

Leveraging Expertise to Advance Partners

Combined Jewish Philanthropies

Innovation ... and Leading Through COVID

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Harvard Business School
and
Harvard Kennedy School

January 27, 2021



This session is **not**
really about

CRISIS MANAGEMENT

... it is really about the
application of *crisis
management thinking*
to **INNOVATION**



LEADERSHIP
is all about
INNOVATION

... so this session is
really about

LEADERSHIP







Unified Field Theory
of

**Leadership,
Innovation, and
Crisis Management**



USE our experience
of **COVID**
to inform
our thinking about
INNOVATION



**What characteristics
of the COVID event
make it different
from what you have
seen in past events?**

(chat in a few words)



COVID-19:
NOVEL challenges ...
lots of solved
problems suddenly
*come **un**solved*

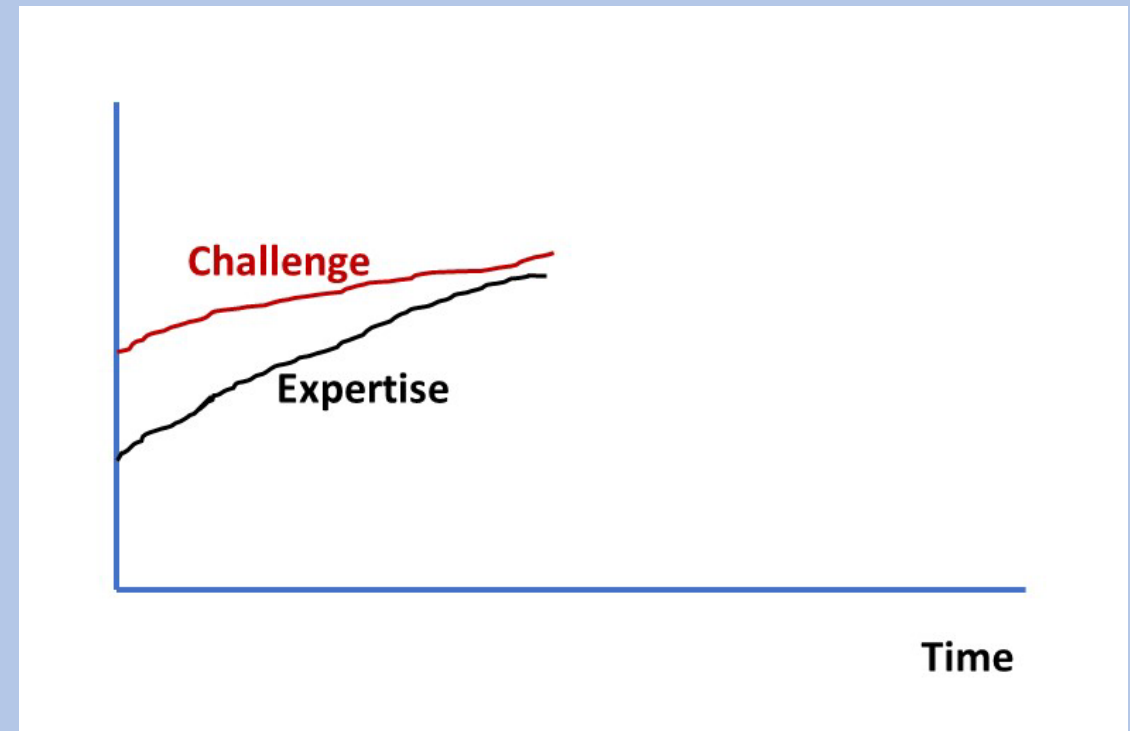
... what are some of
the things you did
to respond?

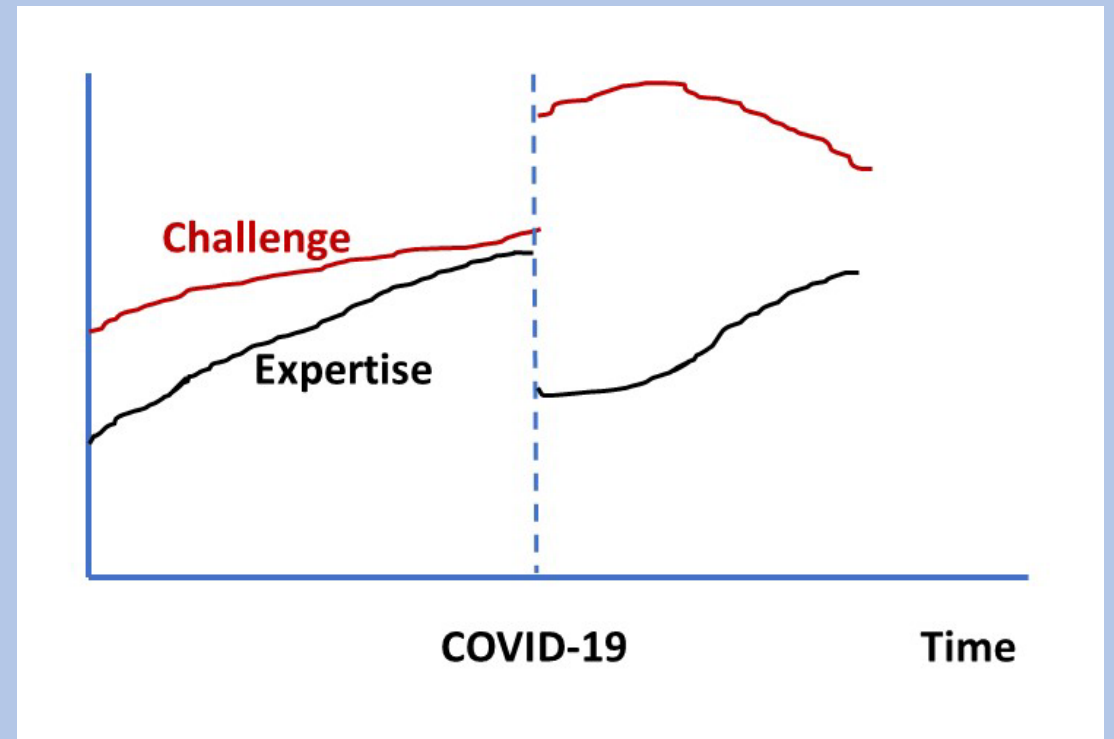
(chat in)



COVID *forced* INNOVATION







What are the skills
and behaviors of
INNOVATION that
we used (/are
using!) during
COVID ... and how
are they different?



Crisis Management:

What do we do ...

... when ***no one knows***
what to do?



Crisis Management:

What do we do ...

... when ***no one knows***
what to do?

We have to ***figure it out,***
in ***real time, under stress,***
embedded in fear



Major emergencies are a **VOLCANO**

- 1) Issues
- 2) Competing priorities
- 3) Questions
- 4) Decisions
- 5) Tasks
- 6) ...



In *routine* events, all
of those are *familiar*

In COVID-19 ...

**... VIRTUALLY
NOTHING WAS KNOWN**



Three Key Elements:

(I) Structure

(II) People

**(III) Problem-solving
method**



(I) Structure: Critical Incident Management Team

Comprehensive reach

Tracks evolution

Defines questions

Deliberates / Delegates

Communicates



(II) People

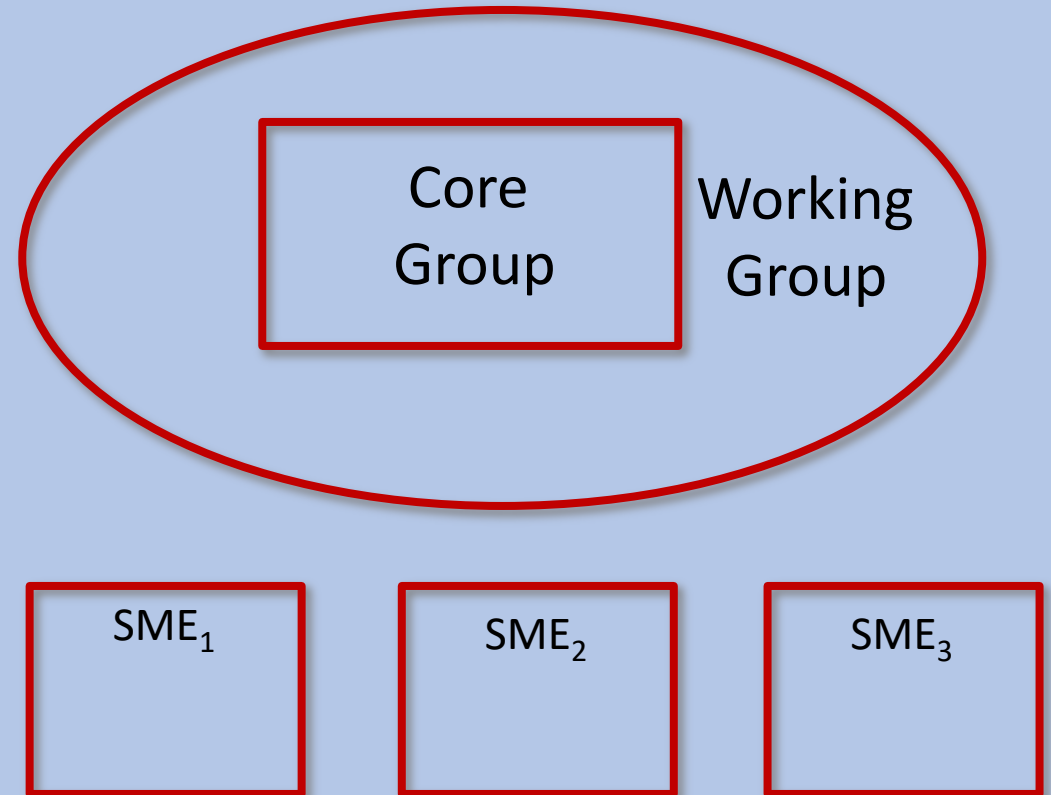
Who know the
business
(operations,
suppliers, ...)

Who understand the
external situation

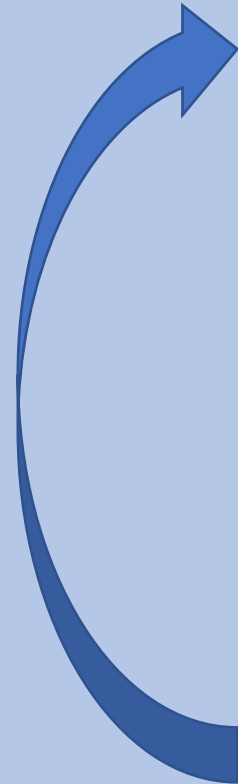
Who understand the
key ***values / goals /
interests***



Team



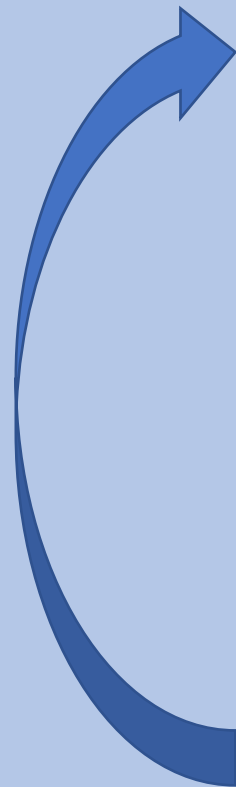
(III) Problem-solving:



- (1) Get situational awareness
- (2) Create options
- (3) Predict outcomes
- (4) Choose the best CoA
- (5) Execute
- (6) REPEAT



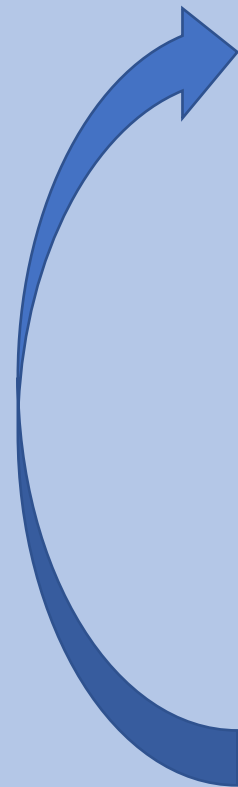
(III) Problem-solving:



- (0) Establish goals and values
- (1) Get situational awareness
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(III) Problem-solving: Agile, Iterative



- (0) Establish goals and values
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(III) Problem-solving: Agile, Iterative



- (0) Establish goals and values
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- (6) REPEAT

**What is this process?
What do you call it?**



(III) Problem-solving: Agile, Iterative



- (0) Establish goals and values
- (1) Get situational awareness
- (2) Create options
- (3) Predict outcomes
- (4) Choose the best CoA
- (5) Execute
- (6) REPEAT

OODA Loop

MDMP

Plan, Do, Check, Act

Incident Action Planning

Rational Action Model

...



(III) Problem-solving: Agile, Iterative



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THE CASE METHOD (!)



(III) Problem-solving: Agile, Iterative



- (0) Establish goals and values
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OODA Loop

MDMP

Plan, Do, Check, Act

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Rational Action Model

...

BASIC COMMON SENSE (!!)



**COVID-19 created an
existential threat – an
imperative for innovation
... which, in turn ...**

Unified goals

Elevated authority

Distributed authority

Required experiments

Reduced resistance to change

Raised tolerance for trying



**Those are *conditions*
set by *leaders* in the
operating environment
of COVID ...**

**... that enabled and
resulted in rapid
innovation**



**What if we didn't have
to wait for a crisis to
use those skills and
set those conditions?**



**What if we didn't have
to wait for a crisis to
use those skills and
set those conditions?**

**What if we could do it
*all of the time?***



How do we ***keep***
those skills and
conditions going
forward?



A Challenge:

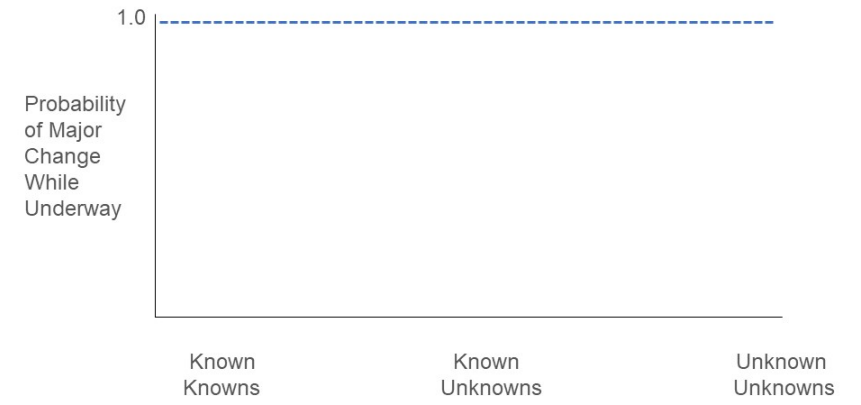
**Most organizations
are *biased against
doing that.***



The Fundamental Classification Problem



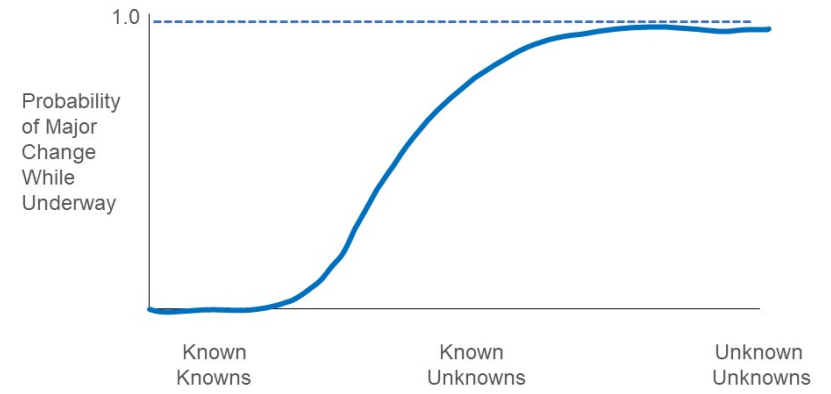
The Fundamental Classification Problem



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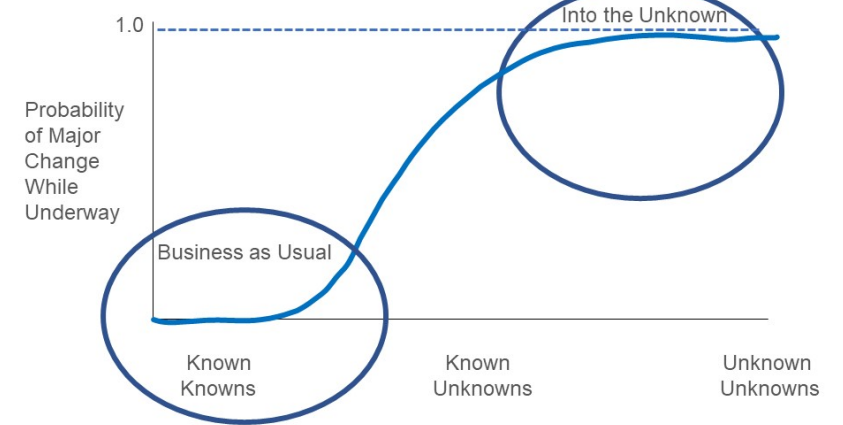
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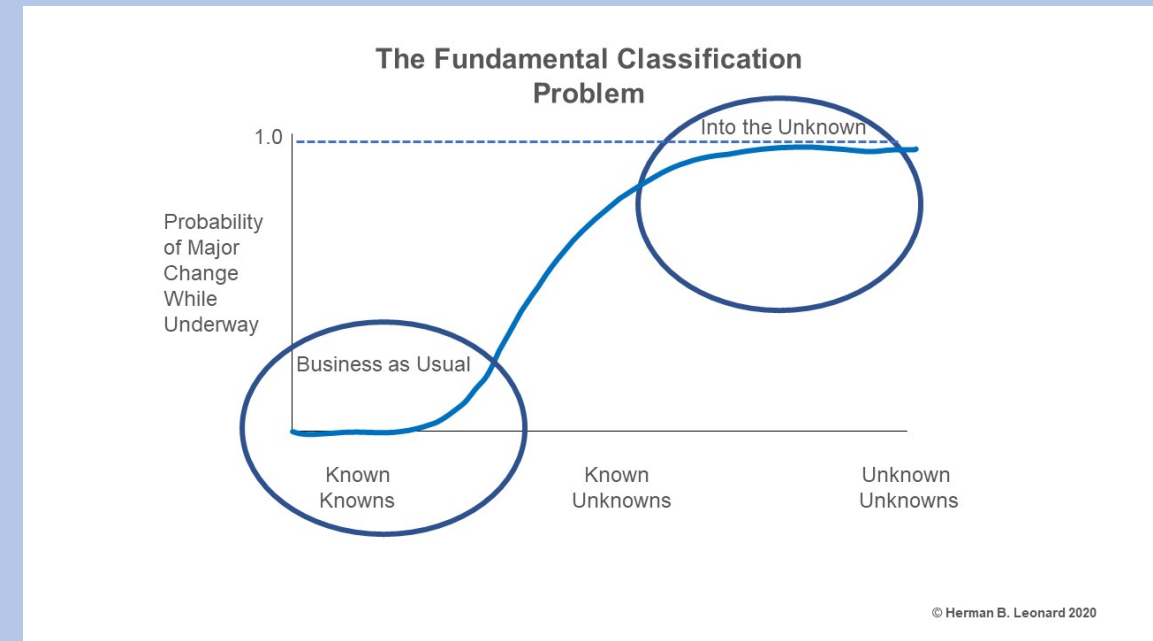


The Fundamental Classification Problem



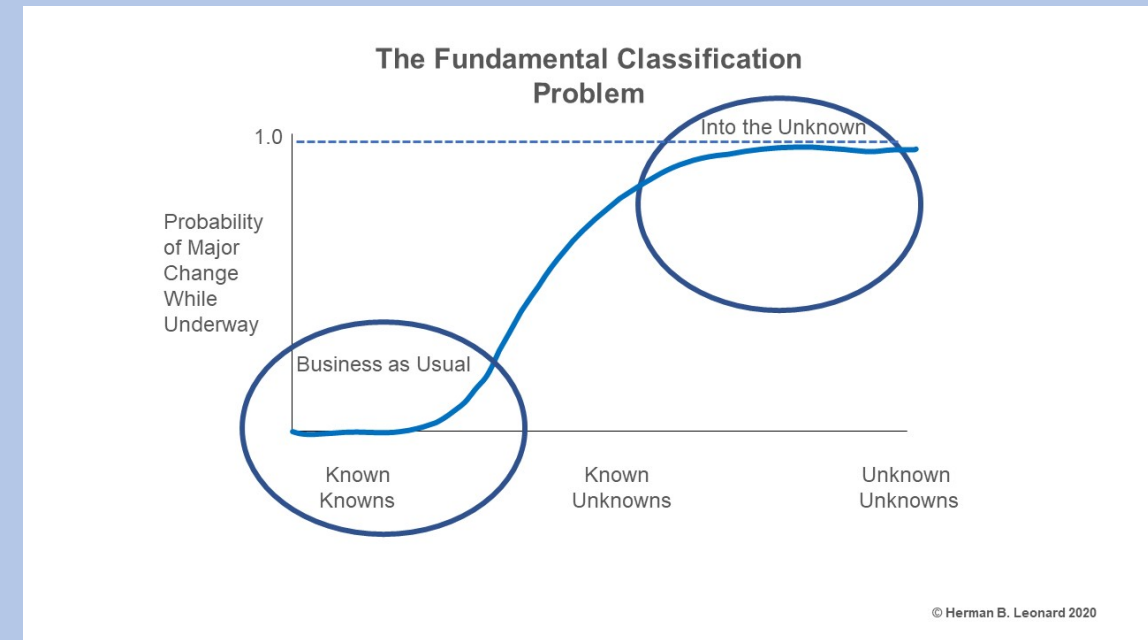
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How do we produce excellence in the “Business as Usual” domain?

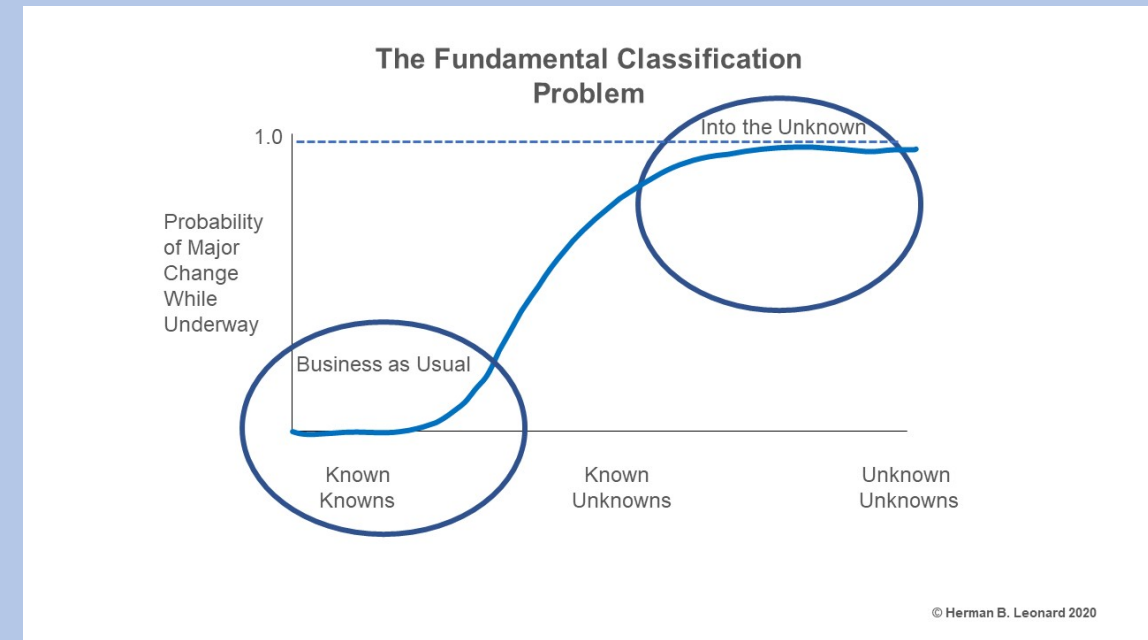




How do we produce excellence in the “Business as Usual” domain?

- (1) Anticipate**
- (2) Coordinate**
- (3) Transact**





**What are the “tools” we use in the
ACT environment to help us
produce excellent work?**

(chat in a few ideas / thoughts)



The “Left Hand Side” (ACT) Toolkit

Plans/SOPs – detailed, operational, executable

Budgets

Benchmarks

Performance measures / metrics

Targets

Data and analysis → optimization

“Return on Investment”

...

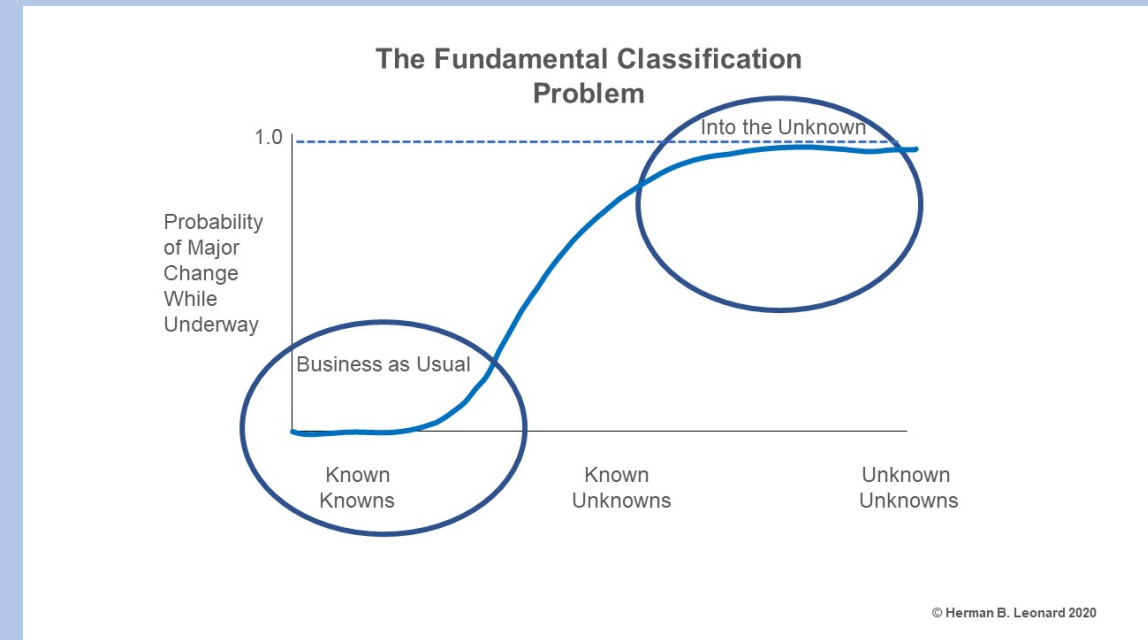
Good performance = high precision, efficient execution
of what is already known

“Perfectly Exactly Correct”

Reasonable Expectation:

Reliable, efficient success
(easy to verify / evaluate!)

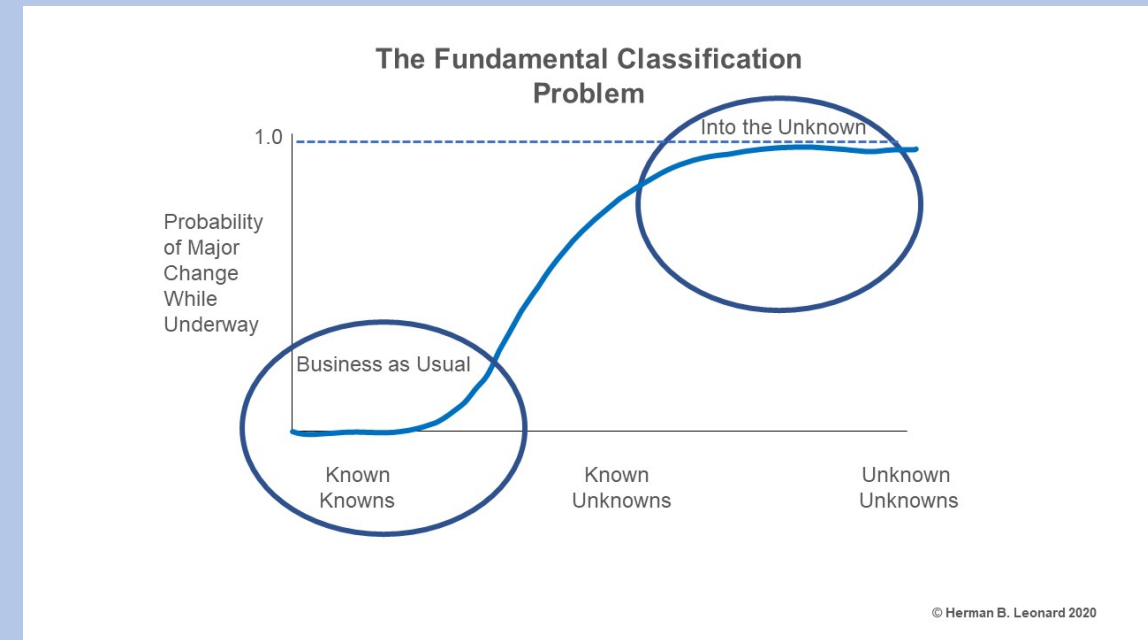




How do we produce excellence in the “Into the Unknown” domain?

- (1) Invent /**
- (2) Discover**
- (3) Experiment**
- (4) Apply**





**What are the “tools” we use in the
IDEA environment to help us
produce excellent work?**

(chat in a few ideas / thoughts)



The “Right Hand Side (IDEA) Toolkit

Brainstorming

Design Thinking

Agile Processes

Rapid prototyping

Minimum viable product

Rapid testing (“fail fast”)

Rapid redesign (“strengthen at
the point of weakness”)

Inquiry

...

Good performance = rapid discovery and application
of what we do not yet know

Reasonable Expectation:

Rapid Learning

(difficult to benchmark/evaluate!)

“Probably Approximately Correct”



Anticipate, Coordinate, Transact (ACT) becomes the *dominant* business paradigm

Progress → better anticipation, planning, execution

Profits are counted as flowing from ACT

Success is seen as generated by ACT

High performance is “on time, on budget”

Systems are built *to support* ACT

Systems *assume* ACT

OCD people are hired to run these systems

Tolerance for imprecision, ambiguity, and messiness are low

AND ... ALL OF THAT IS **GREAT!**

(... for the ACT part of our world)



What happens if we apply the **ACT** paradigm/ toolkit in the **Invent/Discover, Experiment, Apply** world?

Plans/SOPs – detailed, operational, executable

Budgets

Benchmarks

Performance measures / metrics

Targets

Data and analysis → optimization

“Return on Investment”

...



What happens if we apply the **ACT** paradigm/ toolkit in the **Invent/Discover, Experiment, Apply** world?

Plans/SOPs – detailed, operational, executable

Budgets

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Performance measures / metrics

Targets

Data and analysis → optimization

“Return on Investment”

...

Reasonable Expectation:

Suppression of innovation



What happens if we apply the **ACT** paradigm/ toolkit in the **Invent/Discover, Experiment, Apply** world?

Plans/SOPs – detailed, operational, executable

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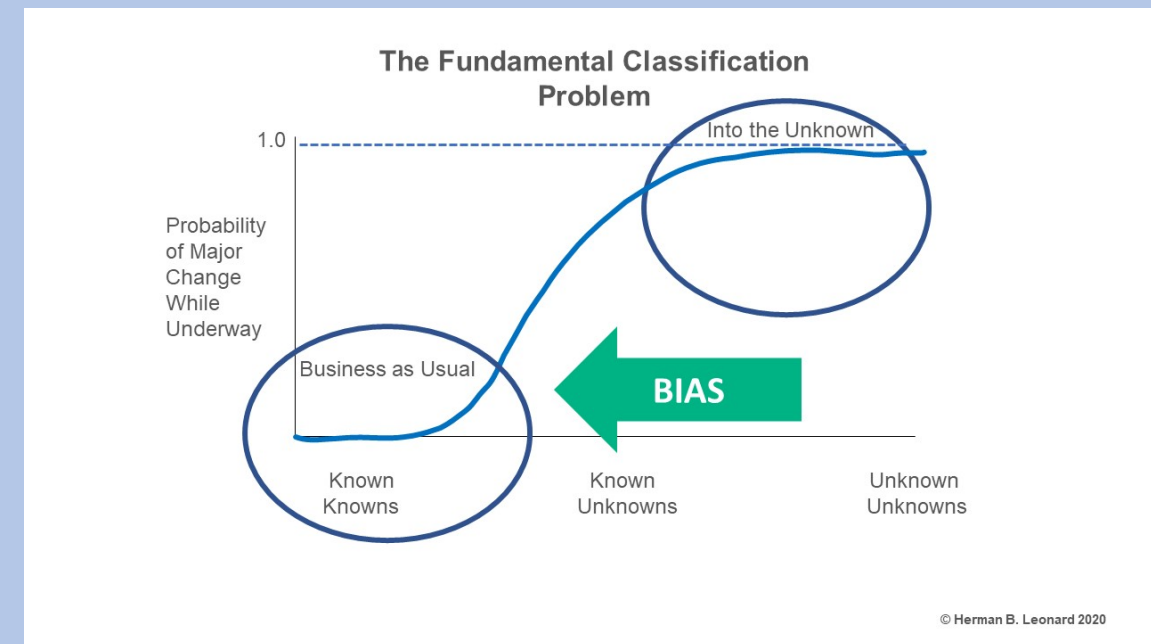
Reasonable Expectation:

Suppression of innovation

Bringing a carpenter's toolbox to a baking contest (!)

48



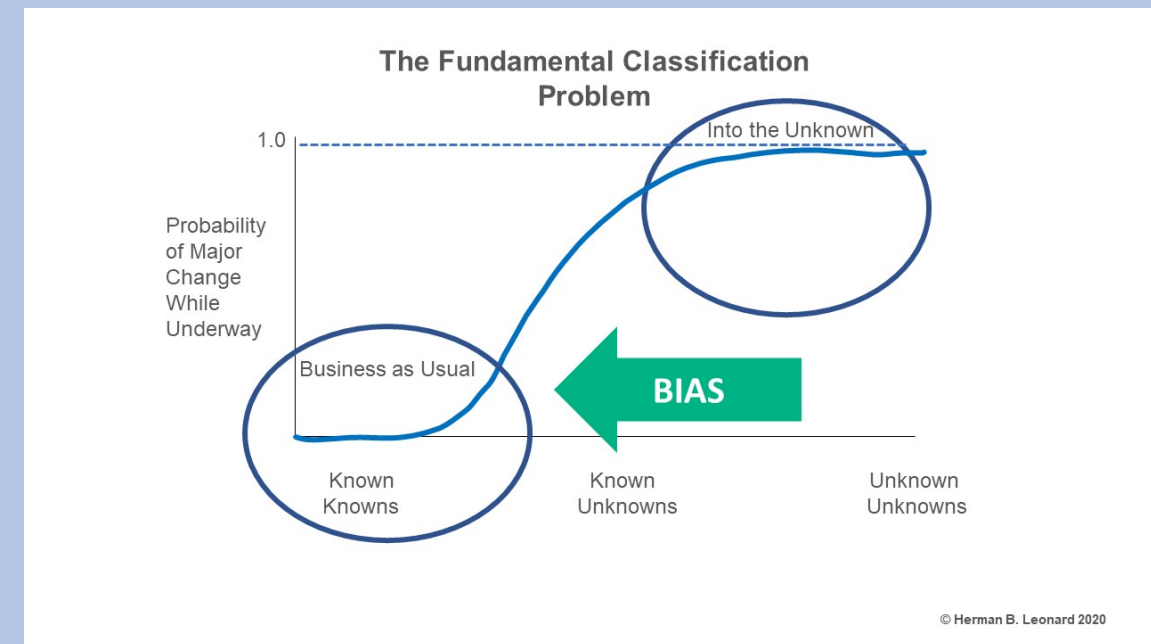


What are some of the biases?

**What forces push us toward a
“left hand side”
approach / mindset?**

(chat in a few thoughts)





A few of the biases:

Culture / “Brand”

Recruiting

Self-selection

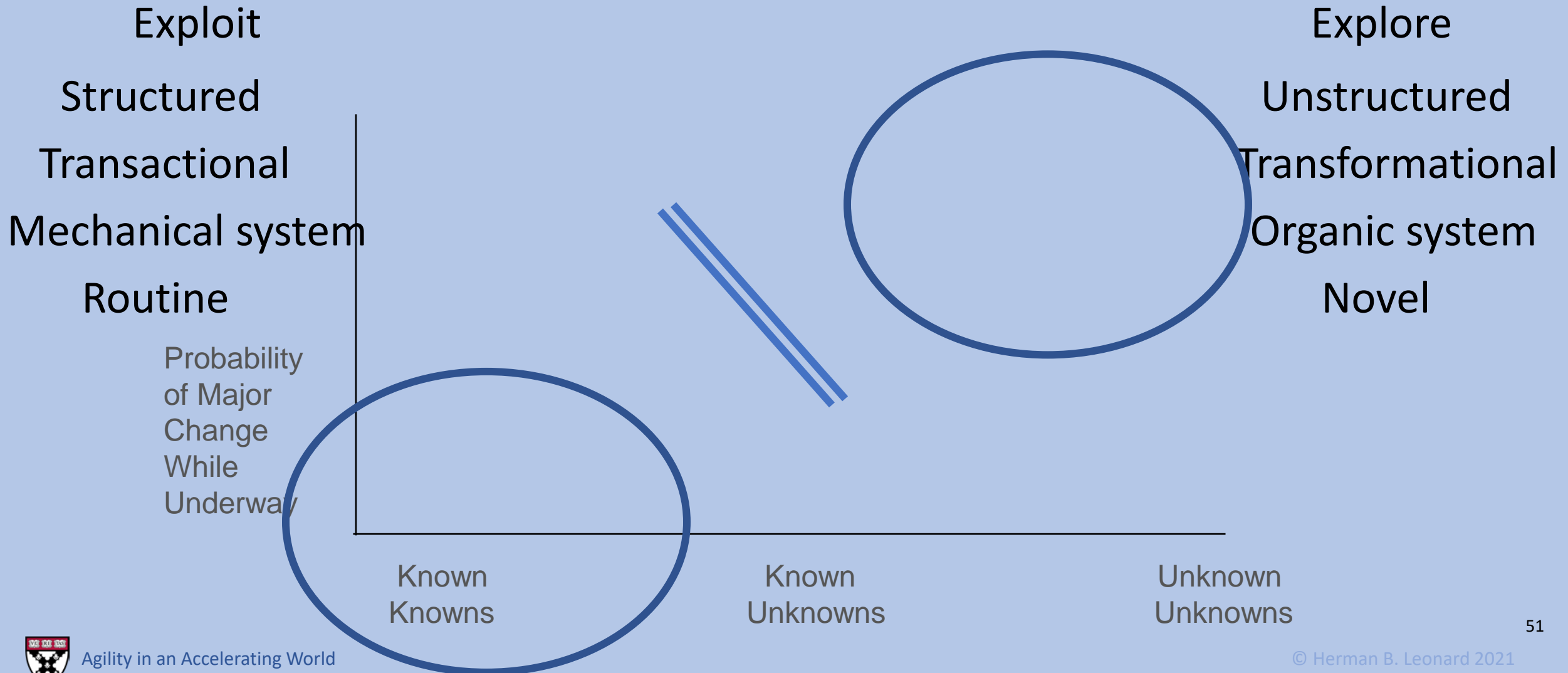
Training

Promotion processes

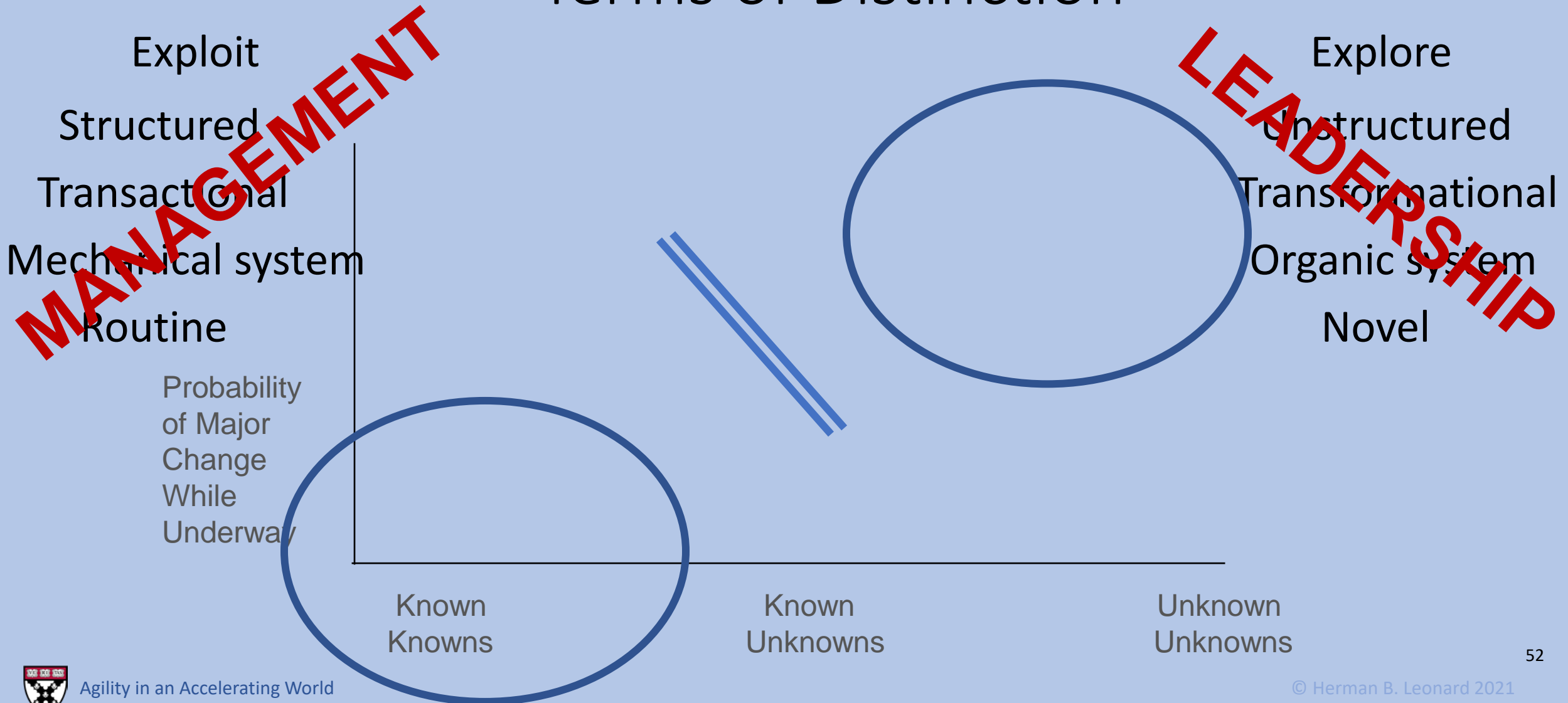
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Terms of Distinction



Terms of Distinction

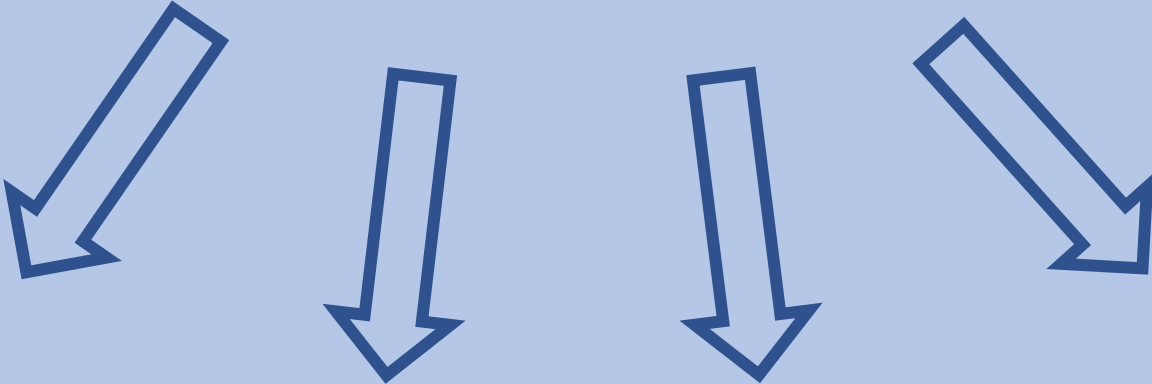


**“Most organizations
are *under-led* and
over-managed.”**

-- John Kotter



NATURE OF THE PROBLEM



**ORGANIZATIONAL
STRUCTURE**

**PEOPLE
(/SKILLS)**

CAPABILITIES

PROCESSES

CULTURE



As uncertainty rises ...

- Organizational structure → **FLATTER**
- Skills → **MORE ENTREPRENEURIAL**
- Capabilities → **MORE GENERAL AND FLEXIBLE**
- Processes → **PROBLEM-SOLVING APPROACH**



What this is all about is LEARNING

- Increasing the *rate* of learning
- Expanding the *scope* of learning

And, for **LEADERS ... this means**

SETTING THE CONDITIONS FOR RAPID, SUSTAINED LEARNING



What *are* the conditions for **RAPID, SUSTAINED LEARNING?**

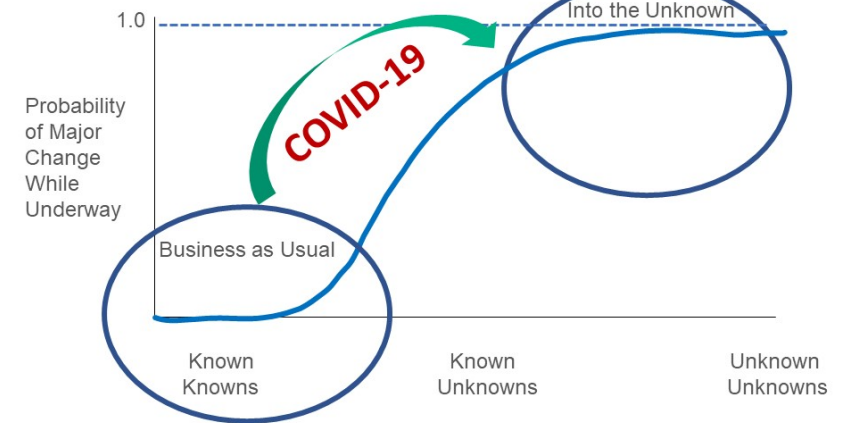
Think about things like ...

- size of the team
- skills on the team
- ...
- kinds of people on the team
- “operating rules / norms”

**WHAT DO YOU SEE AS
THE MOST IMPORTANT CONDITIONS
THAT *YOU* NEED TO SET GOING FORWARD?**

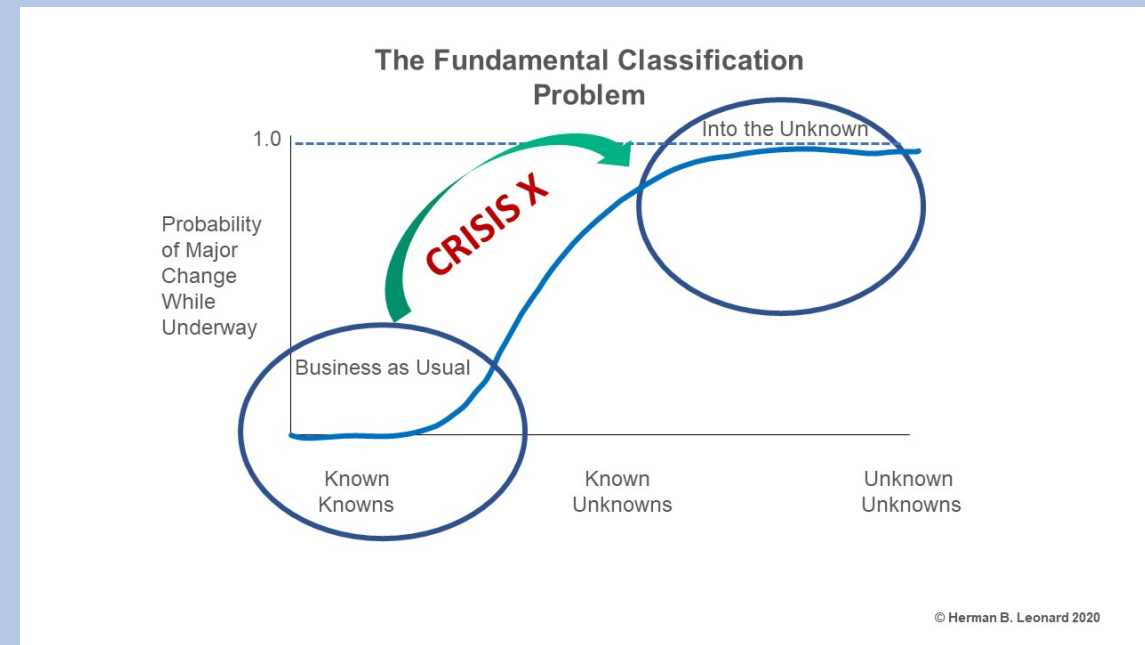


The Fundamental Classification Problem



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Let's not wait for the next crisis to move into the exploration zone!



Five reasons you'll need to continue innovating:

- (1) COVID-19 isn't over
- (2) Many disruptions caused by COVID haven't been digested yet
- (3) There are now many pent-up *non-COVID* disruptions ready to be unleashed
- (4) COVID will accelerate many pre-existing trends
- (5) The pace of change was accelerating anyway (technology, communications, ...) even before COVID



COVID-19 is a Watershed Disruption

Will accelerate existing trends
New discoveries we won't forget
Telecommuting
Transportation
Land use? Housing? Facilities?

...



Watershed Disruptions Generate Permanent Changes

e.g., “Post-war” changes
to the physical and
business landscape:

Technology

Trade

Land Use

Real estate



Disruptions also
generate enormous
opportunities



***The crisis
leadership skills
you have been
acquiring
are going to be
useful for a long
time to come!***



Thoughts/
Questions /
Comments/
Reactions?



Some Things to Do/Discuss:

- (1) Identify, acknowledge, reflect on, and appreciate how you were different during COVID.**
- (2) Write a case about some of your best responses, emphasizing the key skills and behaviors. (NB: a “case” is a non-judgmental, non-analytical, non-interpretive DESCRIPTION of past events.) Then discuss the case, out loud.**
- (3) Intentionally practice the application of the skills / behaviors you developed and the conditions you set during COVID.**
- (4) Formally commit to greater and more decentralized authority in the organization.**
- (5) Formally commit to more experimentation, rapid testing, and applying what you are learning.**
- (6) Discuss and work on developing agile problem-solving and opportunity-garnering diverse teams that can and do listen to one another and are open to dissent and new ideas.**



A Rational Basis
for Hope:

Your
Leadership

Resilience
is *adaptability,*
personified



We
systematically
underpredict
our adaptive
capacity



This ***MUST*** be done.

This may be one of the
HARDEST things that
we have ever done.

YOU can do it.

ONLY you can do it.



GOOD LUCK
and
GODSPEED



