

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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**0:01:01 Jacob:** Well, hello, everyone. Thank you for joining another episode of 'The Future of Work' show with Jacob Morgan. I'm your trusty host, and I'm joined by, actually, a repeat guest, Rita McGrath. Rita, I think you joined me, was it a couple of years ago? And that you had another book that was out at... What was the name of...

**0:01:29 Rita:** That was called 'The End of Competitive Advantage'.

**0:01:32 Jacob:** Yes, yes, yes, it's 'The End of Competitive Advantage'. And you have a brand new book out now, so thank you again. For those of you not familiar with Rita... A massive bio that I could read, but she's an author and professor at Columbia Business School. Her new book is called 'Seeing Around Corners: How To Spot Inflection Points In Business Before They Happen'. And I saw that you recently got a bunch of awards on Thinkers50 as one of the world's leading experts, was it strategy and innovation?

**0:02:00 Rita:** It was number five on the global listing of thinkers.

**0:02:04 Jacob:** Congratulations.

**0:02:05 Rita:** And I was shortlisted for strategy. Yeah, thank you.

**0:02:08 Jacob:** Very, very exciting award. Well, why don't we start with just a little bit of background information about you. And I'm even curious how you got involved with everything that you're doing now. So where did you go to school? What were you doing before you started writing books and speaking and consulting? [chuckle]

**0:02:24 Rita:** Well, I actually was fascinated by politics and policy at an early age. I majored in Political Science at Barnard College. And that led to a first set of jobs, after my Master's degree, with public sector government. But even back then, I was doing digital transformation work. Although to talk about that... In those days, you would not recognize the way it had come then. But we were basically doing the very first automation projects for manual processes, in procurement specifically. And that got to a point where... You know, the thing about public sector jobs, if you're young, is the plateau is incredibly steep when you first start, and then it just levels out after that. So I learned a tremendous amount, and we were just at a big turning point in our lives, and I decided to go for a PhD. My husband basically said, "Look, if you get into a top five school, it's worth doing, otherwise, it's really not."

**0:03:22 Rita:** And so I was accepted into the program at the Wharton School, did my PhD there, and thought I was gonna really study the science of implementation, because of my experience

doing real, major, large-scale organizational change, and ended up being supported at the Entrepreneurship Center at Wharton by a gentleman named Ian MacMillan, who subsequently became a mentor, and a co-author and a whole bunch of other things. And he said he couldn't think of anything more boring than the science of implementation, [chuckle] but he said it had a lot in common with corporate innovation, corporate venturing, and I found it really did. And in fact, today, what we've seen is you can't even talk about strategy today without talking about innovation. And increasingly, talking about innovation involves some aspect of digital.

**0:04:06 Rita:** So, right back then, that was still kind of the area that I was interested in. So, after my PhD, I joined Columbia. I wrote my thesis about how existing organizations develop new capabilities, and that really set me off on this track of really looking at how established organizations learn to do new things. And back then, it was a really different world. People back then were really thinking of strategies, something that was five-year plans and binders, and a very analytical exercise. You may remember those days, it was very much more static and analytical than it is today. But what's been great for me is the world has kinda come my way. And so now when people are talking about strategy, phrases like uncertainty and innovation and doing new things and being prepared for disruption are all things that are on people's minds. And it's kind of neat...

**0:04:57 Jacob:** You love uncertainty now, right?

**0:05:00 Rita:** I love it. I mean, I've been doing this for years. [chuckle]

**0:05:02 Jacob:** Digital transformation before it was called that.

**0:05:07 Rita:** I beg your pardon?

**0:05:08 Jacob:** So you were doing digital transformation before it was called digital transformation?

**0:05:11 Rita:** Yeah, exactly. That's exactly right.

**0:05:14 Jacob:** Very cool. And so, your new book, it has a very catchy title because one of the most common phrases that we keep hearing in the business world is that we want... Or organizations want leaders and employees who can see around corners. It's something that a lot of people keep saying. So, is it possible to see around a corner? Is it possible to predict the future?

**0:05:36 Rita:** Well, I'm always very skeptical of people that claim they can predict, because there's two main problems. The first problem is, as a human being, we're cognitively... We struggle with complexity, with keeping too many things in our heads at one time. And to make an accurate prediction, you would need to include so many variables that the human brain kind of can't deal with it. The other issue is timing, which is you can be perfectly right about your predictions, but the timing, who knows? I was predicting things like the fall of WeWork five years ago, but lo and behold, here we are now.

**0:06:15 Jacob:** Were you really?

**0:06:17 Rita:** Oh yeah, yeah, I was talking about it. WeWork, Uber. I mean, to me, it was like the second coming of 1999, when it was all about... Entrepreneurship 101 really is find product/market fit... You have an idea, find product/market fit, grow the business, right? And what a whole batch of

these so-called unicorns have kind of done is have an idea, grow the business. And we've sort of neglected the profitable part in the middle, about finding product/market fit.

**0:06:44 Jacob:** Who needs money?

[laughter]

**0:06:46 Rita:** Who needs to make profits, right? But this is the same stuff that was going on in 1999. People were saying, "Oh, I'm Pets.com, I have a business model. I shouldn't have to worry about profitability." And the prevailing assumption, which sometimes does work, but rarely, is that if you can get big fast, you'll establish a lasting first-mover advantage, and that will then carry you forward for the indefinite future. And I'll just take Uber as a case in point. I wrote about them in 2015, if not, before. The trouble with Uber is unless they come up with a really different business model, they really don't have any competitive insulation. If I wanted to be the Uber of the Upper West Side, I could get 80% of the way there with off-the-shelf software and drivers who are already picked and trained by Uber and Lyft, and all these other ones. And so, unless there's a real twist to the business model, which there could be, again, back to not making predictions, but... So timing, I think, is an issue.

**0:07:43 Rita:** So to get back to this question of making predictions, I think actual prediction are hard. I think preparedness is much more reasonable and likely. And so, when you start to see the signals getting stronger and stronger, that a certain course of action might make sense given what you put together as a scenario, then I think you can really use the ideas and see around corners to hone in on what might be considered a really courageous move if you hadn't been accumulating all this evidence over time.

**0:08:15 Jacob:** Well, when you look at companies like in Uber or WeWork, I remember even when those companies first started, a lot of people were like, "Oh my God, this is insane, they don't make any money." And then, a couple of years after that, everyone was like, "Oh my God, these companies are great, they're gonna be super-successful." And then it's back to the, "Wait a minute, they still aren't making any money." So, when you think about the Ubers or the WeWorks, when those companies started off, were you immediately thinking, "Something weird going on here", or what is it in your mind that makes you believe that these organizations are gonna struggle or maybe not survive in the future?

**0:08:51 Rita:** Oh, it's arithmetic. [chuckle] If you look at... I'll take WeWork just as an example. I teach entrepreneurship, so we do what we call discovery-driven planning, and what discovery-driven planning basically does is it says start from how great it could be, and work your way backward into identifying what must be true. And so, to justify... What was WeWork up to? \$47 billion valuation?

**0:09:19 Jacob:** Something insane.

**0:09:20 Rita:** Yeah, but if you work backward from that, into what must be true for this thing to work, it just... It can't work, it just doesn't work. So, I think what makes me skeptical about ventures is when people are emphasizing breakneck growth, being first, opening up a new category, but there's no fundamental economics behind it, that's where I think I start to have problems. Now, I'm not saying that in every case you're driving profits, because especially in an entirely new category or an entirely new business model, there's so much uncertainty, you just really don't know. And so,

I'm not saying kill a business 'cause it can't demonstrate day one ROI, that's not my philosophy at all, but if it just can't work, given everything that you know about it, then that's where I would introduce a fair amount of skepticism.

**0:10:10 Rita:** Businesses that have a lot more potential, I'm really much more open to those kinds of ideas. For example, if you look at some of the things that are happening in biotech, bioengineering, where you could come up with entirely new ways of providing therapy for pain, let's say, the market for that is just unlimited. And there's a lot of uncertainty still, but that has a lot more substance to it to me than what's basically Regus with better offices [chuckle] and plants and groovier beverages.

[laughter]

**0:10:46 Jacob:** So, in other words, you're not... When you're teaching your students at Columbia Business School, you're not saying... You're not using WeWork and Uber as a prime example of what [0:10:54] \_\_\_\_ an entrepreneur?

**0:10:58 Rita:** Well, so here I would draw a distinction between their business model and how they've changed the consumer experience, and I actually do use Uber as an example in my book of a company that really honed in on real customer pain points, ways that people were basically hostages, not customers, and created demand by solving those problems. And I think that's very much worthy of emulation. They really got to the heart of a lot of what drove customers crazy about existing taxi companies, and opened up whole opportunities in that area. That's different from designing a profitable business. And most new businesses go through a phase where they're not profitable. Amazon would be a case in point. In the early days, there was an awful lot of skepticism about Amazon, and were they ever gonna be able to make anything of this? And Bezos is a genius at persuading people that, yes, there's a growth opportunity here and we can deliver on it.

**0:11:55 Rita:** I'd say one thing for your listeners who are entrepreneurs or are thinking about starting their own business is the world is just full of fantastic \$10 to \$50 million business opportunities that aren't necessarily gonna pad the pockets of venture capitalists, but that could provide you and yours with a totally decent living, contribute to humanity, do great service. There's lots of ways to have a really successful life without going through this kind of blitzscaling huge breakneck growth that... And if you think about the way a lot of those companies were funded... The minute I hear venture capitalists start to talk about, "Oh, the minute I get to 10X, and the minute there's a B-round and a C-round and a J-round and a... What are we up to now? Double X round?" [laughter] The guys that started this all, they're long gone. [laughter]

**0:12:44 Jacob:** Oh yeah. They're way out of there. Okay. So, if your book is not about predicting the future, when you say, "Seeing around corners," just for people watching, for people listening, what do you mean when you say this?

**0:13:03 Rita:** That you're opening your mind to possibilities that are now made real because of a strategic inflection point. So let me give you a couple of examples that might bring it to life. I was working with a company that does basically road service, motor club kind of things, and we were working on a bunch of different scenarios, and the two uncertainties that they were most concerned about were what is younger people's attitude about driving going to be? Are younger people still gonna view getting their license as a right of passage, and the path to freedom and independence, or are they gonna be more or less indifferent to it? So cue Uber or other mechanisms that make

owning a car just not that desirable. And the other big uncertainty was are we moving into a world where we've got electric vehicles or even autonomous vehicles, where roadside repairs are more or less desirable? And putting the two together, we sketched out four different strategic scenarios.

**0:14:00 Rita:** And the one that of course was most devastating was young people aren't interested in driving, and cars don't need to be repaired anyway, and so that kind of makes your existence as a motor club irrelevant. And it wasn't that I'm predicting that's gonna happen, but what it causes them to do, strategically, is think about that as, well, if that were a possibility, what would we be doing now? What would we be thinking about? What options would we have in our portfolio? What other kinds of services might we offer to remain relevant? So it's more about expanding your range of possibilities that you're considering, and then really being prepared to challenge your own assumptions. And I think that's really where the seeing around corners part is so valuable, because if you think about it...

**0:14:42 Jacob:** Yeah, I love that.

**0:14:42 Rita:** Any business grows up with a set of assumptions about what's possible and what's not. And what an inflection point does is it really changes the nature of those assumptions. Let's take another example, because I think this is a really fun one. If you take Nike, iconic global brand, and for decades, Nike's... One of their competitive secret sauces was getting just the right merchandise to just the right retailer. So if you were shopping in a Dick's Sporting Goods, you'd be exposed to different kinds of products than if you were shopping in, say, Hammacher Schlemmer, or something that was very niche.

**0:15:18 Rita:** And Nike has, in the last couple of years, basically stepped away from those capabilities, which are painstakingly built up over decades of experience, to switch to what they call the direct-to-consumer offensive, all of which is made possible by the advent in data collection, fast storage, cloud storage. And they've leveraged things they've been working on for years, which is things like NikePlus, adding a digital layer on top of what runners were doing, to the point where, today, they're basically saying, "You know, we don't need most of the retailers we've been working with. We don't even need Amazon, we are gonna create an exciting customer experience all on our own. That's a really courageous thing to do. And if you follow the history of that, though, it wasn't like they predicted direct-to-consumer was gonna be what was going on, but they had enough investments and feet on the street, not to use a pun, but enough paying attention to what was really going on, that when this all became possible, they said, "Whoa, we could do this."

**0:16:24 Jacob:** Yeah. No, I love that example. And so when I studied foresight at the University of Houston, and I'm sure you're familiar with this framework as well, they always talk about this kind of cone of possibilities, of how to, basically, instead of picking a linear path, you sort of imagine that you're looking through the narrow end of a cone, and as the cone broadens out, the time horizon increases and there are more possibilities and scenarios that you can potentially look at. And I always draw the analogy between this and chess. So I play a lot of chess, I'm very obsessed, I'm actually playing in a tournament today, later this evening.

**0:17:00 Rita:** Fun. Is it going live?

**0:17:00 Jacob:** And so one of the things that... What was that?

**0:17:02 Rita:** Is it going live?

**0:17:03 Jacob:** Well, I think the top players, they get their games to go live, but us lower-ranked players [0:17:09] \_\_\_\_ our games. I don't think that one will be live. But if anybody has ever played chess, you know that the way that you think in a game of chess, you're always thinking about possibilities and scenarios and multiple moves, and you kind of branch out into all these different options. You don't play a game of chess and say, "I will only move my knight, my opponent will only move their pawn," because that's the quickest way to lose. And interestingly enough... So my book is coming out later this year, and when I interviewed over 140 CEOs, I asked them, "What's the number one skill that future leaders need to possess?" And this skill of thinking like a futurist was number one on all their lists.

**0:17:47 Rita:** Wow.

**0:17:48 Jacob:** So thinking in terms of the scenarios and possibilities. So it's something that I think is crucial. Why do you think we struggle with it so much?

**0:17:58 Rita:** I think there are a number of reasons. I think the first reason is that if you've achieved a level of success at anything, it has a recipe that goes with it. And what a strategic inflection point does, or some people call them disruptions, what they do is they make those recipes invalid. And so, there's both a sort of a reluctance to say, "Oh, this makes my history, my library, my business model, whatever it is, it makes it no longer relevant." So there's a kind of a unwillingness to see that reality. It's almost like a coffin salesman, right? They come up to you and, "Now, okay, look, we know you're gonna die. How big do you want it to be? How deep?" Nobody wants to have that conversation [laughter] It takes a powerful sort of reason to have that conversation. So I think the first one is this self-obsolete nature of disruptions and inflection points.

**0:18:54 Rita:** I think the second one is a lot of people just haven't had to do that in their careers. And if you think about the people that you've interviewed, my guess is 70% of them got where they were by being fantastic operators, just squeezing every last bit of margin out of an operating system, running the supply chain 'til it hums. Most of our senior leadership, that's what they're picked for. If you think of most CEOs, they are not company founders, they are not the ones that wrote an innovation to be a multi-billion dollar business, and that's not a knock on them. Established organizations are built to replicate a well-understood business model. But what that does mean is, by the time they have to make these future-oriented decisions, they don't have a rich body of experience to draw on, which is definitely, I think, one of the things that really distinguishes founder-led companies from others, which is those founders have been through it. They've lived with having to make payroll, and they've lived with things not working out, and they've had to pivot and... So I think there's a lot more just scale that they've got when those kinds of conditions appear. So, that's a second one. I'd say a third...

**0:20:04 Jacob:** One question about that...

**0:20:06 Rita:** Oh, sure.

**0:20:06 Jacob:** Really quick. So would you say... So it sounds like, traditionally, being an operator, and an amazing operator, was to be a top executive while you were in a company.

**0:20:18 Rita:** Absolutely.

**0:20:18 Jacob:** If you were to look maybe 5, 10 years in the future, do you think that we're gonna see less CEOs and senior executives who are operators, and they're gonna need to possess something else or is an operator still gonna be enough to be a top leader at a company?

**0:20:33 Rita:** That's a great question. My gut is that it's not gonna be enough, and the reason it's not gonna be enough is that, if you go back in time... If I were a CEO in 1955, my business was probably an awful lot like it was in 1935, and if I extrapolated forward, it was probably gonna be a lot in 1975, like it was in 1955. And so, being an operator, you could kind of spend much of a career doing that. I think, in the future, as competitive advantages get compressed, we're going to need people who are capable of managing the entire life cycle, so who can manage innovation... Not necessarily who can do innovation, but who can understand what it takes to manage it, who can indeed manage the exploitation phase, but who are also courageous about what I call disengagement or reconfiguration. When this thing has now run its course, we need to exit, and we need to do so [laughter] in a way that preserves what's valuable, but allows us to pull resources to where they're most needed. So I do think, in the future, CEOs are not gonna be able to be just operators, I think they're going to have to have connections into these other activities.

**0:21:39 Jacob:** Okay. Sorry, you were on your third point...

**0:21:42 Rita:** Oh, I think the third reason that human beings are just really bad at making predictions is that we don't know what's happening at the edges. And by the edges, I mean, where are the new technologies coming along that could really radically change how we do business? Where are the kinds of people with new ideas? What is it people two generations away from us are really thinking about? So one of the practices I think that anybody could use, anybody watching this or listening can use is train yourself to regularly get out to whatever you think of as the edges of your organization. So it could be going to a conference that isn't from your own industry. It could be taking a course. It could be working with diverse talents to brainstorm ideas. It could be listening to shows like this one, where you're not necessarily hearing what you hear everyday. And I think that really is important. If I look at companies that got taken by surprise by an inflection point, what you often see is a lot of homogeneity, and that's on multiple dimensions: Cultural, gender, geographic, whatever, they're all like little carbon copies of each other. And so, to introduce something new in that conversation is really hard.

**0:22:58 Jacob:** Yeah. Yeah. So you've mentioned inflection points, but we didn't actually talk about what an inflection point is. So how do you explain an inflection point?

**0:23:07 Rita:** So an inflection point, to me, is some typically external shift that has a 10X impact on the taken-for-granted assumptions on which we are operating. In business, it tends to be something that makes your current key metrics obsolete or out of date. In life, in general, it's something that really changes the nature of possibilities that you have or that you're confronted with. And if we think about people that have had inflection points that have really taken them to new heights, it's often quite interesting. It's not necessarily what you might think, but it might be you get exposed... I'll use an example. Sylvia Acevedo, who's the CEO of Girl Scouts, tells a really inspiring story of growing up, very poor family, Mexican immigrants, really no... If you took her at 10 years old and looked at her, you would have thought, "Okay, not really a future." And yet, she describes how being part of the girl scouts at an early age exposed her to people, especially her scout leader, who convinced her that she could do this, that she could persevere, that she could... In what she did, go to Stanford. She joined NASA. She became a rocket scientist. Fabulous history, but the inflection point represented by that opening of an opportunity is just... That's the kind of

nature, personally, of what one's like.

**0:24:32 Jacob:** So, somebody actually asked live... They're saying, "Do you think that CEOs are leaders? Does this mean that they need to be generalists to be more successful in the future?"

**0:24:43 Rita:** Well, I'll tell you what the research evidence shows, which is that there was a great study that was done by, I wanna say Korn Ferry, using LinkedIn data. And the great thing about LinkedIn data is we tell LinkedIn everything about our professional lives.

**0:24:56 Jacob:** Yeah, everything.

**0:24:57 Rita:** And what they found in their sample was that people that became C-level executives tended not to have linear careers. They tended to have what you might think of as zigzag careers. So maybe they started out in marketing, and then they did a stint in operations, and maybe they were in aerospace and went into fashion for a while, or whatever. So, I don't know that you have to be a generalist because it's often seen as sort of pejorative, oh, they're... What is it? The investor in everything, master at none, that phrase. But I do think what it points to is the importance of having a variety of experiences in your toolkit.

**0:25:38 Jacob:** Makes sense. Makes sense. Again, using the chess analogy, it's about being able to play different positions in different openings, instead of just one. The top grandmasters, they don't just stick to one thing, they know how to do many different things, and they're good at them. So I think that's a kind of fair comment there. Okay. So we talked about inflection points. How do you spot inflection points? Because a lot of people listening to this, they're constantly trying to figure out, "What's next? What should we go in on? What should we wait on? What's hype? What's reality?" So how do you start to spot or identify these inflection points?

**0:25:54 Rita:** Well, I'll tell you the way I do it, which is I identify... So just briefly. So we take two uncertainties, and I'll take my own organization as a case in point, so business schools, right? So let's say that student interest in business schools remains really strong or student interest is kind of lagging, and then, let's say business schools continue to be viable channels for employers or not, right? And so, you've got high-low conditions on either of those dimensions. Well, obviously, the disaster scenario for existing business schools is students kind of lose interest and employers don't care either, and so why do we exist?

**0:26:52 Jacob:** Which is a very real threat.

**0:26:55 Rita:** Oh yeah. Oh, we're facing an existential threat. I've been talking about this for years, but I think we may be at the actual moment of inflection coming up pretty soon. So if we take that disaster scenario, and then what I like to do is define what I call a time zero event, such as 'might be in a newspaper headline'. So, '50% of all existing business programs shut down', that might be the headline. Okay, so that becomes time zero. Then what I do is I say... I work backward in time, and I say, "Well, before that could happen, what would have to be true?" Right?

**0:27:33 Rita:** So what would have to be true? We'll start to see evidence of the less competitive schools closing down, check, right? We'll start to see the vast majority of MBAs get paid based on what they did before getting the degree, rather than the fact that they have the degree, check. We're starting to see a demographic shift, just fewer people are in that critical MBA age, check. We're starting to see less interest from international students in American schools, and I'll speak here just



about the American scenario, check. So what you start to do now is you're building up a library, almost, of indicators, which are telling you whether this time zero event is more or less likely to happen. And time zero events can be really positive too. They could be very, very good ones, so it's not all just doom and gloom.

**0:28:18 Rita:** But what you start to do then is you say, "Well, okay, what evidence can I marshal that shows whether this is more or less likely to be happening?" And if you can find no scrap of evidence that this is likely to be happening, well, fine, then don't ignore it, but put it on the back burner and come back to it when you think there's a need. But if you've got this mounting pile of evidence, which, in the case of the business school example, we certainly do, then you wanna be thinking about, "Well, what's my strategy to be robust in the face of that kind of a shift?"

**0:28:49 Rita:** And some of the more forward-thinking business schools, what are they doing? They're changing their curriculum. Columbia would fall into that category. We have a new dean who's been very blunt that the business school curricula of five or 10 years ago is not what the business school curricula five or 10 years from now is gonna be. It's gonna need to be much more digital, much more tech-savvy. We need MBAs to work much more closely with the engineers, we need to have a better focus on digital. And he's really on that, really trying to work from a curricula point of view.

**0:29:19 Rita:** Other schools are doing things like... Well, maybe the MBA doesn't end your relationship. Maybe once you've signed up and paid for your MBA, maybe you have access to Exec Ed for the rest of your life. Maybe you have access to online offerings, maybe it's more of a membership experience. And so, I think there are things that can be done once you've sort of gone over that sort of coffin salesman moment, of saying, "Could this model change or not?" And then you can start to get really creative. So it doesn't have to be a doom and gloom kind of thing at all.

**0:29:47 Jacob:** Yeah, it's interesting to think of a school kind of like a gym, where you pay membership and get access to services and things as you kinda go along. Okay. So just...

**0:29:54 Rita:** And wouldn't that be fun? But would that be cool or what?

**0:29:57 Jacob:** Yeah.

**0:29:57 Rita:** Think about Netflix... Netflix for management education. [chuckle]

**0:30:02 Jacob:** Especially from a school like Columbia, where you have a professor such as yourself, where students would be able to get in touch with you when they wanna know about these things.

**0:30:11 Rita:** Sure.

**0:30:11 Jacob:** Okay. So if I were to break this down into a series of steps, it sounds like step one, for leaders, for anybody watching and listening to this, is to identify what those uncertainties are.

**0:30:21 Rita:** And you could do more than just two at a time, you could do multiple ones. I recommend picking two to start with just because it's easier and you have too much stuff to digest, that you just get into this... This is one of the knocks against traditional scenario planning, which is that it's just so much work and so effortful to get these exhausting scenarios out. So I say just start

with two, see how far it gets you. My experience is, 80% of the way, it'll get either... And it's very fast.

[chuckle]

**0:30:47 Jacob:** Okay. Okay. So step one: Identify the uncertainty. So let's pick a very big, common one, and it's automation in jobs. So I guess the two uncertainties there would be... One, would be technological advancement and progress, and maybe another one would be... I don't know, maybe regulation. Would that be... Would those be two fair uncertainties... Or government acceptance or adoption of these things?

**0:31:10 Rita:** Well, you say technology in jobs, the two that I would pick would be vast... Is this technology gonna displace low-skilled workers? So yes or no. And then the second one I might pick is, are there going to be new opportunities opening up for low-skilled workers, yes or no?

**0:31:30 Jacob:** Okay.

**0:31:31 Rita:** And so, you've got an existing versus a future state that you're kind of thinking about. And then if this disaster scenario there is, yes, it's gonna displace low-skilled workers, and no, there's nothing there for them, once that's happened, that's... If I were a government, if I were a policymaker, I'd be super-worried about that. On the other hand, there's a lot of evidence that, even if technology takes away the more routine aspects of low-skill jobs, that there are still things that can be done, that only human beings can do. And if I were to take a concrete example of this, look at what Best Buy has done over the last, I guess, probably five years.

**0:32:09 Jacob:** Yeah. It was one of the [0:32:11] \_\_\_\_ I interviewed, they've done an amazing job.

**0:32:14 Rita:** Just stunning, right? But a blue shirt in a Best Buy is not a PhD in microphysics, right? This is a person who probably has some education, maybe has some interest in tech, maybe is working on a degree on the side, but these are not master's degree requiring jobs. And yet, what Best Buy has done, by making significant investments in training and developing those people, is they opened up vast opportunities by really focusing on what it is they need to know to give the customer a great experience. And so, to me, that's a poster child for the upside scenario of what this job displacement could be.

**0:32:52 Jacob:** And I remember the articles about Best Buy, what was it? Mid, early-2000s, saying that they were on their way out and they were gonna be bankrupt. And when Hubert took over, he didn't make cuts when it came to his people, he actually invested more money in the training and the development. And so it was, I think, a really amazing example and they're doing super-well now.

**0:33:15 Rita:** Yeah. Yeah. What they've done is they've basically taken every single advantage that an Amazon or other e-commerce provider has and turned it against them, you know. And the reality is, no consumer walks into a store and says, "Gee, what I really want is a flat screen TV." I mean, they may say that's what they want, but what they actually want is the TV on the wall, with a remote control that I can actually understand, hooked up to channels that I actually wanna receive. There's a whole lot of stuff we want that cannot be... Doesn't arrive on our doorstep in a cardboard box, and Best Buy's figured that out.

**0:33:52 Jacob:** Yeah. Yup. I got a couple of people who are saying very thought-provoking, great content, thank you, we love Rita. So you're getting a lot of positive words in the chat. [chuckle] Thank you everyone for the compliments in there, and I agree, it's very, very interesting and thought-provoking to think about this. Okay. So, just to recap for everyone, step one, identify what those uncertainties are. Step two, you sort of think of the article headline, the... What did you call? Not ground zero, it was the...

**0:34:19 Rita:** Time zero, time zero event.

**0:34:19 Jacob:** Time zero, think of time zero. And step three was...

**0:34:23 Rita:** Work backward, work backwards. Say, before that could happen, what are the things that would have to happen? So, here's a great example, right? Autonomous vehicles. And the other thing I should mention about strategic inflection points is they go through this... What Gartner calls the hype cycle, right? So, when they first get seen, everybody goes nuts, and it's gonna change the world tomorrow and da da da da da. And a lot of money goes down the drain as people sort of climb on this next shiny object. Then it goes away for a while and everybody... All the skeptics say, "See, I told you so." And the initial investors get burned and... But there are a few survivors, usually, that emerge from the ashes, and they're the ones that demonstrate the new business model that's possible, and so forth. So if I take autonomous cars, we're probably at the tail end of the first hype cycle with autonomous cars, [chuckle] where we got billions of VC money going in, and we've got robots all over Pittsburgh and we've got all these things.

**0:35:20 Rita:** But if you think about what has to happen for true level five autonomy to be out in the wild, there are just massive, massive ecosystem implications, and that ecosystem's very incomplete. So, what I'd be looking for, if I were making a bet on autonomous vehicles, is have we figured out the liability regime and have we figured out what form factor these things should actually take? And are they really gonna be individual transport or are we gonna have more mass transportation, that actually is autonomous and runs on dedicated rights of way, and stuff like that? And once you start expanding your mind that way, and get away from, "Oh, what's autonomous cars? It's all these sensors strapped to a Volvo, you know. Once you start thinking about it in a really different way, then you could begin to think of various possibilities that will happen. But I think true autonomy the way... We envisioned this in 1962, when we had the Jetsons, right? They had autonomous flying vehicles.

**0:36:18 Jacob:** Same thing for augmented and virtual reality. These things were in the... Several decades ago, you used to see the images of these people in these huge boxes, trying to create this stuff.

**0:36:29 Rita:** Right, right, right, right. Now, there's not to say that there's nothing that you can do now. So I'll give you an example with autonomous vehicles that I think is really very powerful, which is, if you think about the military, right? They have a problem in supplying goods and services to troops at the front line. And so let's say you need seven supply trucks to deliver whatever. Well, each of those trucks has two drivers, and if you think about it, that's kind of a waste of human potential because they're in harm's way, they're not doing more value-added work, they're just driving the truck, blah, blah, blah. Now, autonomous technology today is not really good enough to take over that whole job, but it's good enough so that say the lead truck is driven by human beings, who can sort of know where the terrain is and know what's going on, but the six trucks afterwards, they're smart enough to play follow the leader. So, at that point, you can use

autonomous technology to solve a real problem today that somebody's willing to pay you to solve. That's, to me, where these new things start to take root. I call this the stepping stone strategy, which is... It's not the ultimate level five autonomous vehicles taking us to work everyday kind of model, but it is a step. It is a step.

**0:37:43 Jacob:** Yeah, that makes sense. So somebody asked a question, what's the difference in role between the leader and the CEO versus the team when it comes to seeing around corners? How... Is there a division of labour? Does everybody do the same thing, or... How do you think about that?

**0:38:01 Rita:** Well, leaders, increasingly, can't tell people what to do and expect it to be successful, because by the time you get to lead, in a formal way, any organization of any complexity, so much of the information you would need to make a smart decision has been sort of shaved out of your environment. So I think it's very dangerous for leaders to kind of... Sort of, I know what's going on, I'm leading the ship, and I'm right, because once a leader starts to take that position, other people are afraid to raise countervailing evidence. I was just reading some research that was done on General Electric. And basically, Jeff Immelt's decision to go double down on fossil fuels rather than engaging more in renewables. And from what this research suggests is plenty of people at the company were like, "I think we're overpaying for the Alstom acquisition. I'm not sure this is smart," da da da da da da da, but nobody was willing to say anything. So, to go back to your question, I think there's a really important role for leadership in terms of directing attention and focus.

**0:39:05 Rita:** So, in the case of Best Buy, which we were just discussing, Joly's saying our lodestone is going to be that customer experience. We are going to be, to the customer, what Accenture is to corporations when they're trying to manage their technology. We want to make it all simple and interoperable, and for them to have a great experience. So he sets the lodestar, right? But it's the team and the people that are out there trying things on the front lines, that are the ones actually seeing what's happening, coming up with the ideas, doing the experiments. And so there's this very interesting, to me, balance, right, between direction, right? This is the direction we have to go. Because people need that. I mean, people can't come into work and, "Oh, are we a biotech today or are we a publishing company?" I mean, that doesn't work. You have to have some clarity about what you're trying to do. But within that envelope, if you will, then there's a lot... Should be, hopefully, a lot of room for experimentation.

**0:40:00 Jacob:** Okay. So the leader sort of guides and helps convey that that's how we should be thinking, and the team is a little bit more on the ground floor, and they can maybe do some of that... The work, so to speak.

**0:40:11 Rita:** Exactly, exactly.

**0:40:12 Jacob:** Okay.

**0:40:12 Rita:** Like think... For example, a great illustration of this is Satya Nadella at Microsoft basically said, "Look, Windows, we know is a dying franchise. Software that runs on a box is a dying franchise." The world is moving to the Cloud, the world is moving towards [0:40:30] \_\_\_\_ service experiences, and so we need to be looking at leading indicators, and the leading indicators of things like customer usage are do customers love our products? And can you imagine Microsoft's CEO talking about customer love?

**0:40:43 Jacob:** Yeah.

**0:40:44 Rita:** But he also let a lot of experimentation happen. So a great story about this is you may remember, a few years ago, there was a small team at Microsoft that was experimenting with how human beings and artificial intelligence would interact. So what would that interface be? And if you buy the idea that that's really gonna be important in the future, which I think we can all agree it is, then you need to learn about it, right? So what they did was they created this little chatbot named Tay. Do you remember Tay?

**0:41:13 Jacob:** Oh, I remember that.

**0:41:14 Rita:** Yeah, so Tay was this... I think she was supposed to be like a teenage woman or something. And they released her into the world of Twitter. And the idea would be that Tay would have conversations with people on Twitter and she would learn from them, and then they would converse, and it would give them some great insight into how human beings and AI would interact. Well, within 48 hours, the cesspool that can often be Twitter had trained Tay to be this like racist, homophobic Nazi, just like every awful adjective you can use to describe humanity, and they had to take it down, right? And it was hugely embarrassing. I mean, it was just... I mean, the fact that you remember it... It's about, what? Three years ago now.

**0:41:52 Jacob:** Yeah.

**0:41:53 Rita:** And yet... So what did Nadella do? And this is one of those defining moments for a leader, because clearly this didn't work. It was hugely embarrassing. Everybody was making fun of Microsoft. I mean, it was just bad. And he wrote back to the team and said, "Hey, I thought what you were trying to do was really notable. We really do need to learn about this area. That one didn't work out the way we'd hoped, but keep trying, and I've got your back." And if you think about it, nobody died, right? I mean, it didn't... It wasn't like really dangerous corporate decisions. It was embarrassing, that's how bad it was. And you take a week, you get over it, and you move on to the next thing. So that's what I would call a small and intelligent failure. It didn't work out the way we'd hoped, but we learned a lot, and I mean, one of the big things, if you think about it, let's say they had done something much more substantial with a set of assumptions about how human beings would interact with technology. I mean, let's say they put something into a medical system or a transport system or whatever and hadn't had the Tay experience, and something like that happened, I mean, that would be much worse. So I think this is a really creative way of painfully learning your way to a better outcome.

**0:43:03 Jacob:** Part of me wonders if the outcome would have been the same if Ballmer would have been CEO, because they also have very very different leadership styles, where Ballmer was very much the celebrity CEO, very much the stack ranking, competition, there was a lot of infighting. And when Satya took over, he was very much about, "Let's learn things, let's practice empathy." So part of me wonders if, under Ballmer, would something... A, would that program ever even happen, and if it did happen, what sort of the repercussions would have been? So...

**0:43:32 Rita:** I think it would have been a bloodbath.

**0:43:34 Jacob:** Yeah, exactly, exactly. I think it really does... It really does depend on the leader, on the CEO, and kind of the direction that they set for the teams to even wanna try this stuff out.

**0:43:45 Rita:** Right. Well, and I think also... I think it's really important, as a leader, to make a

distinction between failures, where you really should have known better, and failure where it really was uncertain. We didn't know, and so we tried something, it maybe didn't work out the way we'd hoped. We learned a lot.

**0:44:02 Jacob:** What happens if you... I don't want to say make a bet on an inflection point, but let's say you believe an inflection point is happening and you move towards that direction... I don't know, maybe the Amazon Fire Phone would be an example. Didn't that cost them like \$500 million?

**0:44:15 Rita:** Oh, it was huge.

**0:44:18 Jacob:** And it was a colossal failure. Do you have any advice on maybe... I don't know, is it possible to avoid those types of things? Or how do you distinguish between an inflection point that you should move towards and one that you're kind of like, "I don't know." Do you just go cautiously?

**0:44:38 Rita:** Well, so let's take the Fire as a case in point, because I think it's interesting. It binds together a lot of the things we've been talking about. First of all, very much a CEO pet project, Jeff Bezos decided that year, for some reason, he wanted to channel his inner Steve Jobs, and be a phone guy [laughter] And I think to understand whether... Whether and what kind of a bet you wanna put on something like that, you really need to go back to the customer and say to yourself, "Well, what is the job the customer's trying to get done?" And is this thing that I'm introducing, in a very aggressive way, going to do that job better than all existing... Than existing opportunities. And the Fire, for all of its [0:45:18] \_\_\_\_\_ technology, did one thing better than other devices, and that was in its speech recognition technology, but it turns out, for the average person, Siri and, whatever, Google has Google Voice, they were good enough.

**0:45:30 Jacob:** Yeah.

**0:45:31 Rita:** If all you wanna do is to set a timer for 20 minutes, you don't really need advanced speech recognition. So the differentiation in the phone just wasn't substantial enough. And so my advice to people is really go to the customer and try to understand what is the job they're trying to get done, and figure out does this thing do that job better than any other alternative that's already entrenched, and out there? And if the answer is yes, then I think it's worth more putting a bet on it than if the answer is no. If the answer is no, don't lose the idea because you may have the gem of something really valuable, but I wouldn't make a half a billion dollar bet on it at that point.

**0:45:37 Jacob:** Yeah. Can you talk about maybe what causes an inflection point? Are there certain triggers that leaders or that we, as individuals, need to be looking out for, for something that might cause this kind of an inflection point to happen?

**0:45:37 Rita:** Sure. So any state of nature has, at a particular point in time, sets of constraints, right? And that's just what we have to live with because that's all that technology can do, that's all we figured out as human beings to do, or whatever. And what an inflection point does is it causes a shift in those constraints. Now, the good news is this often takes place over a super long period of time. And so, if you're paying attention, you can start to see. A great example of this would be, right now, in the Os, I guess in the 10s, we witness the emergence of this whole new business model of direct-to-consumer shopping, which is different than traditional e-commerce. So these are companies like Warby Parker and Casper and Glossier, there's a whole string of them. What they

did was they combined easy and cheap Cloud capability with the ability to go direct to the consumers, with the ability to reach consumers through vehicles like YouTube and Facebook, and so forth, to essentially create a complete shift in what it used to take to be a retailer.

**0:47:33 Rita:** And if I go back to Nike again, back in the day, if you didn't have position... If you're a sportswear manufacturer and you don't have a position in Dick's Sporting Goods, you're nowhere. Well, today, somebody... Look at something like Allbirds, which can go direct-to-consumer, and that, to me, is the constraint, was you used to have to make stuff, get it into retailers, which was because it was physical footfall that was required, and in a departure from traditional e-commerce, it's not just selling stuff, it's actually developing a personal channel, direct-to-consumer, and that's really, to me, the big change. But it took all these underlying shifts in what was possible to make that even happen.

**0:48:18 Jacob:** And I think, in your book, you talked about six... I think you identified, what was it? Six triggers? Or were there seven or eight triggers on there? I know technology was a big one. What were some of the other ones that you listed there?

**0:48:32 Rita:** Sure, social norms is another big one, so what's acceptable versus not acceptable. And a current example of how this is playing out right now is Jewel, one of the most heavily venture capital backed firms of the last four, five years. And basically the jurisdictions all over the country are now saying, "Hang on, this stuff has not been tested to be safe, these claims are not scientific. We don't want you selling mint-flavoured stuff to addict a younger generation of people." So that's a social norm kind of shift, which is gonna put severe restrictions on what you can do as a business. If you think about those kinds of changes, if I were... Well, and they're fighting this tooth and nail, of course, but the whole economy that's emerged around consumer data being bought and sold and traded in ways no consumer ever expected, that could get wiped out with the snap of a legislative finger. I read about Facebook in the book. I am surprised there's been so much less legislative pushback on these business models, because if I go back to the American Libraries Association, which I use in the book, if you wanted to be certified as a librarian, you had to swear an oath that you would not betray what people came into the library to look up. Do you know that that's actually...

**0:49:50 Jacob:** As a librarian?

**0:49:51 Rita:** As a librarian, yeah, because the theory was, if people were coming for knowledge that, let's say they picked up a book on, I don't know, communism, you didn't want the librarian spilling the beans and saying, "Hey, George is interested in communism, maybe you should look into him." That was considered to be completely... It's actually illegal, it's against the code of conduct of librarians. And so, if you look at... That's our historical norm, and if you look at the data collection practices these large tech companies are operating, basically, to fuel advertising, how bizarre is it that the most bright minds of our time are focused on how to get more finely-targeted advertising messages? But that's a whole 'nother conversation. But anyway, I'm surprised that our whole society is really not just focused on this a lot more.

**0:50:36 Rita:** I think, when they do, it's gonna come like a cascade. I think there'll be this tipping point, and then we'll see things changing. So regulatory is another one, social pressure is another one, certainly geopolitical issues become increasingly important. So, back to my business school example, why are so few foreign students still beating in the doors of American MBA schools? Well, it's harder to get in. Once you get your degree, it's harder to get a job because we've tightened

up so much on American immigration, and as a response, all the schools overseas have improved their standard. So the distinction is no longer so great and the opportunities aren't great either. So that's a case where geopolitical factors are feeding into what could be a large inflection point for business schools.

**0:51:21 Jacob:** It's actually interesting, one of the things that you mentioned earlier... And I talked about this, I think, a year or two ago, with a previous podcast guest, and it's this idea of what happens when business moves faster than law or when business moves faster than regulation, which is what we're seeing now...even with Uber, recently, in California, we just saw the law passed of contractors who would have to be classified as employees, January 1st was the date, but, for years, this wasn't the case. So it's really interesting when the law finally catches up to business, the impact that it will have on the business could potentially be catastrophic.

**0:51:57 Rita:** It can be. Sure. Sure, you can have... When your labour costs five bucks an hour, it's a different business model than when it costs 15 or 20.

**0:52:05 Jacob:** Yeah, yeah, couldn't agree more. Well, we only have a couple minutes left, so maybe one or two more questions left to wrap up. One question for you would be... So, as a leader, I'm inside of a company, and I want to learn some points or these signals that are out there, what are some things that I can be doing... And I suppose I don't even need to be a leader, just anybody, what are some things that I can be doing to spot signals that are out there?

**0:52:30 Rita:** I think the first thing is this idea of the edges, that you really need to embed ways of learning about what's happening, that isn't right in front of you, that's farther out. I'll give you an example. Let's say it's important to your business to know what the 20-year-olds of 10 years from now are gonna be like. Let's just say you're in a business with long-time horizons, maybe you're Boeing or somebody, and you really gotta be thinking about what travel patterns are gonna be like, or whatever. Well, guess what? Every single one of those people is alive and well today, and they're 10. So when was the last time you really looked at what a 10-year-old was doing? And that sounds stupid, but if you think about it, are they sitting down and watching Walter Cronkite on Linear TV? No. Are they watching TV at all? No. How are they learning? They're learning from YouTube, they're learning from each other. They expect significant peer involvement in their learning. They don't go outside and play anymore, they stay inside and play on Fortnite, that's how they connect.

**0:53:32 Rita:** And so, I'm not saying you can predict, again, but you can start to say, "Well, wait a minute, if that's the behaviour of my future customers, what are some things I should be paying attention to as they emerge into the world?" So one I'm watching really closely right now is this whole... Over the last, what, 20 years or so, we've shifted very heavily towards fast fashion, the idea of disposable clothing, you wear it once for the perfect selfie, and then you move on. Well, I wouldn't be surprised if we're starting to see now a backlash, where the mark of pride is gonna be slow fashion, "Oh yeah, I've been in that same dress all year. I wash it every two days, and whatever, because now I'm environmentally-conscious," right? You can think of it as the Greta moment just happened, right?

**0:54:14 Rita:** And so, I think those kinds of things, where you're really out there looking at where is the future starting to appear? I spoke earlier about... Go to conferences that aren't directly related to what you do, maybe take a training course. Today, you can learn almost anything in 10 minutes a day on YouTube, and that's really interesting. I read a lot. I actually... One of the reasons I really like my Twitter feed, and to some extent, LinkedIn, is a lot of the people that I interact with introduce



me to sources I wouldn't necessarily have run across on my own. And I think that's another kind of interesting practice. I would say, this takes time. Now, it doesn't take huge amounts of time, but if you're spending every waking moment nose to the grindstone, busy, busy, busy, busy, you're much more vulnerable to missing things than if you give yourself a little bit of that imagination space.

**0:55:06 Jacob:** Yeah, yeah. And I think you mentioned some of this earlier, talk to your customers, talk to employees who are maybe not on your direct team, and I remember seeing... I heard an interview that you did recently, where you talked about one of the big problems and why leaders struggle with this is because they become very insulated and they surround themselves with people who just tell them how great they are and how amazing they are. And so, as a leader, you sort of put yourself into this bubble where you... I mean, you kind of do it to yourself.

**0:55:37 Rita:** Well, and I think what's important to recognize is that you may not be consciously doing it, but the people around you pick up on it. So a famous story that gets told at General Electric for years and years was that Jeffrey Immelt happens to have a very hot, I guess, metabolism, he's a former CEO, and so when he was in conference rooms, or whatever, he preferred them sort of chilled to the level of an icebox. And so, everybody that was around him was like, "Oh, Immelt's gonna be speaking at this lecture, we have to drop the temperature by 10 degrees." [chuckle] Now, I would be very surprised if he had issued an edict that, "All... Heretofore, all rooms that I ever speak at are gonna be 55 degrees," but people around him noticed his preferences and they'll act on it. And I think that's one of the very difficult things to navigate if you have a lot of power in an organization because, even without you're intending it... I have a CEO friend who said to me, "Yeah, your ideas are all inspirations and your suggestions are orders." [chuckle]

**0:56:37 Jacob:** I actually interviewed one CEO and he told me a story of how he went to go visit an office, and while he was doing a tour of the office, he commented on the way that the office was decorated, and that he liked the art on the walls, and next thing he knows, that same art and that same style gets duplicated everywhere, and he's like, "Guys, what's going on?" And they're like, "Oh yeah, you said you loved it, and you wanted it everywhere." He's like, "No, I didn't. I just said that I liked it here. What are you guys doing?" And he told me that he needs to be very clear and very communicative with his team around what is a... What's sort of a directive, what's a decision and what is not, which I find a very interesting challenge for leaders to have to overcome, because, in our daily lives, we're not used to doing that, of like...

**0:57:28 Rita:** No, no.

**0:57:29 Jacob:** "This is just a suggestion, I'm not telling you to do this." But for everything that they say, it really can be taken to the extreme.

**0:57:39 Rita:** Oh, it gets amplified immensely.

**0:57:39 Jacob:** It's crazy, absolutely crazy.

**0:57:41 Rita:** Well, and it's hard, I think being a CEO, or anybody like that, it's a really lonely... Very, very difficult human job because of this factor, because all eyes are turned to you, everybody's... I mean, you can't help it. It's got a huge sort of symbolic and substantive fallout. So I think that's one of the reasons we've seen this boom in executive coaching, and organizations, where they can get together and talk to each other [chuckle], because it's just so hard to do it inside

your own organization.

**0:58:10 Jacob:** Yeah. Alright, to wrap up, I just have a couple fun rapid fire questions about you.

**0:58:15 Rita:** Great.

**0:58:15 Jacob:** Fun questions, starting off with what has been your greatest business failure?

**0:58:21 Rita:** Oh. Well, I started two little businesses when I was in my 20s, and both of them... Well, one of them blew up and the other kind of whimpered its way to an end. So it was... The first one was a political consulting business, and we had a great first year, but we made the kind of rookie mistakes you can only make when you're in your 20s, and you have no idea what you're doing. We forgot elections don't happen every year, and so our competition was pricing for the gap and we weren't [chuckle] So that blew up completely. And then the second one was a kind of a typing word processing thing, which I got into with the remains of the first business, and I came to this realization I didn't wanna spend my life doing typing and word processing, I got into it for the politics.

[laughter]

**0:59:02 Jacob:** Yeah. Yeah.

**0:59:02 Rita:** So I ended up selling that off to a partner and moved on.

**0:59:06 Jacob:** What has been your most embarrassing moment?

**0:59:11 Rita:** Embarrassing. Wow, I think we repress those, don't we?

**0:59:15 Jacob:** We do, yes.

**0:59:17 Rita:** Probably saying something really stupid in front of a client. I mean, I'm trying to... I'm struggling to recall an exact detail at the moment, but...

**0:59:17 Jacob:** Well, you also give a lot of talks. So I'm wondering if anything happened to you at a talk that you gave?

**0:59:35 Rita:** Well, there's sort of two kinds of embarrassing, there's me being really stupid, which of course any of us can be, at any point in time, but then there's somebody else doing something which is completely cringeworthy, and I've had a lot of those. As a woman on the speaking circuit, the way people introduce you, the way they position things, the sort of... I remember once I was going... Flown on a private jet, which is a whole long story, to go to this Golf Resort, and the CEO was sort of the cigar-chomping type, and I'm early in my career, I'm prepared, I really wanna do a good job, and I'm sitting down with him, with my outline. Now, by this time, by the time I get there, he's like three or four Cognacs in, he's on the cigars, and he looks at me and he says, "Honey, you can talk about whatever you want as long as you shut up by teatime."

**1:00:20 Jacob:** Wow!

**1:00:22 Rita:** So what had happened was there was a law passed, that in order to tax deduct these

corporate trips, you had to have a certain amount of academic content. So, it wasn't a mistake. I felt embarrassed, I sort of slunk back to my... And I was like, "Okay." I felt unbelievably earnest.

[laughter]

**1:00:42 Jacob:** That's a good one. That's a good one. What are you most proud of?

**1:00:47 Rita:** Oh, my kids. [laughter] I mean, privately, of course. If they don't work out, the rest of your life doesn't really work out.

**1:00:57 Jacob:** How many kids do you have?

**1:00:57 Rita:** Sorry?

**1:00:56 Jacob:** How many kids do you have?

**1:00:58 Rita:** I have two. They're both wonderful grown-ups, they're both not axe murders, they came out absolutely fine, in spite of the fact that I worked their whole careers, it was great. At a personal level, I think probably the thing I'm most proud of is giving a name to this way of thinking under uncertainty that really is now becoming more mainstream. I think that's really... If I had to pick one thing, I think that's where I'm unique among a lot of management thinkers.

**1:01:25 Jacob:** What's your favourite business or non-business book? Not including yours.

**1:01:30 Rita:** I really like... And maybe this is too close, but I really like 'Only the Paranoid Survive'. Another one I really loved is Lou Gerstner's book, 'Who Says Elephants Can't Dance?' I thought that was brilliant. And to go way back in time, I was very struck by a book called 'The Goal', which is essentially an operations management book turned into a mystery novel. It was really an interesting way of framing a business context.

**1:01:58 Jacob:** Very cool. I might have to check those out. Who is the best mentor you've ever had?

**1:02:03 Rita:** Oh, definitely Ian MacMillan, he was the CEO, the director, I guess you'd call him, of the Snider Entrepreneurial Center at Wharton. And there's a lot of talk now about how women succeed and move forward, and one of the big things people talk about is not just having a mentor but having a sponsor. And Mac was a sponsor. He would say things like, "Well, I won't come to your conference unless McGrath comes too," which like that's un... Yeah, or insisting that I use his databases to write articles, that would then be well-received, and just really being an advocate all along the way.

**1:02:38 Jacob:** Pretty cool. And then last question for you: If you were doing a different career, what do you think you would have ended up doing?

**1:02:45 Rita:** I think something in policy and politics, definitely. I still find it absolutely fascinating to really... And if you think about it, the skills you need as a professor are very similar to the skills you would need to be a really good policy-maker, you have to bring together the data, and figure out what's feasible, and what isn't, and what can you accomplish, and then bring others with you as you do it, largely by educating them, right? So I think that would probably be what I'd be doing.

**1:03:12 Jacob:** Very nice. Very nice. So I had a couple of people ask, actually, where they can go to connect with you, so anything that you wanna mention, I know you're on LinkedIn, you have a book, you have your website, so anything you wanna mention for people to connect with you, please feel free to do.

**1:03:25 Rita:** So I think... I publish a monthly newsletter, and each month what I do is I take a different sector that I think is going through some interesting changes, and talk about what I think those are. So that's one of my ways of keeping on top of different things that are happening out of the edges. You can subscribe just by going to [ritamcgrath.com](http://ritamcgrath.com), and put in your name and email, we don't use it for anything other than the newsletter, so don't feel bad about that. That's probably the easiest thing. I am on LinkedIn, I am on Twitter at [rgmcgrath](https://twitter.com/rgmcgrath). And then, I'm at Columbia, I run courses, I run workshops. We're doing a promotion around the book right now, where... Two different ones. So if you buy 10 copies of the book, you get all kinds of downloadable goodies, which...

**1:04:06 Jacob:** Can they buy them from your site?

**1:04:08 Rita:** They can. Yeah, if they go to my site and go to [ritamcgrath.com/offer](http://ritamcgrath.com/offer), that's where you find out about it, and I'm doing 10 webinars in 2020. If you buy 200 books, I will do a two-hour webinar for your company, so that might be a fun thing...

**1:04:23 Jacob:** Wow, very cool. And that's all available on the [ritamcgrath.com/offer](http://ritamcgrath.com/offer) page.

**1:04:27 Rita:** Yes.

**1:04:28 Jacob:** Perfect. Well, Rita, thank you so much for taking time out of your day to speak with me. I learned a lot. I got a lot of wonderful comments here from everybody, so thank you, I really appreciate it.

**1:04:38 Rita:** This has been a pleasure. Thanks.

**1:04:40 Jacob:** Of course, and thanks everyone for tuning in. Again, remember check out Rita McGrath's website, and the title of her book, which is available wherever you can buy a book, is called 'Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen'. And I will see all of you very, very soon. See you later.

**1:04:57 Rita:** Thanks. Bye.