

Jacob Morgan 00:00

said a couple different ways.

Navi Radjou 00:01

Sure NaVi Raju NaVi Okay, that's

Jacob Morgan 00:04

what I thought and I'll do a much longer intro later but for now I have Best Selling Author of is it called you got innovation?

Navi Radjou 00:10

Do God like? Yeah,

Jacob Morgan 00:13

you got okay. So basically another question. And then I have the judge at the school that I'll mention and then World Economic Forum Global Future Council on innovation entrepreneurship and number one ranked thinker on the thinker's 50 list for 2021. That's, that's perfect. Yep. Okay, cool. Let me push record on my camera and we'll jump right in. All right. Memory Card one second. There we go. Yeah, helps to have the memory card in the right spot. And then it's meant to be casual conversation, right. So if something comes up that you want to make sure that we talk about, you know, we will just kind of go with it. So nothing too formal. Okay, sounds good. All right. I'll jump right in. Hello, everyone. Welcome to another episode of leading the future of work. My guest today is NaVi Raju, Best Selling Author of Jugaad Innovation, being frugal, be flexible, generate breakthrough growth. He's also a fellow at the Judge Business School at the University of Cambridge, and he serves on the World Economic Forum's Global Future Council on innovation and entrepreneurship. And if that's not enough, he's also the number one ranked thinker on the thinker's 50 list for 2021. Nabil, thank you for joining me.

Navi Radjou 01:35

Thanks for having me.

Jacob Morgan 01:36

Before we jump into the leadership and innovation stuff, which I know a lot of people are looking forward to, why don't you give us a little bit of background information about you, you know, where did you grew up? How were you raised? And how did your path take you to what you're doing now?

Navi Radjou 01:52

Sure. I grew up in a small town in southern India called the Pondicherry, which is a former French colony, which was made famous by the book and the movie Life of Pi, which was shot there. And so because it's a former French colony, I was lucky to study in the French education system, because my father served in the French military. So after that, I went to Paris to complete my higher education, then traveled around the world, Canada, Singapore, Thailand, freelancing as a consultant, and then emigrated to the US. In 1999, I joined a company called Forrester Research, which is a tech research firm. And that's when actually I begin to pay closer attention to the fact that the way we define innovation in the West, is very much defined by Silicon Valley, which is essentially adding more

technology and trying to kind of, you know, push more stuff to consumers. And being from India, it gave me a chance to step back and begin to reconnect with my roots. And that's when, in 2008, with the recession, the Great Recession, I had a chance to spend more time in emerging markets where they discovered that, due to the scarcity of resources, entrepreneurs in emerging markets actually are able to do more with less. And that essentially became the light motive and mantra for me in a way, which then led me to write two books on this topic. And then I also begin to see my purpose as being a bridge between East and West, which led me to co write my third book, which is on leadership, which is based on let's say, spiritual or the philosophy of India wisdom from India, and apply to, you know, leadership in a modern context.

Jacob Morgan 03:57

Very cool. And then where are you based now?

Navi Radjou 04:01

I spent 22 years in the US living in East Coast, then 13 years in Silicon Valley. And then last year, I decided to move to France. And this year, I'm actually spending time across different regions across France, to identify interesting entrepreneurs, meet interesting innovators, with the hope maybe of writing a book on these guys, you know, this year or next.

Jacob Morgan 04:30

Oh, very cool. Yeah, that sounds exciting. That's always a fun. Part of the fun part of being an entrepreneur it is you get to explore all sorts of fun topics. I actually had the opportunity to spend some time in India, one with my wife a couple of years ago. So it's a very, very interesting part of the world to visit lots of cool things to see great food history culture. So it's a fascinating place for people who haven't been there. Absolutely. Let's talk a little bit about some of the work that you've been doing on innovation because you know, the world has changed quite a bit over the past few years. Here's a question: What have you found when it comes to innovation? As far as how organizations have typically been thinking about it, versus how they should be thinking about it?

Navi Radjou 05:11

Yeah, I mean, essentially, you have to look at what's happening right now is the fact that we have climate change. Our resources are getting scarce. For instance, last week, it was announced that we have crossed planetary boundary related to freshwater. So essentially, by running out of freshwater, and having lived in California, especially in Palo Alto, for many years, I already knew that in dry parts of the US, you know, in southwest, for example, we will be facing major drought and water shortage. And so, as a result of all this, essentially, the old paradigm was essentially pumping a lot of money, billions of dollars, the large companies in the world spend about nearly \$900 billion each year in R&D. So the idea is, you know, just pump money and you know, create, you know, fancy budgets, or, you know, soap or detergent that, you know, is supposed to clean better than the previous ones. And then you spend even more billions of dollars, right to just like pump out, you know, advertisement, and then, you know, create demand for these products. So this was a classic enough, you know, push approach to innovation. And the last 1015 years, we have seen a different approach, which is, you know, more we call it customer driven innovation or open innovation, where companies begin to collaborate more with customers, to define the needs and create products that actually deliver tangible

value to customers. And then open innovation meant that instead of relying just on in house resources, like r&d, and marketing, companies begin to partner with startups and outside organizations, to co create solutions with them. So this idea of customer driven innovation and open innovation is what begin to change the 20th century model of innovation into a new paradigm of innovation. But now, I say, with the climate change, and the needs of values, conscious consumers and employees. Now, what we are seeing is that it's not enough. So the new products and services have to be developed in a sustainable way, you have to make sure that the people that let's say, in the apparel sector, the contract manufacturers in China and India are paid, you know, the right wages, and all this because, you know, essentially, customers employees are becoming more socially conscious and environmentally aware. So they want to make sure that, you know, they vote with a wallet, for products that are, you know, socially impactful, and ecologically virtuous. And this is creating a lot of pressure on companies, especially in the West, to embrace new ways of innovating, that actually deliver not only better value for customers, but also have a positive impact on society and the planet.

Jacob Morgan 08:20

Are there any companies out there that you can think of that are doing a pretty good job of making this shift and this transformation?

Navi Radjou 08:26

Yeah, there is one, there are several of them that I love. I mean, in the US, there are two companies that I love, but let me begin with one that would be very meaningful for the audience. Interface is a major carpet company. They are the world's world's leader in creating carpets, that are used in offices and hotels and hospitals. And they were the other pioneers in North America, for embarking on a sustainable development journey way back in 1994, when their CEO, the founder, back then Ray Anderson had this vision of becoming America's most sustainable company by 2020, with the goal of reducing the emissions to zero. And they achieved that goal in 2019, when all the products became carbon neutral, that means that, you know, they don't tell you that at all. And they also are developed using far less energy and water. So that's all nice, but then they told themselves that look, it's great that we become a sustainable company, but we should not rest on our laurels. We need to lead our industry and maybe the whole economy into a new territory. And the new territory is called regeneration. So regeneration is a new concept that is gradually going to eclipse the old notion of sustainable development, because Sustainable Development essentially means that you're doing less harm to To the planet, and maybe to society, regeneration says no, you need to consciously and intentionally have a positive impact on society and the planet. So that's why interphase decided in 2019, to launch a new initiative, which is called Climate takeback. Whereby by 2030, they want all the products to be not just carbon neutral, but carbon negative. That means that the products absorb more carbon during the production than emit. They're also building factories that actually are regenerative factories, that means that they will generate drinkable water or clean energy as part of their production process. And then this excess clean water and energy is given freely to the local communities or the local ecosystems. So this is what is known as regeneration, which is a company that goes beyond just doing less harm, and intentionally learns to do more good to the society and the planet.

Jacob Morgan 11:08

Is innovation really, then? I mean, if we talk about it in the context of how things are changing, is it really just about kind of adapting to climate change and sustainability and scarcity of resources from that kind of a broader perspective? Because I know a lot of leaders out there who are just trying to do the basics of how do I create more innovative teams? How do I create an innovative culture? I think what you're talking about as like really big picture organizational wide, you know, macro innovation. But what about for leaders out there who are thinking, hey, I'm just trying to get my teams to be more innovative, like, what does this have to do with me? What do you say to those guys?

Navi Radjou 11:46

Oh, well, actually, that's the great news. The great news is that actually, if you look at the young people, the millennials, and especially the Gen Z, we're going to become the largest employee group in companies in North America, they actually want to join companies that are actually embodying these values, like, you know, being socially conscious and environmentally virtuous. So what it means is that, if I go back to the example I gave, right, so interface found that employee motivation skyrocketed, once they started doing the kind of stuff that I talked about, in other words, actually, if you can commit yourself to becoming, you know, an environmentally sound company, that creates a noble purpose, a higher purpose for employees that actually suddenly say, Oh, now we are going to learn to work as a team. So everything you just said about, like, you know, how do we get employees to, you know, get excited about innovation? How do you get them to work, as you know, cross functional teams, all that becomes much easier when you tap into create this intrinsic motivation. Right. So when I come Monday morning to work, I know that I'm creating a torus that is going to be good for the planet, or we'll be having a positive impact on society. Well, you know, I will be even more excited to come to work Monday morning and be able to, you know, team up with other functions or departments. So that's what we're finding now, that essentially, you know, when a company has a higher purpose, which is focused on doing good to society and planet, it dramatically increases employee motivation and retention. And with the great resignation, you know, being a biggest threat to corporate America since I guess World War Two, you know, this may be, you know, the way to attract and retain talent.

Jacob Morgan 13:42

Yeah, it's very interesting that this actually transcends not just beyond not just about innovation, but attracting people building teams creating that purpose and meaning because you're right, I think a lot of employees, not even just the younger generation, but people in general are wanting to know, how products are made, how the impact that it has on the community, on society on the world at large. We're telling more stories about this stuff. And people want to be associated with those types of organizations. And I think it makes a big difference for the overall experience. Now, in your book, The the Jugaad Innovation, you have, I believe, six principles in there. So first, what does that actually mean? The Jugaad Innovation?

Navi Radjou 14:22

Sure, Jugaad is a Hindi word that simply means an improvised fix. Or you can call it the MacGyver spirit. Which is, which is a kind of way of hustling you know, hustling your way into getting something done. But with the twist that as MacGyver shows very well, right. It's about essentially using the resources you already have to disposable. So MacGyver is able to you know, use whatever he can find around him right like a duct tape and whatever with the Swiss Army knife and pull himself out of any

difficult situation. So then MacGyver analogy is important one because it's it shows the resilience, the creativity in the face of adversity. So that's one aspect of, of Jugaad. And that is actually about hustling. But then there's another aspect, which is important is the frugality. The idea that you know, you don't go look outside for new resources, you make the most of what you already have. So that idea of doing more with less is the second attribute of Jugaad. And you see these two qualities displayed in emerging markets, where there's a lot of complexity, a lot of adversity. And there's also tremendous resource scarcity, that essentially forces entrepreneurs, to do Jugaad, which is essentially, to be clever and ingenious in solving problems with limited means.

Jacob Morgan 15:45

But you know, that's also one of the frustrating things that I think a lot of employees say, right, as they say, you know, my leaders keep wanting me to do more with less, there's more pressure, like I don't have the resources that I need. So is doing more with less a good thing, or can it have challenges there for employees as well, who feel that constant pressure? I'm sure you hear this as well, right?

Navi Radjou 16:07

Yes, absolutely. I mean, the, you know, if I can be a bit skinny, cynical, I would say that, you know, capitalism is built on this whole premise of doing more with less, right? And even the term economy, right? Any economic system is about optimizing resources, right? Dealing with scarcity. So even the field of economy, if you think about right, it's really built on this premise of scarcity, right? That's how we drive people. And so that has been going on for, you know, 200 years, the twist this time is that you know, so the idea of doing more with less, Jacob is that it is just a tool, the question then, like, why do we do it? Right? This is why I go back to the purpose, right. So the purpose has to be something that is highly motivating me, Holly chicks, and me, Holly, who is a well known pioneer of positive psychology, and will develop the concept of flow actually shows that, you know, when people are exposed to constraints and challenges, as long as the challenges are not too stifling, they can become very creative. They can be in a flow, because they get challenged by this adversity. And they can actually, you know, surpassed himself in terms of creativity and innovation. So the, the, I'm gonna give you an hour, an actual example of to show how leaders can create the right level of constraints. So it's not too stifling. But it's exciting enough to get, you know, employees to do more with less in a very impactful way. So this is the example of the French car company, Renault, which is partner of Nissan. And in 1999, their CEO back then issued a challenge to the engineers in France, saying that, hey, why don't we create a car that can sell for just \$5,000. Of course, that was, you know, like, Mission Impossible, because the average car that the time they were selling was around \$15,000. So we are talking about a car that, you know, can be designed three times, you know, cheaper. And so what they did is essentially they went to Romania, were in the 90s, you know, an 80s, under communism, their engineers became my drivers, right, because they had to do more with less because under communism, they didn't have all the, you know, resources that disposal, so they have to improvise all the time. And so that clever ingenuity of the Romanian engineers, combined with the the engineering discipline of the French team of Nissan enabled them to co create frugal car, which is named Logan, that was launched in 2004, for the price tag of \$5,000. So they managed to pull it off, because they created this challenge, right. So today, we talk about grand challenges. So this was a manageable challenge, right? Because if it's too big a challenge, it will become Mission Impossible. But by creating the right level of constraints, they were able to surpass themselves. And since then, this French car

company Renault has produced several other models of cars at different price points, ranging from \$3,500. And last year, they launched the electric car, which is Europe's cheapest electric car for about \$12,000. So you can see that, you know, by creating evermore challenges, they're able to get the creative juices flowing in the company.

Jacob Morgan 19:53

It sounds like this concept of do more with less is just the new reality that we're all a part of. But I think you mentioned something else. thing, which is balancing the constraints. So I think one of the things that leaders need to do a better job of is paying attention to the constraints that they're putting on their employees. And you know, you can drive innovation, but like you said, you can't make it impossible. If you have a big project or you know, something that you're supposed to do, and the deadline is one year, you can't just say, hey, it's due next month, and that's your challenge. Right? It's, we need to be realistic. So you do need that to have that kind of balance in there. So I'm glad you mentioned that. And just

Navi Radjou 20:28

to build on that and think about MacGyver, right, all of us grew up watching MacGyver. Well think about any MacGyver episode, right? Well, he finds himself difficult situation. So essentially, is facing constraints. Right. It's one thing when he faces these constraints that you see my gut reaction. Right. If you meet MacGyver, like in the street, you you won't know, you know, you know what we mean by MacGyver spirited, right. So it's my guy was which shines through when he finds himself in a difficult situation, right. Yeah. So that that's a good inspiration for us. Right. So essentially, you know, how can we learn from MacGyver in a way that, you know, the challenges are stimulating, as opposed to like, you know, debilitating and stifling?

Jacob Morgan 21:09

Yeah, no, I like that. So the third principle of Jugaad Innovation is think and act flexibly, I find that this is often something that leaders really struggle with, because, you know, traditional leadership is you pick a path and you go down it, and it all costs, you achieve your goal and you, if obstacles come up, you just plow through them. There's not a lot of that flexible and maneuvering type of thinking. So what is thinking act flexibly mean? And how do you practice this as a leader?

Navi Radjou 21:38

Well, Jacob, the good news is that we don't have to go too far back in time. I mean, please, let's all you know, recollect what happened during COVID. Right? Let's stay in America for a while, right. I mean, I spent I was in New York, right, I was at the epicenter of COVID, when it began in 2020, early 2020, I was living in Brooklyn, in New York. And, and I looked around what I discovered is actually, you know, in America will be coming sometime, you know, complain about the fact we have too many processes, in companies, etc. And yet, we saw an incredible amount of agility. And just to give you some examples, right, one coming from Ohio State and another one, from Italy. In Ohio State, what happened is that all the manufacturers teamed up to create a sharing platform where they could essentially, you know, find out what are the needs from hospitals across Ohio for medical supplies, or medical devices, and then they found engineers, you know, in different organizations that basically offered intellectual, you know, capacity to improvise, like MacGyver come up with, you know, quick fix solutions, like, you

know, medical devices, that may not be perfect. That's another thing they discovered during COVID is that, you know, Perfection is the enemy of the good, as we say. So the idea was rapid speed. So that means what they did, essentially, they create the sharing platform, a community virtually, in Ohio State, where all the manufacturers were able to improvise very quickly by saying, Hey, you have some resources, I have some resources, how do we combine our resources to create, you know, maybe not a makeshift solution, but a good enough, a good enough medical device, for instance, or mosque, whatever the hospitals need. And so they created this incredible, you know, marketplace, for matching demand for medical supplies with with, you know, the industrial capacities available across Ohio. And all this was done in a matter of four or five weeks. And here we go, you know, The Industrial Belt, right? We think it's very conservative, and you know, it's very driven by processes, etc. And yet, they show this ability to improvise and adapt. And likewise, another great example that we can learn from is in Italy, where a doctor was able to adapt snorkeling mask into a respirator as you know, ventilators were there was a shortage of ventilators during COVID. And Italy was hard hit, as you recall by COVID. So this doctor had this MacGyver moment when he said, you know, why don't we take an existing snorkeling mask, and then they 3d printed evolve, that could adapt seamlessly this snorkeling scuba diving mask into a makeshift ventilator and the process they saved hundreds of lives in Italy and around the world, because they made this 3d printed balls available as an open source design on the internet. Allowing you know, innovators anywhere in the world to download it and 3d print locally evolve. So So I give these two examples. especially the healthcare sector, because you know that healthcare sector is the most regulated sector. And there's always this kind of, you know, healthcare companies that I interact with always say, hey, we cannot be flexible, because, you know, we have, you know, we have so many regulations that, you know, we can't do anything outside the box. And yet, you see to these two examples that it is possible to think and act flexibly, again, when you face adversity, right, COVID was the mother of adversity. And that actually is what I think created these constraints that, you know, in a way forced these healthcare players to do more with less,

Jacob Morgan 25:38

kind of makes you wonder what would happen if organizations around the world always thought like that, and didn't wait for a tragedy to strike if that was just the way that you know, their culture was designed and the problems they'd be able to solve?

Navi Radjou 25:52

Well, actually, on that note that that principle you gave, to illustrate that there is a company that exactly operates by the principle, and since we are talking about leadership, this is a company that is now teaching the world how to lead and manage flexibly, it's the Chinese company hire, which is the VO appliance company. And they actually have this very agile organization where they operate, as you said, in a kind of, you know, they are able to improvise solutions. Or actually, in a nutshell, what happens is that this is a company that doesn't have dedicated functions like r&d, manufacturing, marketing, instead, they have 4000. micro enterprises, as they call them. These are cross functional units that are focused on specific regions, or specific, you know, customer needs. And then as soon as they identify a customer need an opportunity, they can go from concept to launch of a new product in a matter of six weeks, which is unheard of in the appliance industry. So that is a great example of you know, how you create a distributed leadership model. Because the founder of this company, John Romaine says that every employee should think and act like a CEO. Right? That's his vision. So by

having 4000, cross functional teams that have this autonomy, right, to find the resources, quickly mobilize the resources and cents and respond swiftly to customer needs in a matter of weeks. That's kind of agile culture that, you know, should inspire a lot of companies in the West.

Jacob Morgan 27:37

Yeah, that's a good example. And then the last thing we have keep it simple, include the margin and follow your heart. So let's start with keep it simple, which I suspect is pretty self explanatory.

Navi Radjou 27:48

Yeah, I mean, you know, this called the KISS principle, right? Keep it simple, stupid, yet, unfortunately, we don't practice that, as a matter of fact, you know, for instance, that I won't mention the software that is well known, but 80 to 90% of features. In a typical, you know, software that we use on everyday basis, are not used, right. So what it means is that, essentially, we are over engineering our products. And this is a well known fact, that has been documented in many industries, medical devices is another good example of that. And again, during COVID, we saw the importance of simplifying make it easier right to use. And, of course, that is being adopted today in the software sector, with the cloud computing. Companies like Salesforce are practicing this art of simplicity, because they can quickly get out a product, like minimum viable product that is simple enough and delivers, you know, just the basic minimum features. And then they can iterate to really decide, you know, what features to keep what features not to keep, and the company that in Silicon Valley, pioneer, this whole notion of simplicity is Intuit makes financial software, right. So actually, they begin practicing simplicity by having this program called follow me home, where they follow the customer's home, to observe how actually they're using the software. And that gave them insight into for example, that some features were too complicated, right, which were removed, or other features were missing. So they were they were able to add those features based on actual observation of customers, you know, in their natural context. So simplicity is, is going to become more important because when you look at what's happening, for example, in the car industry, there is something called lightweighting. So what happened is that car industry for the last 450 years or so, more or less, has been adding more and more features in the cars like electric Onyx. And all, this makes things heavier. Right. So when the car gets heavier, it consumes more gas and you know, and emits more co2, which is not good for the planet. So we have now stringent regulations in the US, that is forcing us car companies to implement what is known as lightweighting, where essentially, they're shaving off materials from the cars or replacing heavy materials, you know, like steel with the lighter materials like carbon fiber, carbon fiber. And, and this is a way also of simplifying the design, right of the product. So it uses less materials, and can also be, you know, more user friendly.

Jacob Morgan 30:46

I didn't know that any of that was happening. I just like it. Yeah, I mean, I have a Tesla, which to me feels like a very intuitive and simple car. I mean, obviously, I know the electronics behind it is pretty complicated. But there's no like fancy buttons and knobs, everything's just easy on a touchscreen, even though it's complicated, it makes it feel simple for the consumer, which is what I really like.

Navi Radjou 31:06

And I think that's what you said is important. As matter of fact, the former head of Google Search program, Marissa Mayer famously said that, you know, the art of simplicity is about hiding complexity,

right? So she gave the analogy of a Swiss army knife. So the Swiss Army Knife potentially has many tools in it. But all the tools are folded, right? And you only, you know, bring out whatever you need at any moment. Right? And that's the difference. So the difference between simplistic and simple, right? So simplicity is about, you know, the art of hiding the complexity and user while maintaining the richness that comes from having, you know, a complex solution in the back end. But you you, you bring out those features on demand, while only when the customer actually needs them.

Jacob Morgan 32:00

I like that. Alright, and the last two include the margin. So what does what is include the margin until

Navi Radjou 32:08

that a couple of years ago, I, when I was in the US, was much harder to explain, or at least for Americans to relate to because include the margin simply means the people who live with the margins of society, right for economic reasons, and then applied often to the so called third world country where, you know, many people live with, you know, \$1 a day or something like that. But guess what, things have dramatically changed the US in recent years, just to give you some mind boggling statistics, right? So for instance, in 2019 60% of Americans didn't have \$500 in savings to face a medical emergency. And in 2020 160 million Americans, two thirds of the adult population was facing financial difficulties. So essentially, include the margin means that how do you develop products that actually address the needs of those who are underserved. A good industry that is dealing with it right now is in America is the financial service industry. As you know, there are millions of Americans today who don't have a bank account, they cannot even afford to have a savings account, or a credit card or debit card even. And so now there have been the last couple of years a lot of innovation around what we call financial inclusion. So that's about how do you include the margin, not as charity, this is not about charity? Because it turns out that these margins, like the people who are unbanked or underbanked in America, collectively have disposable income in excess of, I guess, \$1.5 trillion, or something like that. So that's a huge market, right? Yeah, that actually doesn't do. Yeah.

Jacob Morgan 34:02

And then the last one, follow your heart.

Navi Radjou 34:06

So the follow the heart is essentially, the notion that heart is the secret of intuition. And sometimes you have to follow your heart because if you only rely on data, you will not come up with a disruptive innovation. And the best example of that is Steve Jobs, who famously in his biography is stated as having learned to listen to his intuition, when he went to India on a trip, because he was, you know, very rational being. But when he came back from his trip to India, he began to rely more and more on his intuition and that helped him of course to launch you know, insanely beautiful products. We know that but he there's one example with Steve Jobs that shows the power of following your heart. When they decided to launch II decided to launch Apple stores, they hired a management consulting firm to do some, you know, data research to see this, what is the market potential for such such Apple stores. And and the consultancy said, that's a bad idea because it won't be viable for whatever reason. And then Steve Jobs said, Great, thanks a lot for validating my intuition. And he went ahead right and launched Apple Stores, which as we know, is highly profitable for apple today. So that's a great

example. Because the more you become a leader, as you know, you go up to leadership, climb up the leadership ladder, the more it becomes important, rely less and less on data and logic, and more and more on your heart, right, as I said, because that's where your intuition speaks to you. But in today's world, we are inundated with data, right? We can do customer surveys after customer surveys. And you know, we can hire consultants to do research for us. So the leaders don't no longer know how to listen to their intuition, let alone have the courage, right to trust the gut. So that's what we mean by follow your heart is having the the gut to follow your gut.

Jacob Morgan 36:21

Yeah, we have so much data now that Yeah, I mean, I talked to a lot of leaders. And it almost seems like people are scared to make a decision without data, they use it as almost like a safety blanket. It's like I, and I'm not going to show me the data, show me the proof. And it reminds me a lot of playing chess. So I'm, people who listen to the show know that I'm pretty obsessed with chess, I like chess pieces behind me, you can see. And the intuition is a big part of chess, right? Because you're playing a game that is virtually has endless possibilities. And you can't always calculate every option, every move everything that's going to happen. And so I think what a lot of the top grandmasters really what sets them apart is they have great intuition. And they can kind of sense when it's time to attack, they can kind of sense when there's danger, even though they can't exactly figure it out. They know and they follow their intuition. And that's, you know, what makes some of the world's top chess players who they are. So intuition seems like is also very, very relevant and applicable in, in business. And, you know, sometimes you make mistakes, right? But I suppose that's where you learn to not bet the entire company, or don't bet everything on one decision. But you know, chances are, you need to follow intuition at some point.

Navi Radjou 37:36

Yeah, I will just add to that, Jacob is that that's why intuition goes hand in hand with adaptability. So the example you gave chess, right is intuition says I make the neck, I make the next move with anticipation of what my rivals can do. But if he makes a counter move that in anticipate, I am confident I can respond to that. So that kind of creative confidence, you can call it or adaptability, I call it goes hand in hand to intuition. Right? Because if you only have intuition, and you say, you know, I'm gonna bet everything because my gut tells me they're right. And then you know, the market responds differently. You also need that flexibility, right? This is where it goes back to the sixth principle we're talking about today. Right? They're all interconnected. Right? So intuition goes hand in hand with the other, you know, principles we talked about, especially the idea of, you know, thinking and acting flexibly, because intuition is about not having a long term plan, right? Also, right, is having that creative confidence to make the next move, and then having the courage and the trust that you can improvise the next move based on intuition at that moment.

Jacob Morgan 38:47

Yep. No, couldn't agree more. I want to shift gears a little bit and talk about leadership. I know we have maybe around 15 minutes or so left, you know, you wrote an article, I think, October of 2020, called wise leadership, the foundation of 21st century organizations. And I think this, you wrote this, right, a few months after the pandemic became a big, you know, an actual pandemic. And you had a couple of principles on there, which I wanted to touch on. Some of them are, I think, related to what we've been

talking about. And the first one was shifting your perspective, by connecting with a noble purpose, which I think we we touched on a little bit. And you actually mentioned a couple of CEOs in your article, Barbara Hampton was one of them who I've had on this podcast, and I've interviewed interviewed her for my book. And then she's done some great things there, too. But is there anything that we need to add about this idea of a noble purpose? Or do you think we've we've covered that one?

Navi Radjou 39:39

No, I think the noble purpose is essentially, yeah, there's one thing I would say is that the noble purpose today, in 2022 is no longer that your company will, you know, become a great company by 2030. Right. I think those days are gone. So I think since I've wrote the article, what I see now is that you Do you see companies like Unilever in consumer goods, or Eileen Fisher, in the apparel sector, they actually want to set the standard for the whole industry. Right. So the noble purpose is no longer about, you know, you having a noble purpose for your company, but you creating a Northstar, that will essentially, you know, inspire the whole industry, right? Now, of course, you will be the trailblazer. But you want to make sure that, you know, you become a trailblazer, so that you can get others running with you on the same track. Right? The same time. So this is the industry leadership. So we are moving away from the notion of corporate leadership to, you know, you can call it leading ecosystems, we talked about the 90s, and maybe 2000s. But now it's becoming more about, you know, becoming, you know, role models for entire industry. And that's something that many CEOs are still learning how to do that well, because they know how to, you know, create a purpose for the own company, which by itself is challenging. But now, you know, they're being asked. And the reason it's happening, by the way is because the major challenges we are facing today, climate change, inequalities, etc, cannot be dealt effectively by even governments, how big they are. So that companies are being tasked, right with addressing these major challenges. And that means that essentially, they think much, you know, bigger and broader now. And so that's what I mean, is about creating a, you know, higher purpose, not only for your company, but for the whole industry, and delivering that industry wide leadership.

Jacob Morgan 41:36

The next one on there, I mean, this, to me seems like the one leaders struggle with the most is act authentically and appropriately, maybe not the appropriately piece, but authentically, right? Because leaders oftentimes believe that they have to have all the answers, they need to know the information, they need to have a separate work persona and a separate persona at home. And the idea of authentically seems like something we've talked about a lot, but also something leaders, I really think struggle with a lot. So what why is that important, and what does acting authentically actually mean?

Navi Radjou 42:07

Let me give you two examples of you know, of leaders who learn how to act authentically and appropriately so. So I worked with the CEO in a French company who, you know, graduates from top of his class in a very famous engineering school in France, very rational being, and when he speaks to his employees, you know, he can, you know, coherently explained everything very logically, very rationally. So, he's kind of known as, you know, the logical man. And he can convince people, you know, by appealing to their, you know, in a way left brain, so to speak, right, which is the seat of logic. But then when I worked with him, there was this particular conference, when he had to convince his employees to switch to, you know, new products that are environmentally better, and, and he knew that there will

be some resistance in the input among employees. So what I told him is, hey, look, you know, you can share your own. It's your own motivation, why don't you share your own motivation for doing it. And it turned out that he was passionate about the environment on a personal level. And he was thinking, like, you know, I want to, you know, leave a better world for my children. And he was, you know, quite emotional when he was sharing that with me. So I said, why don't you share what you just shared with me with your employees in the, in the company meeting? And he did that is voice actually choked? When he said that, you know, the reason I want to do this is that because, you know, in 10 years, when I'm no longer in this company, my children will be proud that the dad, you know, was the CEO of this company, when they started this journey to becoming environmentally friendly. So when he did that, by being himself, the is message, you know, you know, was much better received by employees, because they were touched at the heart, right? Of course, the rational explanation was easier to sell, because, you know, they were able to make more money because there was a growing demand for such products. But that wasn't enough. So here's an example where the CEO by being himself and opening up and sharing with emotion is personal motivation for becoming a sustainable company. He was able to better connect emotionally with his employees. And the opposite is also true, by the way, is that there are also some CEOs who are shy a bit introverted. And as I said earlier, we're being asked to step up and speak up for the whole industry. And a great example of that is Eileen Fisher, the founder of the women's clothing company, and she's an introvert by nature, but realize that you know, given what What's happening with me to movement and the climate crisis, she is she has become in the last four or five years now, a spokesperson, so to speak, right for the whole apparel sector to become more inclusive and more sustainable. So in this case, here's a is a leader who authentically is shy, but realize that it's appropriate for her to go against the nature in a way, right, or being an introvert and become almost somebody else. Because that's the appropriate thing to do to improve the social environmental standards in the whole industry.

Jacob Morgan 45:39

Yeah, no, I mean, those are, those are good stories. You know, I'm working on a book now coming out next year on vulnerability. And the theme of authenticity comes up a lot on that. So I think those are great stories that you're sharing about, you know, letting people know who you are, what you care about what you believe in, which are, which are big, big pieces there. And the next one, you have integrated emotions, logic and intuition and decision making, you know, we definitely talked about the intuition, intuition piece. The emotions logic, is there anything else that you want to add to that one?

Navi Radjou 46:11

No, I think we covered exactly I mean, that said, it's about integration means about finding the balance, right? So and there are times like, for example, right now, right? Be careful, because you know, sometimes emotions and intuition looks very nice. But when it comes to climate change, we have seen how polarizing it is, right? We are living in a world where everything is so emotional. So I would say that right now, that's why the integration is important, as a leader is you need to know what buttons to press when. And sometimes you have to press both buttons the same time. So the example I gave earlier, I remember with that CEO, the in France is, that's what he did, right? He put up the slides with a large number, right? So the data was there. But when he spoke, he spoke from his heart. So you need that combo, right? The combination of data and emotion when you look at people like Barack Obama, just to you know, if I go into politics, right, these are leaders who knew how to find the balance, right? And I

think this is more an art than a science, right? So you need to be able to meet almost like improv comedians, right? Since the audience, you need to have all the data lined up to the back end, in your slides and whatnot. But you need to sense the audience, right, and connect with them emotionally. And I think that, you know, in political field right now, what we see right now is, you know, we have either leaders who are very logical, very smart, very data driven, as you said, or the leaders were damn good at manipulating emotions. So what we need is actually wise leaders who are in Booth who trust the data, but know how to connect with, you know, the audience, whether it's customers, or voters at a more emotional human level.

Jacob Morgan 47:50

Yeah, I couldn't agree more. The next one, be willing to lead from any position, this is probably my favorite one here. Because, I mean, to me, when I think of this, it's sort of like, you know, leadership is something you earn, it's not something that you're given. And you, you know, it's being having that servant mindset, so to speak, but I'll let you explain it in your own words, since since you wrote it. So what is be willing to lead from any position actually mean?

Navi Radjou 48:20

Yeah, I mean, if I, if you lose this sports analogy, right, it's about knowing, you know, when to play, you know, in the, in the front, middle or center, right? Or the back. So you need to be able to master the whole field. And most leaders, especially in America, right, we have this, you know, this this vision or model of leadership, which is very worrying, like, right, like, like, general leading is army, right? So, you, you are the guy off on a man, right, like, you know, standing in front, and everybody's behind you, and, you know, you kind of valiantly march towards the enemy to vanquish him. And the troops are like, you know, like Napoleon, like, you know, rushing behind you. So that model actually, you know, is dead, we know that. And, of course, now we are talking about holacracy, and all kinds of concepts about, you know, liberating management and things like that. But actually, it's not as simple as that, as matter of fact, coming back again, to climate change. So this is a great example, Jacob, Jacob, when what is lacking today is exactly leading from the front. Right, so what's happening is the opposite problem today, right? We have a lot of people who talk the talk, right? Yeah, but actually don't walk the walk. Yeah. So so this is why right. So you need both you need to have the humility to be a servant leader. That means you know, being able to lead the troops from the back by cheerleading them from the background. But when it comes to speaking up, right and fighting for, you know, social rights, or the climate or the planet, you need to be able to lead from the front. And again, we see a problem right now right is you know, in a lot of media Is your talk about vulnerability. And I think there's also kind of for some time, the false modesty. And so what I tell companies is that leaders is that look, if you actually have done something tangible that works, whether it's in social inclusion, or environmental sustainability, speak up, right? And go out there and you know, own this thing you have done your achievement, don't be too shy or timid or humble. So this is where the authentic appropriate comes in. It's okay to be authentically humble. But it's also be appropriate to speak up and lead from the front so that others can be inspired. So idea is essentially like, you know, knowing when you lead from the front, to inspire others, when everybody is petrified by fear or something like that. And when do you step back, and be a cheerleader and empower others to take the limelight. So it's about knowing when to do what.

Jacob Morgan 51:04

And then the next principle, which we touched on a little bit, as well as flexible fortitude, which I'm assuming is similar to you got invasion principle of agility and flexibility?

Navi Radjou 51:14

Yes, so the flexible fortitude is essentially, as we say, in American English, right, like, you know, when to hold and when to fold, right. So, and because there are times what happened leaders is that we talk about tenacity, there has been a book written on grid, right? So great tenacity is good. It's it useful sometime, like for example, like, you know, having that willpower to stay on course, right, despite adversity, that is what they have been taught in America as being a great virtue. But being a wise leader is knowing like, you know, when to pull the plug, right. And change course, you talk about being a chess player, right? So, so the idea is, essentially, you know, knowing when you stay dedicated to what you committed to, and when you have the humility to say, you know, what, I made a mistake, you know, right, either have to change course, or I have to fold, that means I have to, like, you know, kill a project, the company that does that very well, is Google, right? I mean, Google actually is known for shutting down, you know, innovation projects, as soon as they realize that it won't work. So they don't like, you know, waste a lot of money and time, right, going down a path that they discover is a dead end. So that kind of approach is irrelevant. Now in today's complex world, where everything is so unpredictable, but, you know, so the old model of like, you know, you know, Rusco Buddhism, as we say, in French, which is essentially, this kind of monomaniacal way of sticking to a plan and executing it no matter what the cost is. That works, by the way, like when we had like Kobe crisis, right, sometime, it helps to have that steadfast commitment to getting like medical supplies, yeah, to help etc. But it other than in a major emergency situation, having this ability to, you know, let the context, you know, influence you and decide, you know, when to hold one to fold, that becomes an attribute of a wise leader.

Jacob Morgan 53:29

And the last one, before we wrap up is be motivated by enlightened self interest. I love this one.

Navi Radjou 53:36

Yeah, sure. Short term. Yes. That is also my one of my favorite principles when I'm trying to practice myself. So enlightened self interest means that there's a middle path or a third way between total selfishness and total altruism, right. Today, we hear about altruism, you know, do good for others in a selfless way. So there's a there's a middle ground between being totally selfish and totally selfless. So two examples of that, right. Levi Strauss jeans come maker, they developed several technologies to save water when making jeans. And after testing those technologies in house, they share those technologies freely with other apparel companies. And this is an example of enlightened self interest that the reason they're doing it is because the whole industry, you know, can raise its environmental standards, which is create more demand for customers, right? To buy these kind of sustainable jeans. So that's one example. There are other examples like that where essentially companies you know, decide to help even the rivals, like Salesforce is a good example. Their founder, Marc Benioff, when cloud computing was unknown as a paradigm in the 2000s, he actually spent a lot of time educating even rival software companies, right on why this paradigm of cloud computing could be useful for them. Because this is called Blue Ocean Strategy, right? Essentially, you're trying to create new markets that

will benefit everyone in the industry, including your rivals. So it's in your enlightened self interest to share your best practices with even your rivals. So that you can see the idea is no longer fighting for bigger share of the existing pie, but learning to team up with other companies to bake a bigger pie that everybody would benefit from

Jacob Morgan 55:45

and love it. Well, we're out of time, we covered a ton of stuff. We looked at the ideas of Jugaad Innovation, we talked about why he's leadership, I'm sure people are probably wanting more information and more context. So why don't you let people know? Where can they go to learn more about you, your books, your articles, anything that you want to mention for people to check out?

Navi Radjou 56:07

Well, you can go to my website, which is Navi raju.com. Or you can connect with me on LinkedIn. And you can follow me I am very active on LinkedIn. You can follow me on LinkedIn and connect with me on LinkedIn and send me messages on LinkedIn if you have any questions.

Jacob Morgan 56:24

Very cool. Well, thank you so much, Nabil for taking time out of your day. I really appreciate it conversation flew by, but you had a lot of great insights. So thank you. Thank you very much for having me. And thanks, everyone for tuning in. I will see all of you next week.