains that leadership and management are entirely different things. Top-down management arose from the era of Henry Ford and scientific management, where companies created value by getting employees to do the same tasks repeatedly. “And that works... Until it doesn’t,” Godin comments. The world is changing and, according to Godin, we are not going to be able to *manage* our way out of it. “We are going to have to *lead*. And leadership is not the same as management.”

He urges people to understand that managers need authority, but leaders take responsibility. To put it another way: managers tell people what to do and expect them to do it, while leaders inspire people to follow them of their own free will. Leadership means solving interesting problems, even if they are not on your agenda. Managers are slaves to their agenda.

Godin points out that the reason why we’ve ended up with management-heavy and leadership-poor business environments is because current education systems were not designed to teach people how to be leaders. He explains that school was a product of industrialization, formed around the need to prepare students to become compliant factory workers. “We don’t educate people. We don’t teach them to solve interesting problems. We don’t teach them to lead,” Godin says. As a result, people developed a fear of failure.

Striving for excellence

The next big misunderstanding has to do with quality. At first thought, we might consider quality as something expensive, fancy, or high-class. But what quality really means, Godin clarifies, is “meeting spec,” living up to expectations, and simply “doing what it is supposed to do.” This is where lean management systems are rooted; quality control at the production line of the Japanese car maker Toyota, for example, is designed to ensure that the company *meets the specs*. According to Godin, we have already solved the quality problem. We know how to produce well-functioning products at scale that meet the specifications; we should be striving for *excellence*. Producing something truly great is the only way to build competitive advantage because sophisticated robots, artificial intelligence, and low-paid labor will handle the trivial job of *meeting spec* and assure quality.

The next big idea is about skills or what many call “soft skills” – things like loyalty, creativity, and trustworthiness. Godin first explains that these “soft skills” should be called “real skills” because these are the characteristics that differentiate a potential employee from a robot. Presenting a lengthy list of desirable traits, Godin questions whether they are skills or attitudes? “It turns out most of them are attitudes because you can just *decide*,” Godin answers, but quickly continues, “which makes them a skill, because it can be taught.” So, if you don’t have to be a born leader, why is it so difficult to become one? Because you have to decide; you have to put in the effort to learn these skills.

This takes Godin to talk about a fundamental skill of good leaders: decision-making. Godin asks the audience to think of a good decision that they made in 2017.

Then, he asks whether they came up with a good outcome or a good decision. The smiles of realization that spread across the room illustrate his point; not all good outcomes come from good decisions. “We need to learn how to get better at making actual good decisions and not getting hung up on the idea that the outcome is the point,” Godin cautions.

For Godin, there’s a big difference between choices and decisions. Choices don’t really matter. “Vanilla or chocolate? I don’t know,” Godin waves his hands in the air. What Godin means is that when you come to a fork in the road, one thing is clear; you should just take it and not get too hung up on making the choice. It is the decisions about investing our time, money, effort, and trust that actually matter. That’s where you should spend your time — but we are ignoring those decisions “because we are too busy choosing who to follow on Facebook,” Godin states.

The next big idea is that quitting is for winners. According to Godin, there are two times to quit and one time when you should never quit. “You should never quit in the dip,” he says, referring to the time period right after beginning a project, when things suddenly become hard and the excitement starts to wane. You should either quit before you start or quit at the end because you have made it through the dip and it wasn’t worth it.

Refocusing on the idea of innovation, Godin says: “If failure is not an option, then neither is success.” In his experience, effective leadership can help companies navigate this slippery slope. “What leaders do is find processes, what managers do is find roads.” And if we can see in our head that something is possible, we can become responsible for the decisions to achieve our desired results. Once we have become responsible, we can build a process.

Leading the next generation

Godin finishes his talk by painting the bigger picture for the audience. What is the job of a leader? It is to connect and challenge people, to build a culture, and to communicate. Ultimately, it is about taking the world in the right direction.

“Given what you’ve got, the connection to so many people, the trust, the resources, the fact that there’s a roof over your head and there’s a safety net... Given that you’ve got that and there’s this generation coming after us, what are you going to do for them? Where are you going to take them?”





ALEX OSTERWALDER

Building Invincible Companies

MELANIE GRANO

- ▼ Business model portfolio
- ▼ Measuring and testing

Dr. Alexander Osterwalder, Swiss business theorist, author, and consultant, looks at how companies can harness business model strategies and portfolios to become invincible.

Alex Osterwalder addresses his audience at Nordic Business Forum with a bold question: how do you create invincible companies? The answer, according to Osterwalder, is found in the competitive advantage of business models. He demonstrates this using a video, which explains that modern successful companies have understood that superior business models translate to superior business, and that it's not enough to compete using products, services, and technology alone. With this in mind, Osterwalder outlines the different levels of business model strategies.

Starting at Level 0, these companies focus mainly on product and technology related services and build great value propositions with a strong product-market fit. Some companies at this level, which the video labels “The Oblivious,” are unaware that combining their product with a smarter business model strategy would make them more competitive.

Level 1 organizations are “The Beginners.” These companies realize that products and technology are not enough to carve a competitive edge in their market and are *beginning* to explore new business model strategies.

Level 2 companies are “The Masters” and know how to build outstanding business models. They understand that success is found beyond covering all the traditional components of the business model. As Osterwalder describes, these companies think of their strategy “as a continuous story” that runs through their business, in which every piece of the story reinforces the business model.

Finally, “The Invincibles” operate at Level 3. Not only have these companies already built outstanding business models, but they continually think of and build new ones. They don't settle on one strategy; they're not satisfied by one set of results. Osterwalder explains that these companies are constantly evolving their strategy, testing and validating, in the name of progress. Apple and Amazon are two examples of these *invincible* organizations.

Business model portfolio

Known as the creator of the Business Model Canvas, Osterwalder states that business model portfolios are key tools for successful growth and development of an organization – from startups to existing companies. The focus of the company needs to change depending on the needs of the business. Aside from culture, Osterwalder thinks it is vital startups are led by people who can deal with risk and ambiguity. Whereas, existing companies need to make sure they have executors who can drive the business forward. By extension, great companies are built on a partnership between the two.

Osterwalder says that the nature of mature businesses is that they have “a death or disruption risk axis.” Those companies, such as the world's largest food and beverage company Nestlé, usually thrive because they are continually assessing and changing depending on where the risks and disruptions are. When Nestlé realized the popular mindset shift towards sugar, making it the *enemy* of a healthy diet, it sold a lot of that side of its business to Ferrero Rocher and focused more on the healthier products in its portfolio.

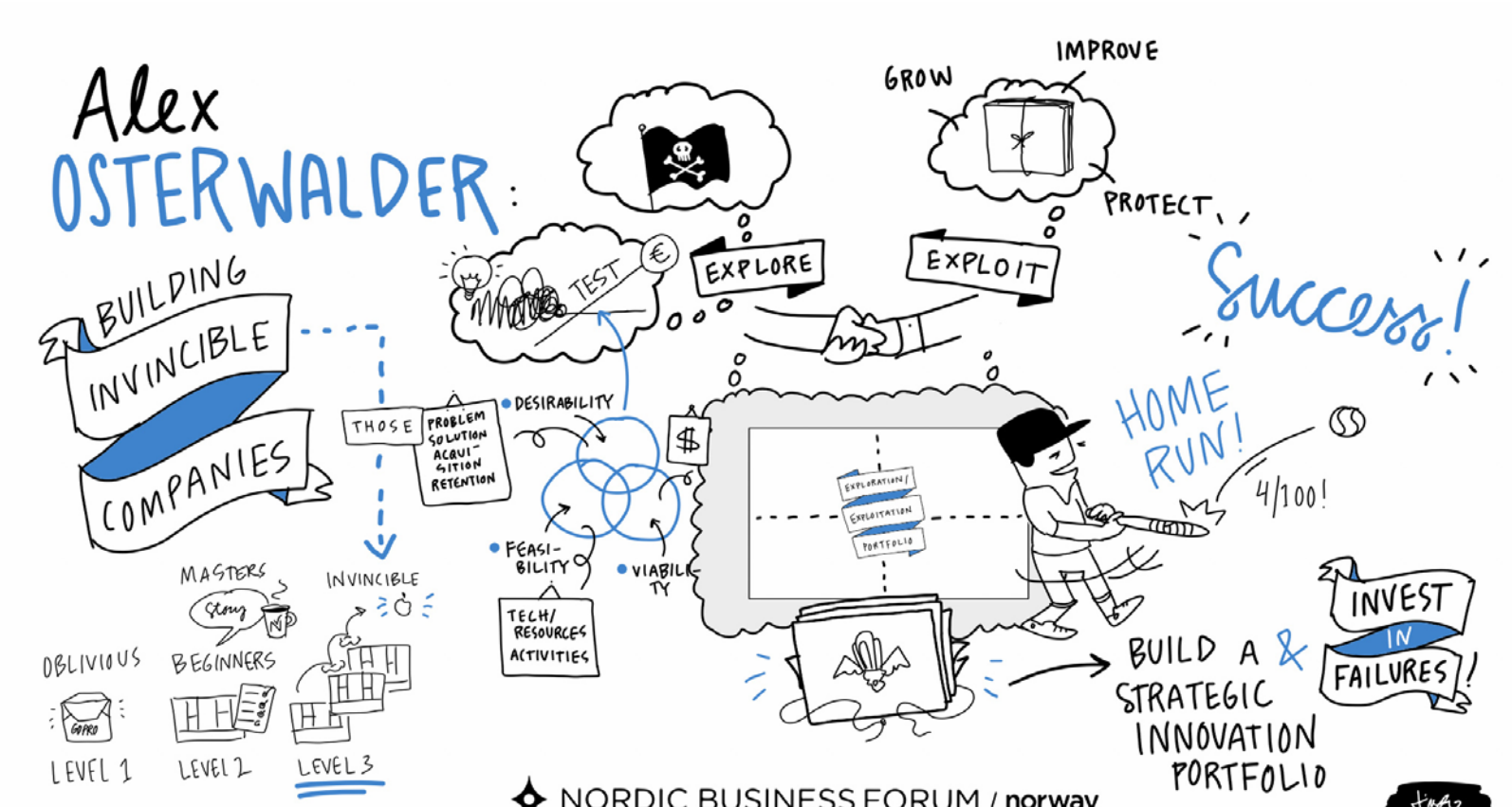
Where things really change is in the *innovation portfolio*. Quoting serial-entrepreneur Steve Blank, Osterwalder claims that there is a lot of *innovation theater* taking place; people still haven't been equipped with the power to make a real difference, so they put on a show. While an idea might be great, it needs testing. Otherwise, you end up with a business death risk. For Osterwalder, Nespresso highlights this well. The company's initial product almost forced it out of business, and it took almost two years and a change of leadership to get the product right. It didn't test. Effective Lean startups thoroughly test a new business idea to reduce the uncertainty around the risk of the business idea. Metered funding is a great tool to do this.

Measuring and testing

How can a business know whether they have significantly reduced the risk to the business? “Measure,” says Osterwalder. Companies need to test and *de-risk* the desirability, viability, and feasibility of a new business idea. Test desirability first: Have you validated the pains and gains of your customer? Only once you have done that, do you come up with the solution, which is the second thing that needs to be tested. Following that, customer acquisition needs the same de-risking treatment. Osterwalder stresses the importance of being specific about what you will measure in order to de-risk an idea. If a company knows how to reach their customer, which channels to use, and what it will cost to acquire them, then they can measure retention. Feasibility testing is where a company needs to look at whether they can build or make the product they want to sell. Can technology and resources be managed and easily accessed? The last thing to know is whether the company can manage large-scale production, as well as revenue and costs. If all these factors have been taken into account, then you've de-risked feasibility successfully.

However, traditional managers can't do this. You need a different team with an entrepreneurial edge. Osterwalder suggests companies establish an “explore” portfolio and accept that failure is part of the process. “You can't pick the winners without picking the losers,” he says. What is key, though, is that an idea fails fast without costing a fortune.

To keep innovation alive and to have a pipeline of new business ideas that can then be driven forward, Osterwalder advocates that organizations need to keep a balance between the risk and disruption management and the explore portfolio. “It is a continuous dance and reinvention. If you don't have that, you will die as a business,” Osterwalder says.





LENA APLER

Leadership in a Growing Company in Constant Change

MELANIE GRANO

- ▼ A well-thought-out recruitment strategy is at the heart of a company's success
- ▼ Leaders need to identify weaknesses in their leadership strategy
- ▼ Leaders with compassion
- ▼ Human leadership rules

Lena Apler, founder and chairman of Collector and Collector Bank, draws on her professional experience to examine how leadership can turn a successful startup into a thriving company, while keeping the management and employee structure Lean.

Though she is still in search of a scientific formula for building successful companies, Lena Apler is sure about one thing: There are two types of leaders that must eventually come together to allow for growth and an increase in company turnover and profit.

Large, established, companies are typically run by a type of personality or leader who Apler calls an *administrator*. They offer the organization stability, maintenance and rely on the safety of facts to make decisions. They tend to be risk-averse, making them unsuitable for founding and running a startup. That task is left to the *developer*. Developers embrace change, drive growth, and are willing to adopt new ideas. They are also open to learning from failing or from making mistakes.

Apler experienced this first-hand when she withdrew from the comfort of a successful corporation to start her own venture. She sees herself as a developer, having come round to the idea of entrepreneurship later in life. "Starting a company with four people is completely different to coming from an established organization with a proven track record. I was trying to convince people of my business' viability while the ink was still drying on my business cards," she explains.

A well-thought-out recruitment strategy is at the heart of a company's success

Recruiting for a startup is hugely important. New hires must believe in the company's vision and be developers in their own right, but not be so independent to lead the company astray. Everyone needs to pull together. Recruits need to fit in seamlessly with existing employees; one rotten apple will spoil the barrel, so it is crucial to take time and care when hiring new people. In Apler's experience, recruitment mistakes can start to creep in when the company grows to around 20 people. It becomes apparent quickly that someone is not getting along, so it is important to let them go before they affect other team members and the negativity spreads.

Leaders need to identify weaknesses in their leadership strategy

In the process of starting and building a company, entrepreneurs will typically identify aspects of their leadership style and personality that need improvement. Apler says she became a control freak, checking everything had been done just as she wanted. However, this practice was exhausting and destructive. She believes most developers suffer this at some point: "I think it is rooted in anxiety."

Apler also says that being able to admit mistakes and failures is essential for growth, and that learning from your failures and from one another are the best business lessons of all. Apler describes how she needed new competencies in her leadership team once she had reached 20 employees. At this point, she considers it wise to involve an administrator in making decisions to complement the developer's leadership style and stabilize the company, allowing it to grow securely. Apler says that finding the perfect partnership between an administrator and a developer is essential for a business to thrive.

Once you have found a balance in the leadership team, between the developer and the administrator, growth generally follows. However, Apler thinks it is necessary for the developer to trust the administrator and team to help them embrace responsibility. Showing trust allows colleagues to be creative and take ownership of key areas, which will result in greater commitment across the board – both from the top-down and bottom-up. Encouraging ideas and letting people try them out allows creativity to flow within the organization. It becomes a demand within the business rather than just a dream.

Leaders with compassion

A great leader – regardless of the company's size – is at the heart of an organization's growth and success. Apler urges fellow leaders to show genuine compassion: "You need to love people to lead people."

Leaders don't have to be perfect all the time. It is alright to show that you don't grasp everything immediately. Or that you are confused by something. Being open about it, starting from the top, means colleagues see it is acceptable to not know the answer to every question straight away. This openness is a way in which a tight team develops, going on to a collective learning journey.

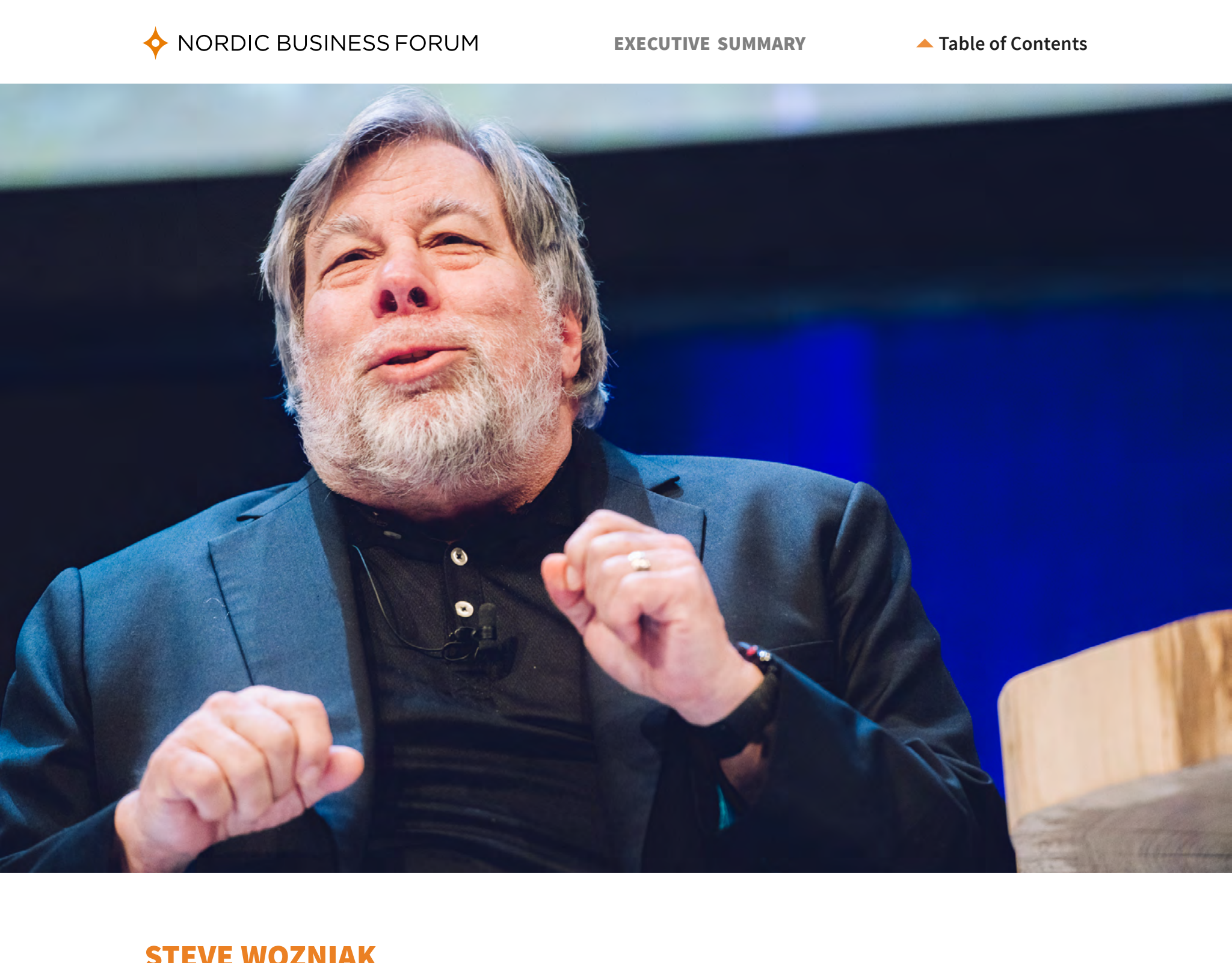
However, this creativity and flexibility needs to be monitored to ensure that the company's mission and vision remain the collective focus. That's why Apler considers it smart to employ someone who is your exact opposite, someone who challenges you at different stages and questions whether the company is on the right path.

Human leadership rules

Apler says she believes that we can't digitize leadership; artificial intelligence (AI) is no substitute for human qualities. However, she quickly adds that a mixture of intelligence, emotion, and a little bit of AI could be the perfect recipe.

In Apler's mind, the best leaders are also the greatest listeners. If you can learn to listen to those around you, she advises, creativity will flow and your company will grow as a result. You have to leave egos at the door and accept that some people will have better ideas than you. Embrace them and your turnover will be enhanced and your company will be strengthened.





STEVE WOZNIAK

Moderated Discussion with Seth Godin

MICHAEL STURM

- ▼ Roots: tinkering and tomfoolery
- ▼ Woz's philosophy
- ▼ Workarounds turned game-changers
- ▼ Morality, music, and media
- ▼ The future of tech, the next "Woz", and AI

Steve Wozniak is a man of intensity, but not in the same way that his former collaborator and business partner, Steve Jobs, was. Wozniak's energy was directed towards things other than profit or status. "I didn't do any of this for the money, I did it because I wanted to bring good computers to the world," Wozniak explains. And now, more than 40 years after Apple was founded, that's exactly what Steve Wozniak has done – and then some.

Seth Godin sat down with Wozniak, affectionately known as "The Woz", in front of the audience at Nordic Business Forum Sweden in a session for which the purpose was light – just pick the man's brain. But, when you pick a brain like the Woz's – the man who basically invented modern personal computing – you're bound to find yourself in an array of anecdotes and sidebars. Wozniak had no shortage of thoughts to share, and his signature enthusiasm lit up the stage as he spoke on various topics.

Roots: tinkering and tomfoolery

Godin opened the session by asking what was it like around the Wozniak dinner table growing up?

Wozniak's father was an engineer working for Lockheed Martin and planted the seed of engineering in him very early. The dinner table talk centered around questions from a young boy, followed by encouragement from his father to try to figure out the answers. Wozniak emphasized that, at the time he was in high school, there was no career path for people designing computers. It's an almost inconceivable state of affairs considering the job market today.

But, it was more than simply technical acumen and curiosity that fueled young Wozniak. Godin pulled out a wrapped gift for Wozniak, which he promptly opened. It was a copy of an installment of the *Tom Swift* series of books: *Race to the Moon*. As if it were yesterday, Wozniak launched into an explanation of the series that he and so many of his geeky cohorts devoured as kids. He described the plot: A millionaire who owns his own company responds to tragedies by retreating to his laboratory and building something in order to solve the problem with technology. It's a notable foreshadowing of the world that we know now to be true, something that Wozniak's grinning explanation surely conceals.

"Motivation is more important than knowledge. You can go to school and get a lot of knowledge, but if you get a want – I *want* to do something, I *want* to be somewhere – that's often a lot more important," Wozniak advises.

At Godin's behest, Wozniak regaled the crowd with stories of practical joking the way that only he and Steve Jobs could do it: with intense planning, tinkering, and testing.

One story starred a giant banner to be used as the backdrop of his high school graduation, which featured a realistically painted middle finger. It was rigged with a complex unfurling mechanism and took four days to perfect. Another story detailed a failed attempt at turning the sprinkler system on the parents during the graduation ceremony. Jobs smooth-talked the janitor into revealing where the controls were located, and Wozniak planned the rest. He took care of all the details, even epoxying shut the shed containing the controls so that when the prank was to happen, the janitor couldn't get into the shed to turn the sprinklers off.

Woz's philosophy

As Godin noted, Wozniak's path to becoming an inventor of the modern technological age was anything but a straight line. Wozniak immediately explained that the paths that he took through life were driven by a very simple philosophy that he came up with early on in life: "Life is about happiness... So I came up with my formula: *happiness = smiles - frowns*. How do you get rid of the frowns? I worked on that: don't care that much that you're going to frown," he explained.

Part of that pursuit of happiness involved working on projects that many others would think either impossible or fruitless. Wozniak told the story of Steve Jobs coming to him and asking to create a working prototype of the game *Breakout* for Atari in 4 days, which was about 1/20th of the normal timeframe for such a project. He worked on it because, to him, it seemed like fun – it would make him happy. He loved the burgeoning field of arcade games and was willing to try his hand at making one.

As he explained the harrowing process of making *Breakout* in 4 days, he delved into an explanation of leveraging the states just before sleep and upon waking to do creative problem-solving. As he did so, he abruptly realized that he'd shown his particular meandering way to the entire crowd, "I'm sorry, what was the question?" he asked with a smile.

Workarounds turned game-changers

The thing about the invention of *Breakout*, Wozniak explains, is that it was the first time in history where a digital computer was communicating with an analog system (the television). As Godin helped explain to the audience, prior to *Breakout*, it would take years to set up all of the hardware required for software to influence what a television screen displayed. *Breakout* changed all that with a simple workaround that simply came to Wozniak when he was under pressure to produce a game in a seemingly impossible timeframe.

As Wozniak explained it, the result of *Breakout*, the ability to display software programs on television screens in color, changed the way computers were marketed. Once games were on computers, there was a reason to get them into homes. The Apple II allowed the creation of games as software by anyone who knew the basic language and could work with it in a short amount of time. So, Wozniak's trip into tinkering with games on a crazy request from a friend essentially opened the door to home computing and app development as we know it.

The same spirit of taking on crazy and lofty ideas on a tight deadline also underlay the creation of the floppy disk drive for the Apple II, which put Apple on the map in the consumer electronics industry. In Wozniak's words, when Apple was invited to the Consumer Electronics Show in Las Vegas for the first time, he was not slated to go. So, he asked in a board meeting: if he created a floppy disk drive to save and run programs, would he be able to go to Vegas to show it? Two weeks later, the floppy disk drive was born, forged from disassembling other hardware, tinkering, and using workarounds. There truly was a method to the madness.

Morality, music, and media

While Wozniak's story displays his unmatched talent and creativity, he is also well known for his generosity and willingness to do the right thing, even when doing so would cost him a great deal of money. Taking Godin's cue, Wozniak talked about how he distributed his Apple shares after it went public in 1980. At that time, only three employees of Apple had stock: its founders. To Wozniak, that simply didn't seem fair. So, he did two things to set things right in his view.

First, he gave five people tens of millions of his stock, which was worth millions. They were people whom Wozniak identified as crucial in his professional growth and the growth of the company, dating back to the pre-Apple computing days.

Second, he established the "Woz Fund" for 80 or so people at Apple. The fund held shares that were buyable at pre-IPO prices, setting limits on how much a single person could buy and sell. By Wozniak's estimates, "they each made about a house out of the deal."

Godin asked Wozniak about the US Music Festival, which Wozniak founded in 1982. As the story goes, in 1981, Wozniak was in a plane crash and survived, which prompted him to go back to UC Berkeley to finish earning his degree. (He had taken a break from school ten years or so prior to that.) While there – enrolled under the name "Rocky Raccoon Clark" – he was so struck by the music scene at the time that he found someone to help get a bunch of bands together and sell tickets. Each of the two years the festival was on (1982 and 83), they sold over 1 million tickets; the festival became the model for all that would follow. It included the first giant video screen and accompanying live broadcast, which just so happened to stream to the USSR...during the Cold War.

Afterward, Wozniak began funding and organizing various activities to use technology to bridge the cultural gap between the US and Soviet Union. He refers to this as "personal diplomacy" – something he thinks is a much better way to make change than *politics*. That rationale revealed the reason why he left the board of the Electronic Frontier Foundation (EFF). He was on the initial board and put up the money to create it but decided to leave when he felt that they became too political by lobbying on Capitol Hill.

The future of tech, the next "Woz", and AI

During the Q&A section, Wozniak displayed his penchant for zipping back and forth between trains of thought, as Godin peppered him with a few questions from the conference participants. Wozniak expressed his love of good customer service but explained that, in his experience, it always came by way of trying to make the product better rather than by trying to make the customer happy. He also expressed his love for the Apple Watch, his skepticism over Elon Musk and Tesla (at least, compared to other electric cars), and his thoughts about Silicon Valley only having a leg up on the competition because it was the first in the tech game.

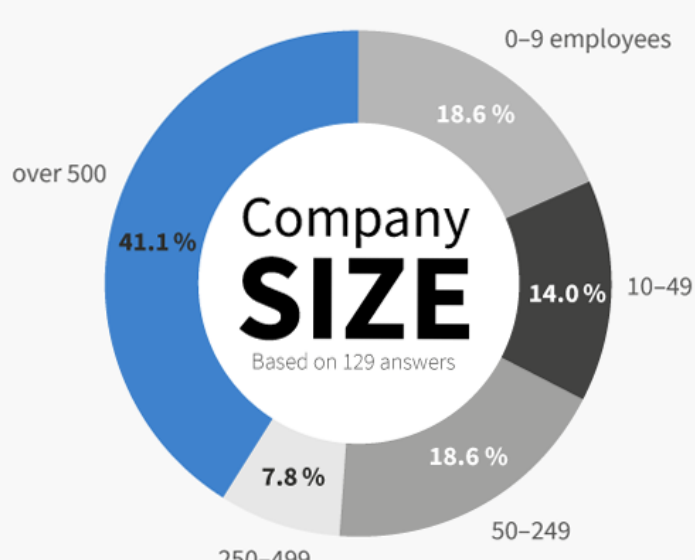
Perhaps the most interesting responses to an attendee question came when someone asked how parents can raise the next *Steve Wozniak*, or how companies can *hire* one, and what Steve thought about artificial intelligence (AI). Wozniak's answer to the first question was simply that there is no formula for raising genius engineers and programmers. For him, so much of how creative a person is, and how innovative they can be, is based on personality, as it was for him. He believes that structure, restriction, and forced values are a surefire way to kill creativity and motivation. He didn't force values and structure on his kids and recommends it as a good general practice.

Regarding AI, Wozniak's initial comment was "I agree with the 'A'" implying that any intelligence that machines display is going to be unlike how the human mind works. For simple tasks and automation that make human life easier, there is still fertile ground for development, which we should be pursuing. But, in Wozniak's mind, we're still a long way from getting anywhere close to manufacturing minds in any way other than the standard method, which he jokingly remarked: "takes about nine months."

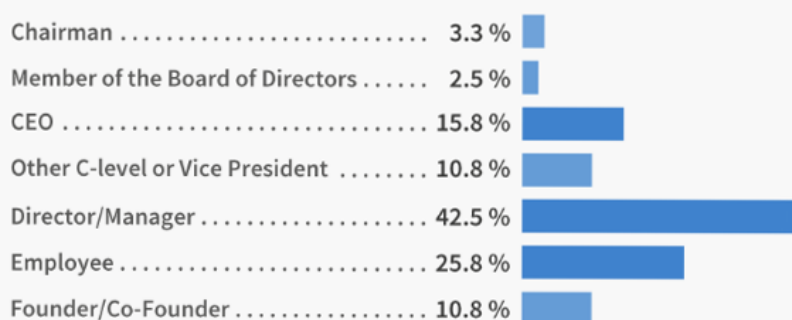


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Feedback Summary Norway 2018



Professions among participants



thought that **the seminar provided new ideas** that they can apply to practice

92.3%

Based on 130 answers



thought that **networking possibilities at the seminar** were good or excellent

80%

Based on 135 answers

Customer Service in the Seminar



5.00 / 6.00

Based on 132 answers



82%

thought that the advance materials, videos, and informing of the seminar were good or excellent

Based on 122 answers

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93.4%

of all guests valued the overall experience at the seminar as **good or excellent**



Speaker Ratings NBF Norway 2018

GRADING SCALE: 1 (WEAK) – 6 (EXCELLENT)



5.42

Eric Ries



5.68

Alex Osterwalder



5.32

Seth Godin



3.89

Anita Krohn Traaseth



4.40

Dan Toma



3.92

Hans-Petter Nygård-Hansen



4.25

Alf Rehn



4.01

Breakout Sessions

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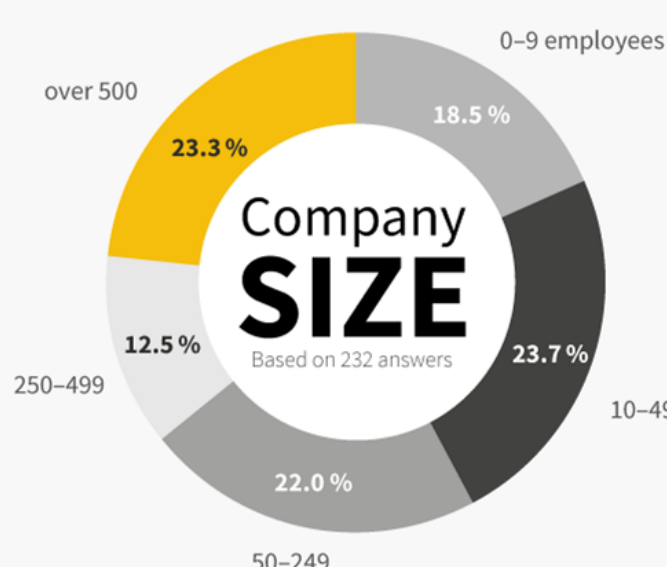


93.2%

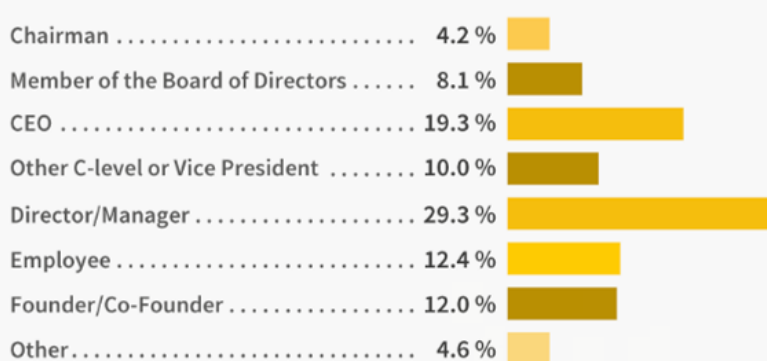
of the guest would **recommend the event** to others

Based on 133 answers

Feedback Summary Sweden 2018



Professions among participants



Based on 259 answers from NBForum Sweden 2018



thought that **the seminar provided new ideas** that they can apply to practice

85.9%

Based on 213 answers



thought that **networking possibilities at the seminar** were good or excellent

87.1%

Based on 210 answers

61% made valuable connections in the seminar

Customer Service in the Seminar



5.45 / 6.00

Based on 218 answers



89.9%

thought that the advance materials, videos, and informing of the seminar were good or excellent

Based on 207 answers

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95.2%

of all guests valued the overall experience at the seminar as **good or excellent**



Based on 208 answers

Speaker Ratings NBF Sweden 2018

GRADING SCALE: 1 (WEAK) - 6 (EXCELLENT)



5.26

Eric Ries



5.29

Steve Wozniak



5.67

Seth Godin



4.10

Anita Krohn Traaseth



2.91

Lena Apler



3.96

Cheri Tree



5.55

Pep Rosenfeld

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93.2%

of the guest would **recommend the event** to others

Based on 219 answers

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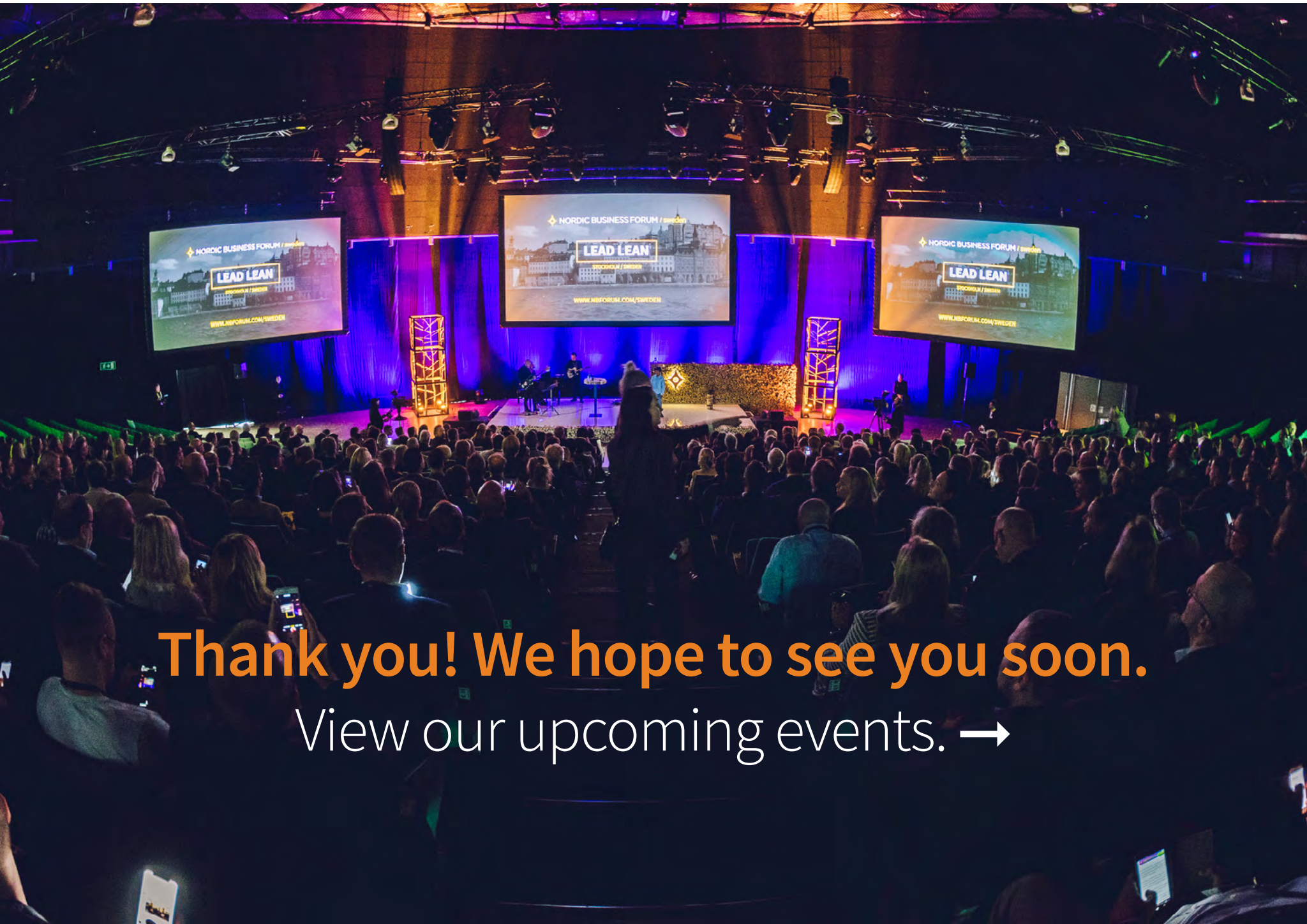
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