

## Podcast Transcription

### ***Lessons in Business Agility – an Applix Podversation Series for the CIO***

**Guest Speaker: Jim Carroll, futurist, trends and innovation expert, author**

**HOST:** Welcome to Lessons in Business Agility, an Applix Podversation series for the CIO. In this episode we have a podversation with Jim Carroll a futurist, author, and trends and innovation expert. Jim has carefully studied the key strategies that some organizations use to achieve breakthrough innovations and compelling levels of creativity. His extensive research has allowed him to identify and provide unique insight into the key trends that are impacting dozens of industries such as business agility, rapid time to market, collapse of product life cycles, and high velocity marketing. Jim also finds time to write a blog and is an author of a book called *“What I Learned from Frogs in Texas.”*

Welcome Jim – let’s jump right into the questions.

**JIM:** Thanks for having me.

**HOST:** Your research indicates that we’re in a time that demands a new agility and flexibility, that leaders must have the skill and insight to prepare for a future that’s rushing at them faster than ever before. How does an organization turn these challenges into opportunities?

**JIM:** I think the most important thing they can do is undertake with their staff what I call a “tactical to strategic transition.” In a lot of organizations today we still have a lot of staff who are undertaking tactical work, a lot of very routine oriented work, a lot of reconciliation work, a lot of paperwork. I think what organizations are doing is, we’re realizing we have to rip out inefficient business processes to save money, we’ve got to streamline the way we work, but as we do that, what we’re doing is we’re freeing up the time of a lot of people in our organization so they can do more strategic work not tactical work but strategic work. The type of thing when they are looking into the depths of change that is occurring in a marketplace or they’re looking into how quickly a new product might be moving out in a particular market in a certain regional geographic area. I think what we’re trying to do as organizations is how do we make our people more strategic and by doing so, how do we get real value from them that goes right to the bottom line?

**HOST:** Is the trend in business to be reactive rather than proactive?

**JIM:** I think we’re still very short-term minded out there. I think a lot of organizations are just going from quarter to quarter. I have been out talking to organizations about trends and innovations for over a decade and I’m still surprised that there are a lot of organizations out there that don’t really think about how this world is going to change. They’re not thinking – how quickly is our marketplace changing? How quickly are our products changing? What do we need to do from a cultural perspective and an organizational perspective, to be able to deal with a world in which our product life cycles are collapsing? A lot of organizations who don’t appreciate the new forms of competition that can walk into their marketplaces’ business models continue to evolve. I think we’re still in the hangover period from the irrational exuberance of the dot com era from the

late nineties – some people are still thinking, well, my world isn't going to change all that fast and I can keep doing what I've always done.

But what I've seen happening out there in terms of change, I call it the “**high velocity economy.**” Markets are changing, customers are changing, their expectations of you are changing, what you've got to be able to do in terms of product support. Everybody's coming to expect that you've got to have absolute fabulous support because they judge you against the best in the world. We're surrounded by change yet I think a lot of organizations just sit back and react to that change instead of trying to figure “ok we know some big change is coming what the heck are we going to do about it?”

**HOST:** What advice would you give to those who want to be able to anticipate trends and be more proactive?

**JIM:** I think there are a number of things. You've got to be looking very carefully at your markets. You've got to challenge yourself and think where could we really be in five years? Who could be our competition? How might our product or service have changed? And what might happen to the cost structure? And the overall potential profit equation for this product? What types of issues might I be faced with in terms of staffing, and scaling in human resources? What types of challenges might I have with my workforce -- I'm dealing with a younger generation who doesn't want to have a full time career. I think there's a whole variety of areas that you can look at whether it's your product, your market, your marketplace, your customers, your staffing, you can look in so many different directions and really challenge yourself in terms of what you're thinking about where there might be new problems and new opportunities.

**HOST:** How does a culture that's more forward thinking and decisive increase an organization's competitiveness?

**JIM:** Well, if things are moving so fast out there you've got to have an organization that can make rapid decisions. To do that they've got to have the depth of insight – either what is occurring out in the marketplace or what's happening with their customers. I coined a phrase over five years ago -- I said with a lot of organizations they're suffering from what I came to call “**aggressive indecision.**” A lot of folks will sit back and say, “well, we know we have a lot going on but we're just too nervous to make a decision, we don't want to make a decision, we don't feel we've got the depth of insight to make a decision.” I think what we've got to do is we've got to have a continuous audit of the threats and the opportunities that are in front of us. Things are changing so darn quickly we've got to have a constant, ongoing analysis of where might we be finding a downside from what's going on, where might we find an upside, where are there new market opportunities. We've got to have corporate culture in which everybody is realizing they're responsible for identifying the trends that impact us.

And it's not only what potential trends might impact us but what are we going to do from an innovation perspective to try to deal with those trends. I think that's a key issue. The word 'innovation' has to be a part of the responsibility of everybody in the organization and that's what I find goes wrong in a lot of companies. I think what has happened is people have made innovation out to be one of these special things that it's the people in the back room who design new products – that that's innovation. To me, innovation is so much more than that – I always challenge the companies I deal with to sit back and think about innovation from this context. Everybody is thinking:

1. What can we do to better run the business?
2. What can we be doing to grow the business?
3. What can we be doing to transform the business?

And if you've got a staff that right from the clerical staff up to the senior management who are thinking like that, who are constantly looking at everything in the organization, what it does and how it does it, and constantly asking themselves those three questions. What can we do to run this business better? What can we do to grow the business? What can we do to transform the business? That's how you start to get a lot more forward-oriented very aggressive thinking in terms of responding to the rate of change out there.

**HOST:** What role does the CIO play in helping a company achieve its business goals and become a stronger competitor in its space?

**JIM:** I think there's a huge opportunity right now for a CIO to become a very significant strategic player in the organization. The impact of technology upon companies -- think about what is happening -- we have to use technology to help us operate in very fast changing markets when our product life cycles are collapsing. There's what I call a minimal level of expectation that is occurring out there with every organization -- your customers expect to interact with you in a certain way and expect a certain minimal level of operational excellence in terms of what they get from customer support. The whole issue of supply chain interaction -- if you're doing business in the world today, it's pretty well accepted that you've got to be able to do a lot of transaction-oriented work with your suppliers.

There are all these drivers which are taking us to a point where there are certain minimal things we need to do with IT within our organization. If we know that then I think there's a real opportunity for the CIO to put all of that in perspective from a very strategic way of thinking, being a partner at the board, being at the level of the CEO, articulating the strategies. What are we going to do within the markets in which we're operating -- with rapid new forms of competition, new business models with our products turning quickly -- what are we going to do with IT from a strategic perspective to help us become a more agile organization, an organization that is much more flexible in terms of dealing with rapid change? I think there's a lot of really cool strategic things that the CIO can do today compared to even two years ago, five years ago and I think it's applying really cool technology to help the organization deal with what I call the "high velocity economy."

**HOST:** Could you cite any examples of companies or CIOs who nurture a culture of decisiveness?

**JIM:** Well, I spent some time with the CIO of Under Armour, the sport and clothing company. His approach to IT is that it came from the CEO if we're going to be a 200 million dollar company, or a company that's going to grow to a billion dollar company, we're going to make sure that we put in place a platform infrastructure culture and capability that is going to help us be a growth-oriented company. I think that type of thinking is absolutely critical. I think it's getting beyond the thinking that we'll do a little bit now, we'll invest a little bit now, we'll grow a little, invest a little bit more, we'll grow a little, invest a little bit more, we'll grow...I think these CIOs I've met with have been in a mindset where IT is going to be the strategic tool which is going to help us get to where we need to be within our market. We're going to make it strategic, we're going to put it at the level of the CEO or the level of the board, and we are going to invest the proper amount of money to do it right. Folks who think like that are doing the right things.

You can also take an organization like Research in Motion with the BlackBerry line of phones. You think about what they're faced with, new intense potential competition from Apple, and very rapid turnover in the life cycles of the products. We throw out 113 million cell phones a year right now because there are so many new features coming to them. So you think about a company like that and what the CIO does there is, "We're going to make sure that we have a system that gives us insight into what is happening in the marketplace now, but will also give us insight into what we might be doing with product innovation -- we're going to roll out to the market six months from now, eight months from now, 14 months from now."

These CIOs are in a mind set that they're in a tech role in which they're constantly planning for the next wave of product innovation that comes into place – very, very future oriented very, very fast. They have to react very, very fast because their marketplace is changing so fast.

**HOST:** We're out of time so we want to thank you, Jim, for your participation today.

**JIM:** It was my pleasure.

For more information about Applix and how Applix empowers agile enterprises by offering the only complete business analytics software solution, visit [www.applix.com](http://www.applix.com).

For more information on Jim Carroll, please visit [www.jimcarroll.com](http://www.jimcarroll.com).