

## Thriving in an Exponential Age

By Francisco Gomez

**M**ost of us have a general understanding of technological improvement and innovation. We assume things will change and advance over time. After all, we carry an electronic reminder of these improvements in our very pockets. Every release of a new phone model, the latest App, or newest OS is emblematic of this rapidly-improving technology. However, these improvements are merely a hint of what is actually occurring and the accelerated trend it forms a part of. There is a great undercurrent of change being

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– Peter Diamandis

driven by biotechnology, artificial intelligence, robotics, networks, neuroscience, and nanotechnology among others, and it is moving at an exponential rate of growth. This presents most industries with as much opportunity as it does risk and the outcome depends, in great part, on their ability to rapidly and effectively influence employee behavior. After all, business results are the product of human behavior. Let's consider some context and definitions before diving in to the behavioral implications.

*An Exponential Organization (ExO) is one whose impact (or output) is disproportionately large—at least 10x larger—compared to its peers because of the use of new organizational techniques that leverage accelerating technologies.*

Ismail, Salim; Malone, Michael S.; van Geest, Yuri (2014-10-18). Exponential Organizations: Why new organizations are ten times better, faster, and cheaper than yours (and what to do about it).

*Examples of Exponential Organizations:*



There are many more and their numbers are growing every month.

The term “disruption” embodies the opportunity as well as the threat inherent in this exponential era. Disruption is when some type



**“An analysis of the history of technology shows that technological change is exponential, contrary to the common-sense ‘intuitive linear’ view. So we won’t experience 100 years of progress in the 21st century—it will be more like 20,000 years of progress (at today’s rate). The ‘returns,’ such as chip speed and cost-effectiveness, also increase exponentially. There’s even exponential growth in the rate of exponential growth.”**

– Ray Kurzweil

of innovation (it could be a product, process, or solution) turns an industry upside down by dramatically changing the way it does business. For example; Wikipedia disrupted the paper-based encyclopedia industry; Netflix disrupted Blockbuster; Amazon is disrupting the publishing industry; in the global transport industry, steamboats disrupted sail ships; digital media that could be downloaded disrupted CDs and DVDs. A company can intentionally disrupt itself by innovating and rapidly adapting to the change the business environment requires or it can be disrupted by a competitor and become obsolete. To remain competitive in the current environment, companies need to be able to keep up with the competition in adopting technological advancement in research, product and service development, communication, productivity, quality, and customer service. Customers have come to expect and demand more technologically advanced services, and they will go to the competition if one can’t satisfy that demand. Peter Diamandis, co-founder and executive chairman of Singularity University and co-author of *Abundance: The Future is Better than You Think*, warns us “You either

disrupt your own company or someone else will.” When speaking at the World Economic Forum he shared his perspective on Kodak’s demise. In 1996, Kodak had a market cap of \$28B with 140,000 employees. However, in 2012, they declared bankruptcy because, according to Peter, they failed to adapt to the digital technology the customer demanded. Coincidentally, that same year Instagram, the photo and video sharing social network,



was acquired by Facebook at a market valuation of \$1B. They had 13 employees at the time. In refusing to disrupt their traditional way of doing business, Kodak ended up being disrupted by a new generation that demanded the digital ecosystem that Instagram’s exponential entrepreneurs responded to

successfully. There are many other such stories of industries being disrupted, and the expectation is that this trend will continue.

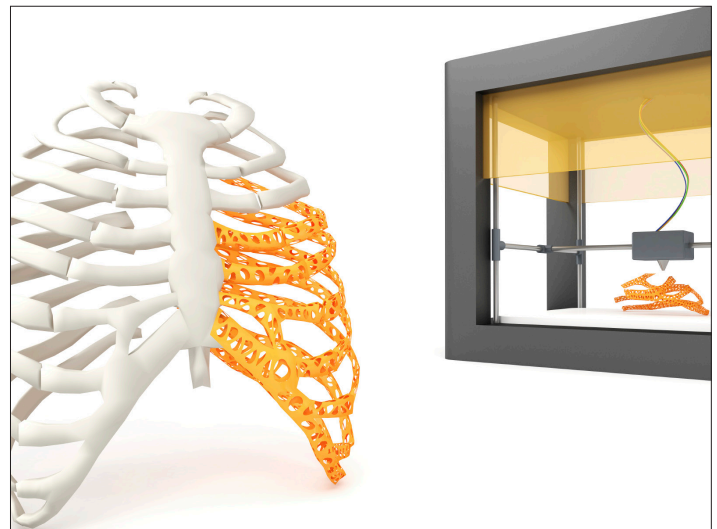
Look around and you will see opportunity and competitive pressure all around us. Retail and financial service organizations compete in keeping up with a tech savvy customer base that demands better website and mobile tools. Transportation, mining, and manufacturing companies are rapidly increasing the use of robotics to improve safety, productivity, quality, and efficiency. Healthcare will be transformed by improved sensors, 3D printing, and artificial intelligence within the next five to ten years. Presently, handheld devices are taking over laboratory visits and analysis with home blood sugar monitors. And most immediately apparent of all, the way all industries communicate with the customer changes on a dime, mostly driven by internet trends. After all, the common denominator

across all industries’ customer base is the internet. The percentage of the US population using the internet jumped from 44.1% in 2000 to 87% in 2014)!

Now more than ever, organizations must embrace the importance of change management and organizational behavior change. These are not new concepts for large corporations. However, the speed at which change is required is a new dynamic. Diamandis states, “*We are living toward incredible times where the only constant is change, and the rate of change is increasing.*” Competitive pressure emerging from exponential technologies sets the stage for businesses to grow and evolve. However, in order to capitalize on this progression and to do it with the speed required to stay on top, it is essential for leaders to familiarize themselves with the critical ingredient of exponential change—human behavior. Adapting to this accelerating current begins with an understanding

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that human behavior is the driver for every single business opportunity. Behaviors—the things that your employees do and say—are the constituents of a company’s successes and failures. Behaviors are what transform your business strategy from hopes, dreams, and aspirations, to tangible, objective reality. If your business strategy pivots in order to adapt to competitive pressures or customer demand, then employee behaviors must change accordingly to support the new strategy. In other words, the behaviors leaders and employees do today are not the same behaviors that will help your company adapt for tomorrow.

There are three primary ways organizations can bolster themselves behaviorally and leverage the exponential opportunities:

- 1) **Promote greater organizational agility through behavior-based coaching.** Great leaders are defined by how effective they are at influencing behavior. A great leader is a great coach. By coaching and influencing the behaviors that are anchored to business objectives, leaders are able to drive change, including the rapid development and/or adoption of innovative solutions. Adaptability and survival requires organizations to pivot quickly and not waste time on slow and inefficient execution of their business strategies. Rapid and successful execution on business objectives can only happen when leaders at all levels can analyze performance issues from a behavioral perspective, set clear and objective direction, provide helpful feedback, develop employees, and use positive reinforcement to shape the behaviors that are most important to the business.
- 2) **Develop and nurture innovation-friendly cultures.** We define culture as the patterns of behavior that are encouraged or discouraged by people, processes, or sys-



tems. One of the key roles for a leader is to build and sustain environments that encourage innovative behavior patterns. Environments where employees do what they do because they want to, not have to, are fertile for innovation. In short, what that means is that leaders need to inspire employees, ask for and reinforce their good ideas, and help them understand the impact and value they bring to the business. Employees need reinforcement for trying out new solutions. At the opposite extreme, a fear-based organization where employees are constantly afraid of being punished is very likely to stifle out-of-the-box thinking as well as development of and sharing of new approaches. In these environments, employees become risk averse and avoid sticking their neck out with novel ideas. The status quo, flying below the radar and giving just enough per-

formance to avoid punishment (and not a pittance more), will always be the safer option in the punitive environment. Fear kills creativity. If the primary tools leaders use to motivate performance are threats and discipline, then it is imperative to change and develop leadership skill sets that instead positively influence behavior.

- 3) **Help employees learn faster, more reliably, and fluently.** One of the primary support areas for leaders is in the training of new skills to rapidly adopt more advanced tools, processes, and systems. The idea is to minimize effort in learning, while expediting the ability to be produc-

tive with the innovation. Fluency-based learning, focused on deliberate practice, feedback, and reinforcement, is proven to be the most effective way to accelerate and retain learning.

These three areas fall well within the scope of implementing a robust behavior-based leadership system. Behavior is what drives your business output. Therefore, organizations should embrace behavioral science as the blueprint by which leaders and the organization as a whole can adapt to rapidly changing environments. Is your leadership team equipped to adapt to this exponential era?



### [About the Author]

#### FRANCISCO GOMEZ



As a bilingual senior consultant, Francisco supports clients with large-scale behavior change and has a proven record of generating measurable performance improvements

across a diverse set of industries and business needs. In his free time, Francisco enjoys cooking with his wife and daughters, practicing Brazilian Jiu Jitsu and playing jazz drums.

### [About ADI]

Regardless of your industry or expertise, one thing re-mains constant: People power your business. Since 1978 Aubrey Daniels International (ADI) has been dedicated to accelerating the business and safety performance of companies worldwide by using positive, practical approaches grounded in the science of behavior and engineered to ensure long-term sustainability. ADI provides clients with the tools and methodologies to help move people toward positive, results-driven accomplishments. Our clients accelerate strategy execution while fostering employee engagement and positive accountability at all levels of their organization.

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