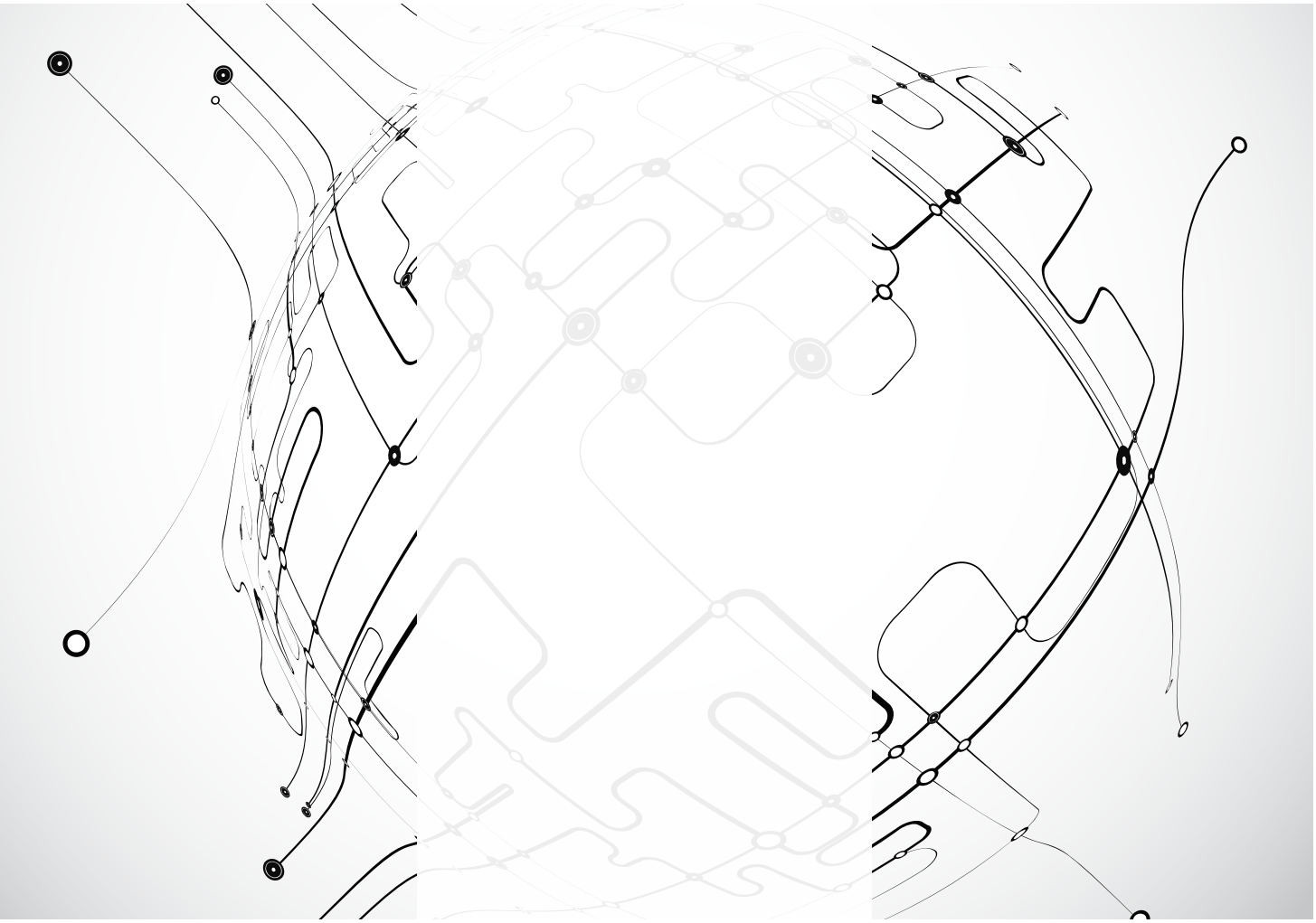
WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

CEO Community Workshop for Technology Pioneer and Global Growth Companies

Palo Alto, California, USA 27-29 June 2013



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Contents

Welcome remarks by Professor Klaus Schwab
http://youtu.be/iObCHR8NQ60

Thursday 27 June

Rethinking New Models for Talent Development, Recruitment and Retention

Technology Pioneers are competing with established multinational corporations for world-class talent.
What are the most effective ways for start-up companies to target, retain and develop attractive talent as the organization grows and transforms?

Discussion Leaders

- Laszlo Bock, Senior Vice-President, People Operations, Google, USA (TP 2002)
- Eugene Kaspersky, Chief Executive Officer, Kaspersky Labs, Russian Federation (TP 2003 & GGC Shaper)
- Michael Lopp, Director, Palantir Technologies, USA (TP 2011 & GGC Partner)
- Padmasree Warrior, Chief Technology and Strategy Officer, Cisco, USA

Moderator

- Esther Dyson, Chairman, EDventure Holdings, USA

Rapporteurs

- Jonathan Hsu, Chief Executive Officer, RecycleBank, USA (TP 2009)
- Cyriac Roeding, Co-Founder and Chief Executive Officer, shopkick, USA (TP 2012)

"The main purpose of brainteasers in hiring is to make the interviewer feel clever."

"The ability to creatively and effectively problem-solve is a far more important predictor of success on the job than GPA or knowing how many tennis balls fit into a 747."

Laszlo Bock Senior Vice-President, People Operations, Google

"The most important resource we have is people."

Michael Lopp Director, Palantir Technologies

Sources suggested by Laszlo Bock

Using data to make decisions

- Project Oxygen - NYT article on Project Oxygen, great showcase of using data to make people decisions
- Inside Google Workplaces - CBS This Morning video on a tour of the Googleplex, giving insight into the science and data behind Google's people and workplace decisions
- The Happiness Machine - Slate article that explores why Google's scientific approach to HR makes it a great place to work

Culture values

- Why Moon Shots Matter - Insight into Google's culture from Larry Page
- Passion, not the Perks - Laszlo Bock explains how Google keeps Googlers excited to come to work

Innovation

- 8 Principles of Innovation from Susan Wojcicki in Think Quarterly

Insight Report by Cyriac Roeding, Co-Founder and Chief Executive Officer, shopkick

"Great ideas are a dime a dozen" is a common phrase in Palo Alto, California. Amazing visions of the future abound in Silicon Valley – after all, it is the birthplace of great companies like Google, Facebook, LinkedIn and Tesla, but also of thousands of new start-ups that aspire to change the world. But the best visions are useless unless great people turn them into reality.

But Silicon Valley is also one of the most competitive locations in the world for top talent. Top engineers can literally "walk around" and collect ten job offers in a week by talking to a dozen companies within a radius of 20 miles. In such a world, in which a quarter of the entire staff turns over within 12 months on average, how do you attract and, even more importantly, retain, top talent, for much longer? And how do you keep the culture intact?

In an inspiring workshop led by Esther Dyson, and co-led by Laszlo Bock from Google, Padmasree Warrior from Cisco, Eugene Kaspersky from Russia and Michael Lopp from Palantir, a discussion ensued about exactly this topic. Here are the key insights I took away.

Recruiting Talent

GPA and SAT scores don't matter. Recent research has shown that no significant correlation exists between the GPA or SAT scores of recruits and their job performance. Instead, three very different factors matter most: ethical and cultural values; the ability to overcome adversity; and being comfortable with uncertainty.

Ethical values matter more than anything else in recruiting. Highly underestimated, testing for fit with ethical and cultural values is the single critical element when selecting talent. These values are hard to measure and test for. The most effective way is to ask very pointed questions in the interview that paint situations where the candidate needs to make trade-off decisions under pressure – it is easy to be highly ethical when there is no downside to it, but it is harder to make ethical decisions when it hurts. Character shows most in how people act under pressure or when no one is looking.

Overcoming adversity and being comfortable under uncertainty. Finding out whether candidates have overcome adversity and whether they can "create their own job", and whether they can thrive under uncertainty in fast-changing environments turns out to be among the most critical factors for future success on the job. To test that in interviews, questions around previous situations about adversity and uncertainty help.

Obvious talent is strongly overrated, and unobvious talent is massively underrated. Oftentimes, the "hidden gem candidates" become better performing employees than those with the classic resume background from ivy-league schools and best test grades. Admission tests tend to focus on narrow areas; in addition, to create a high performing team, diversity is important. Diverse backgrounds create fertile ground for creativity and complementary skillsets of teams.

How to find the top talent: different recruiting for stars and the general group. There is a bifurcation between how to best recruit for "stars" – the best experts in their field, for example security software engineers – and "generalist staff". To find the stars, it is best to "follow their trail" – who are the experts speaking at conferences and who are the trusted connections of the top experts in a field on professional networks (LinkedIn) and certain social networks (Quora)? To attract awesome generalist staff, the key is to create a place they want to work, e.g. create invitation-based hackathons for engineers (engineers love to solve problems). In other words, the generalist staff needs to find you because it is a great place to work.

Retaining Talent

Three main drivers of talent retention. The three main retention drivers for top talent are
- provide "insanely interesting projects"
- surround them with great, diverse people they can admire and connect with
- most importantly (and often overlooked), ensure all team members share the same set of core ethical and cultural values

Boredom can set in for top talent after 2½ to 3 years even in the best company environment. Even classic techniques like rotating people across the company and across projects to keep things interesting can become "old" for top talent. A sort of "boredom" can set in with top talent after 2½ years, which can lead to departures even from great companies. Ways to overcome this are to provide the absolute top talent with the freedom to create their own team to work on a project of their choice – even if that project is not on the priority roadmap. The best talent will likely pick projects anyway that are good for the company, at least in the long run.

Letting People Go

We are a team, not a family. The difference between a team and a family is that you are "stuck" with your relatives for life, whether you like them or not. In a team, you shouldn't be stuck with any B or C players. Not only because of their lower performance, but because the A players also get demotivated by B/C players staying on the team. So they have a compounding negative effect on the team. If coaching and other techniques do not lead to better results, then letting them go sooner rather than later is important, despite the uncomfortable process. In most cases, letting underperformers go – or worse – individuals who do not share the core ethical or cultural values – should happen rather earlier than later. In that context, signalling to other employees before that happens that there is a problem is important to avoid a culture of fear. In many cases, the people who do not fit can be convinced to resign, rather than needing to actively take the step. Showing respect to them even in this situation is important.
In summary, most companies say talent is at the core of their business and the #1 ingredient for company success. And yet, most companies can focus a whole lot more of their energy on their talent. Significant insights on what works are fortunately available.

Insight Report by Jonathan Hsu, Chief Executive Officer, RecycleBank

In today's increasingly global, connected and dynamic world, how can companies and leaders effectively recruit the best people, and then develop them personally and professionally to achieve organizational goals and long-term success?

Although people management frameworks have long existed, in general, they are not evolving rapidly enough to effectively serve organizational goals. In particular, these frameworks have not been rigorously tested qualitatively or quantitatively, thus there is no concrete "proof" on the effectiveness of any particular framework or tactic. However, the current renaissance in data and analytics has the potential to transform people management to more concretely drive organizational success.

As data and analytics improve people management frameworks over time, a strong, resonant and consistent company culture will serve as an effective, long-term foundation off which to implement tactical best practices, including:

- Leveraging and optimizing various recruitment channels (e.g. Referrals, Inbounds and LinkedIn)
- Personnel evaluation processes that emphasize behavioural assessments, critical thinking ability and cultural fit over legacy, static testing metrics (e.g. grades, SAT scores, etc.)
- Effective onboarding processes, including dissemination of cultural and functional elements
- Development opportunities not only within a functional area but across disciplines
- Feedback loops that combine the qualitative and the quantitative

Key Points

- Business is fundamentally about people, but competition for people is fiercer than ever
- To maximize the effectiveness of talent development, recruitment and retention, organizations and leaders need to adapt to emerging megatrends on both macro and micro levels:
  - Macro: Rise of the Millennials
  - Micro: Functional disciplines are "blending" across sectors and companies
- Many of the "best practice" people management frameworks were developed several decades ago (e.g. US military, Bell Labs, etc.); they need to be updated to be relevant for the current global business environment
- The renaissance in data and analytics can transform people management
- A company's culture plays an outsized role in talent development, recruitment and retention

Technology Pioneer Community Lunch: Leadership under Duress – Lessons from Mount Everest

Special Guest

– Alison Levine, Mountaineer and President, DareDevil Strategies, USA

Rapporteur

– Andrew Thompson, Chief Executive Officer, Proteus Digital Health, USA (TP 2009 & GGC)

> **As leaders, it is our job to find a spot for each individual on our team that will allow him or her to shine.**

> **Fear is OK. Complacency will kill you.**

Alison Levine Mountaineer and President, DareDevil Strategies

Insight Report by Andrew Thompson, Chief Executive Officer, Proteus Digital Health

At lunch today, a self-described "small woman" (Alison Levine), who is one of about a dozen people who completed the adventurers' Grand Slam, dispensed a lot of surprising wisdom around leadership. Here is the key list: hire egos, go backwards, be afraid, fake emotion, be sleep deprived, ignore plans, walk away from goals, fail, there's no such thing as a star. If that sounds intriguing read on.

1. Hire people with egos
   You want folks who are authentic, and know they are good. And the ego needs to extend to their team – so success is about everybody winning.

2. Go backwards to make progress
   On Everest you have to keep climbing up from base camp and then go back down. You need to acclimatize. And business is like that as well. Getting ready to mount the summit often involves repeating the same work so you are prepared to reach the final goal.

3. Be afraid
   It is important to be sharp and react fast – fear keeps you on edge. Complacency will kill you.

4. Fake your emotions
   As a leader, however bad you feel you must be positive – smile. Teams learn from their leader and showing people is required – don't tell.

5. Be sleep deprived
   Don't expect your team to do things you cannot. Know how to manage your body and emotions under stress. Practice – do without food and sleep periodically.

6. Ignore the plan
   You must respond to reality. This is ancient wisdom – no battle plan survives contact with the enemy.

7. Walk away from the goal
   Never keep going if it is the wrong thing when you get there. It is always hard to deal with sunk cost, but a vital test of true leaders.

8. Fail
   You can't succeed without taking risks. So make sure folks in your team know it is safe to fail – more than once.

9. The person at the summit is not a star
   Nobody can do anything significant without a team. Don't confuse visibility with contribution – recognize the team.

Culture: How to Build a Resilient Culture?

Participants exchanged ideas and experiences on how to (positively) affect and create a corporate culture.

- To what extent is it possible to structurally create a corporate culture?
- How can a corporate culture be built throughout time and space?

Discussion Leaders

- Chris Fry, Senior Vice-President, Twitter, USA (TP 2010)
- Gary Kovacs, Chief Executive Officer, Mozilla, USA (TP 2007 & GGC)
- Kal Patel, Executive Vice-President and Member of the Executive Committee, LRN, United Kingdom (GGC Partner)

Moderator

- David Aikman, Senior Director; Head of Young Global Leaders, Global Shapers and Schwab Foundation for Social Entrepreneurship, World Economic Forum

Rapporteurs

- Eben Bayer, Founder and Chief Executive Officer, Ecovative Design, USA (TP 2010)
- Ntiedo Etuk, Founder and Executive Chairman, DimensionU, USA (TP 2011)

Culture is the most important thing in the company and it is the responsibility of the CEO.

Gary Kovacs Chief Executive Officer, Mozilla

It is norms and behaviours that allow you to deliver your business model.

Kal Patel Executive Vice-President and Member of the Executive Committee, LRN

Insight Report by Ntiedo Etuk, Founder and Executive Chairman, DimensionU

"The culture: How to build a resilient culture?" was one of the most anticipated sessions of the Technology Pioneer and Global Growth Company CEO Community Workshop in Palo Alto. It was moderated by David Aikman, Senior Director at the World Economic Forum, and had an accomplished and thoughtful group of panellists, including Chris Fry, Senior Vice-President of Twitter, Gary Kovacs, Chief Executive Officer of Mozilla, and Kal Patel, Executive Vice-President of LRN.

Session participants truly engaged in what I believe is one of the most misunderstood but critical practices in company building, no matter what stage of organization. Everything from the definition of culture, to the need for it, to the ability to transpose corporate culture from one country to the next, to whether good corporate cultures have to leave employees feeling warm and fuzzy, were deeply explored and thoughtfully discussed. While there were no hard and clear answers, it was clear that this topic continues to be of tremendous importance and deserves the thoughtful reflection of every organizational leader out there.

Key Points

- Clearly defining culture is important to the conversation – Because people mistake culture for different things, there needs to be a common definition from which to work. This group defined culture as, "The norms and behaviours that you cultivate to accomplish the mission or purpose of your organization".

- Culture has to be aligned to purpose – Cultures have to be effective. This was a key takeaway. Many mistake culture for how employees, partners, customers, etc., feel about the organization. While that can be part of the definition, most important is the alignment of culture with the purpose of the organization, be it shareholder value, to make the world a better place or to enlighten souls.

- Cultures don't have to make employees feel good – We sometimes believe that cultures need to make employees feel good to be sustainable or deliver on their purpose. This is not true. A company whose purpose is to deliver profits could easily run a sweatshop-like environment, have massive turnover year after year, but still deliver on its imperative. That company has a culture. It has a strong one. And it may, in fact, be resilient. The point made by one of the panellists was that culture does not have to be viewed as "good" or "bad". What is important is whether you, as a candidate, can live with the culture.

– Corporate cultures have to sit within the context of national cultures – You cannot blindly export managers and philosophies to different countries. In fact, an effective approach has been to carefully define the values that should translate and leave the rest to local norms. Many companies fail because they try to force a strong corporate culture built in the context of one nation and force it on another. This creates cognitive dissonance for employees and can lead to a breakdown in effectiveness.

As said, it was a thoughtful and thought-provoking session, and the message was clear. Culture is critical. Think deeply and carefully about where you want to go, then implement the practices and encourage the behaviours that will get you there.

Insight Report by Eben Bayer, Founder and Chief Executive Officer, Ecovative Design

Raptor Role (A large bird of prey which devours informative tidbits at World Economic Forum meetings):

At the world Economic Forum meeting in Palo Alto, there was clear consensus that "culture" is perhaps the most important factor in determining the success trajectory of a new venture and is just as important in maintaining and sustaining a maturing venture.
Less clear was just exactly what this meant. The best definition I found at the event is that, "Culture is the combination of behavioural norms and formalized processes".

Behavioural norms are the unwritten rules that govern an organization. Do you do the dishes? Do you stay late and help a co-worker when a project is late? Or is pulling a solo all-nighter viewed as a heroic act?

These actions are hard to quantify and more akin to an emergent property than a strategic decision. One way they become ingrained, though, is through storytelling: stories of the company's founding, stories of projects gone wrong, gone right, gone away.

Another way to look at culture is that culture is what emerges when your rules and choices become internalized into a way of being. In many ways, your organization's culture is an abstracted reflection of every single decision made, being made or about to be made.

This puts lots of pressure on founders and the early decisions they make, and the teams they build. This point was made abundantly clear when one participant noted that his company had been growing at 50% year over year – which begs the question: "Whose culture are we getting? The new hires', or our own internal culture?"

This infusion of new talent and beliefs can be hugely beneficial, but if not managed can also be very destructive, as often evidenced by early talented employees leaving as an organization transitions into something "too corporate".

It would be a misrepresentation to imply that a single view on cultural development was reached. For instance, I enjoyed one parable contributed by a participant that, "In Moscow when you have two bears in a cave, you have to be united", in reference to his team dynamics. This was diametrically opposed to the prevalent cultural view in the valley where it was about "feeling great" (and having some really good fresh juice) together in pursuit of mission.

There was firm agreement on one point though: Culture happens. So pay attention.
On the topic of team building and overcoming adversity, Alison Levine gave a tremendous mid-event talk covering her failed attempt to climb Everest. She recalled the harrowing event where she was forced to turn back just a few hundred feet from the top, to protect her team, as a storm rolled in on them.

After recapping an equally challenging journey she took on foot to the South Pole, she finished by recapping her second attempt to climb Everest. Nine years later she again reached a few hundred feet short of the peak, and again encountered a tremendous incoming storm, but this time Alison was solo and took the highly risky step of continuing to climb – and she made it.

While adventure stories are always exciting, for me Alison's comparison of her first trip to Everest, with a five-person team, where she turned back to protect their safety, and her second trip, where she pressed on solo, captured neatly the relationship between founders and leaders brought in later.

Namely, a founder, by definition, "embodies" her company. They possess "special abilities" around risk; essentially, they have the capacity to bet everything, having created what they are leading. Leaders who join later don't have this same sense of self for the organization and tend to pursue less risky bets, to protect their team, co-workers or shareholders.

When Alison climbed the first time, she was behaving like a hired talented leader. She made the right call for her "team" and her "investors" (stakeholders back home, watching on TV). The second time, she was climbing for herself and was able to take an unprecedented risk, garnering herself unprecedented rewards.

Both approaches have merits, and as was made clear during our discussions, founders are not always right. But their intimate connection to what they have created allows them to reach far farther than hired guns added later. Founders can enhance and extend these abilities through the attention they give their culture but, more importantly, by the public decisions they make when faced by intractable decisions.

For those of you wondering, the event did take place in Palo Alto; there were no bears, and the freshly squeezed kale juice was very, very good.

Ecosystems and Expansion

How can organizations more effectively tap into ecosystems to accelerate performance and leverage growth?

Participants will undergo an exercise of envisioning ecosystem strategies, through ideation, solution mapping and negotiating relationships to then leverage those strategies for smarter expansion and growth.

Led by

- John Hagel III, Co-Chairman, Deloitte Center for the Edge, Deloitte Consulting, USA
- Doreen Lorenzo, President, frog, USA (GGC Partner)

Rapporteurs

- Jose Ferreira, Founder and Chief Executive Officer, Knewton, USA (TP 2010)

Session Design: frog

> **Every high-performing ecosystem was created with intent. Ecosystems require intent and action" .**

John Hagel III Co-Chairman, Deloitte Center for the Edge, Deloitte Consulting

Source suggested by John Hagel III

Performance Ecosystems – A decision framework to take performance to the next level - https://ftp.weforum.org:8081/Public/Writing_Working_Paper_Performance_Ecosystems_FINAL_060712.zip

Insight Report by Jose Ferreira, Founder and Chief Executive Officer, Knewton

This session focused on the characteristics and benefits of dynamic ecosystems. In a dynamic ecosystem, all participants learn faster and become operationally better. Resources to learn, share and get on board are provided for all users, fostering an environment of distributed innovation.

Within dynamic ecosystems, there is a strong focus on both collaboration and competition. The incentive structure is also key. Every high-performance dynamic ecosystem is created with a clear intent and produces powerful network effects. Users are rewarded for their participation within the ecosystem.

Several types of dynamic ecosystems were discussed in the session. Li & Fung, a large textile distribution company, was cited as an example of a "process network". All performance is benchmarked within the ecosystem; partners in the distribution channel give every member feedback, comparing them with other members to bring about continuous learning and improvement.

"Web-based" ecosystems (e.g. Microsoft Windows) were cited as another archetype. Within such ecosystems, there is very little coordination and little or no complex overhead organizing activity. Instead, the ecosystem is driven by economic incentives created by the organizer. Due to their lack of rules and overhead guidance, such Web-based ecosystems encourage frequent innovation. As in all dynamic ecosystems, there is a focus on both collaboration as well as competition (for example, many people are creating games within Microsoft Windows).

Linux was presented as an example of an "open development" ecosystem. Open development ecosystems are jointly developed and well defined. While Web-based ecosystems like Microsoft Windows are governed by the free market, open development ecosystems abide by governance protocols and have a central authority. This authority decides whether any given contribution to the network will be included, resolves disputes and organizes release dates, among other responsibilities.

At the end of the discussion, a few questions lingered. Where do platforms fit into the definition of dynamic ecosystems? Where, for instance, might a platform stop and an ecosystem start (or would a platform simply be defined as a type of Web-based ecosystem?).

As presented in the session, the main benefit of dynamic ecosystems is the potential for learning and operational improvement. Is there an example, however, of a dynamic ecosystem that is not particularly good at process improvement, but instead excels at creating monetary value due to a strong network effect?

Key Points

- The two main forms of ecosystems are static and dynamic. The latter are much more powerful.
- Within a dynamic ecosystem, all participants learn faster and become operationally better. This key benefit distinguishes dynamic ecosystems from static ecosystems.
- Dynamic ecosystems contain resources for every participant to share, learn and get on board within the system. There is a heavy focus on incentive structure as well as on both collaboration and competition.

Friday 28 June

Rapid Experimentation

Special Guest

– Brad Smith, President and Chief Executive Officer, Intuit, USA

Rapporteur

– Elisabet de los Pinos, Founder and Chief Executive Officer, Aura Biosciences, USA (TP 2010)

Session Design – Scott Cook, Intuit, and Tim Brown, Ideo

> **Be stubborn about the vision. Be flexible about the 'how'.**

> **Inertia is the number one competitor.**

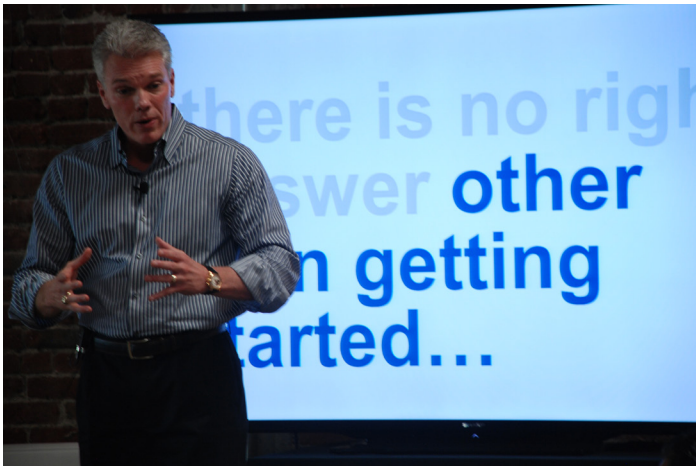
Brad Smith President and Chief Executive Officer, Intuit

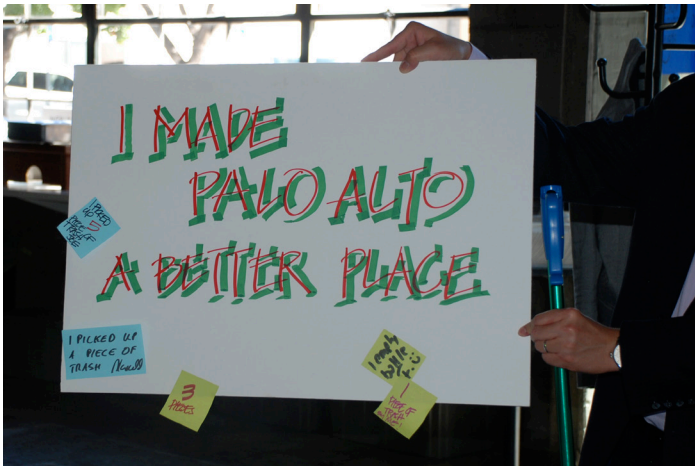
Insight Report by Elisabet de los Pinos, Founder and Chief Executive Officer, Aura Biosciences

The experiment of spending one hour on the streets of Palo Alto trying to convince people to play with a hula hoop with the claim, "Come on do some hula hoop and your day will be happier", certainly caused a lot of sweating!

The idea was tested in just one hour. And the outcome was that initial assumptions were far underrated. Hula hooping makes people happier for far many more people than expected, even in Palo Alto, with a pretty high happiness rate!

If this quick experiment is applied to our current business processes, it is possible to realize how many decisions are taken based on gut feeling or irrelevant data. Intuit's lesson today is to make decisions based on rapid experimentation. Ah yes…and discard most of them fast; don't fall in love with your solution, fall in love with the problem.





A summary of the key points I took away from this great lesson are:

1. Make sure a problem is being solved
2. Validate that it can be solved well
3. Build a business around it

This may seem obvious, but there is really nothing worse than starting a business around an outcome; the cause must come first, bringing great passion and willpower to it.

The second key point is that while in that sweet, glorious moment of building the business, make sure the priorities are right.

1. Employees: they always come first. They are your air. You probably cannot live more than 60 seconds without them.
2. Customers: they come second. They are the water. I'd say that you will last five days without good customers.
3. Shareholders: finally, our shareholders. Yes. They are the food that will keep us going for a few months.

And finally, as I leave this great city of San Francisco to go back to the reality of my start-up, these are the words that I will try not to forget: "You don't need geniuses to build your company, you need to make a group of ordinary people achieve extraordinary things and then you will change the world". So now…let's go do it!

Global Growth Company Community Introductions and Lunch

Welcoming remarks

- Silvia von Gunten, Director, Head of Technology Pioneers Programme and North America Membership, World Economic Forum USA
- David Aikman, Senior Director; Head of Young Global Leaders, Global Shapers and Schwab Foundation for Social Entrepreneurship, World Economic Forum

Opening remarks

- Shyam Sankar, President, Palantir Technologies, USA (TP 2011 & GGC Partner)

Special Guest

- Clifford Nass, Thomas M. Storke Professor of Communications, Stanford University, USA

Rapporteur

- Michael Fertik, Founder and Chief Executive Officer, Reputation.com, USA (TP 2010 & GGC)
- Eric Acher, Co-Founder and Managing Partner, Monashees Capital, Brazil

Sources suggested by Clifford Nass

Cognitive Control in Media Multitaskers: https://ftp.weforum.org:8081/Public/Cognitive_Control.Final.pdf

Emotional Atrophy: https://ftp.weforum.org:8081/Public/Emotional_Atrophy.MillerMcCune.pdf

Insight Report by Michael Fertik, Founder and Chief Executive Officer, Reputation.com

- Applications and devices – and varieties thereof – are proliferating at the workplace.
- The "sender-centric" view ("if someone needs to reach me, it must be important") is destructive in perhaps unexpected ways.
- Multitasking is clearly demising the capacity of the workforce – particularly the young workforce – to pay attention, do creative work, etc.

What a terrific session. Clifford Nass, the author of The Man Who Lied to His Laptop and a Stanford professor and researcher whose field of inquiry encompasses psychology, communication and sociology, among others, led participants through some of the results of his latest studies. It is clear that "high multitaskers" – people who use three or four or more media at a time (FB, SMS, music, etc.), are far, far worse at focus, accuracy and even task switching (which may be, at least superficially, counter-intuitive).

Nass's presentation was designed as a clarion call to business owners who need to think about how they must address, work with and otherwise navigate relationships with their future employees and customers. Interestingly, though, a number of the questions that followed the session were about remediating the problem when apparent in one's own kids!

These are important questions. Here's another. I was left wondering what methods might be used to observe such changes in oneself, and to tackle them should they start to appear. Indeed, as leaders who must set an example for others, it is necessary to make sure our brains are not changing (yes, actual brain function, according to Nass's research) in ways that could be destructive to our missions.

Fascinating discussion. One of the best I've heard at a World Economic Forum event designed for leaders.

Insight Report by Eric Acher, Co-Founder and Managing Partner, Monashees Capital

Historically, every new information product or service used to steal time from previously dominant established media. However, in this moment in time, for any age group, new information products or services tend to steal time not only from other media but also from non-information activities.

People are using media in parallel with other media activities, double looking, triple looking or even quadruple looking. An average Stanford student typically uses three media at a time. The top 25% are using four media at a time. These media are not running in the background but are all visible. This process is starting at a very young age, at around 8-12 years old.

People are going where media is taking them, instead of being in the present. And all this multitasking is affecting their lives: it is harder for multitaskers to focus on what is relevant, as they get distracted by the irrelevant; the speed with which multitaskers move things in memory tends to deteriorate as they multitask; their writing quality also deteriorates and multitaskers are worse at switching between tasks, which requires concentration.

Research shows that the problem is in the brain: multitaskers use the brain more intensely – up 30 times than in normal activities – but the parts of the brain involved in multitasking are those less useful to problem solve. In other words, multitaskers are constantly using the brain not to solve tasks but to "fill it with stuff". As a consequence, the frontal cortex is less developed in multitaskers. They have higher rates of depression, attention deficit, they are worse in conflict resolution, interpersonal, social and emotional skills. Kids that multitask have more difficulty to sleep, sleep less and have problems going back to sleep. A practical example of an immediate danger caused by multitasking is that people are driving and using other media at the same time, increasing the risk of car accidents.

The problem of multitasking is difficult to solve because the pressure on kids to participate in media and multitask is enormous, and there is no sign that this trend will be reversed. The new generations are dealing with conflict through text and we don't yet know the implications of that.

Synopsis

This extremely interesting and important session touched upon a subject that is affecting our lives, our families and our jobs. While some see multitasking as a virtue that increases productivity, research shows that multitasking is dangerously deteriorating people's cognitive and social skills. The most interesting issues discussed in the session follow.

New generations that consume media excessively, multitask and communicate using text are losing the ability to read facial expressions. Facial expressions change in intervals of one-tenth of a second; normal brains are good at processing these changes, but multitaskers get worse at it, generating social and emotional impairments and an inability to resolve conflicts. What will happen in a world where people are chronically distracted?

The study of the so-called "flow state" can generate insights on how to deal with the negative effects of multitasking. In many ways the flow state – when your breath is slower, heart rate is slower, and focus and productivity increase – is the opposite of being distracted in a multitasking state.

Not all forms of multitasking are negative. For example, playing a sophisticated immersive video game is multitasking. However, all simultaneous elements are relevant to solve the problem of the game, and that actually improves cognitive skills. But most forms of multitasking involve elements that are disconnected and/or are irrelevant to solve a task.

In the end, what can be done about it? As a society, focus and deep thinking should be valued and the virtue should not be speed. Research shows that shutting down media makes people more creative. But not many jobs reward deep thinking, so more need to be created and rewarded better. Exercise is also important. Populations that exercise frequently tend to get less addicted to media.

It is clear that multitasking and the parallel use of media are here to stay. As a society, we should try to direct multitasking to the situations that improve cognitive skills and control the negative effects that could be devastating.

Culture: How to Create, Sustain and Scale Corporate Culture

Session questions:

- How can a strong corporate culture that will bind the company through adversity and expansion be created?
- How can cultural openness be created and a balance between cultural diversity and corporate cultural unity be found?
- How can a resilient corporate culture be scaled throughout time and space?

Discussion Leaders

- Deborah Hopkins, Chairman, Citi Ventures and Chief Information Officer, Citi, USA
- Eugene Kaspersky, Chief Executive Officer, Kaspersky Lab, Russian Federation (TP 2003 & GGC Shaper)
- Robert I. Sutton, Professor, Management Science and Engineering, Stanford School of Engineering, Stanford University, USA

Moderator

- Kal Patel, Executive Vice-President and Member of the Executive Committee, LRN, United Kingdom (GGC Partner)

Rapporteur

- Scott W. Wyatt, Managing Partner, NBBJ, USA (GGC)
- K. Shan Padda, Chairman and Chief Executive Officer, Health Integrated, USA (GGC)

"You need to be empathetic locally."

Kal Patel Executive Vice-President and Member of the Executive Committee, LRN

"Language plays a big role in building a connected culture."

Scott W. Wyatt Managing Partner, NBBJ

Insight Report by Scott W. Wyatt, Managing Partner, NBBJ

A general assumption is that a strong and consistent corporate culture is important to the success of organizations. The primary challenges that were discussed in this session centred on scale and geography.

Culture is the lifeblood of a start-up organization; that blood can get pretty thin as organizations grow in size and geographic distribution. Maintaining a meaningful culture is hard, not easy. What are the best ideas to maintain a healthy and vibrant culture?

The ideas presented and discussed varied widely. The thoughts about outcomes of a healthy corporate culture included individual employees who know they make a difference – that what they do matters. A recurring theme was the debate around the degree of rigidity required to maintain culture across geography and scale. The idea of culture ambassadors – leaders from headquarters distributed in all locations – is an ideal difficult to achieve. Hiring local leaders who "get" the company is another ideal that is difficult to achieve, as are identifying potential clashes and finding a positive blend. Is it possible to compromise on culture or hold firm on core values? Fairness is more important than financial compensation.

Key Points

A dichotomy of approaches: "Catholicism versus Buddhism" was about how far it is possible to go with sub-cultures. Consider "guardrails". Define the boundaries of behaviours and expectations, allowing flexibility within the boundaries and framework. Be clear about the consequences of going outside the guardrails and act consistently when that happens.

Language is the currency of culture. This is a considerable challenge for international organizations, generating real potential liabilities and opportunities. Look for leaders who are willing to learn the language of local culture. Hire/grow local bilingual leaders who inherently embrace the company culture.

Diversity in foreign offices is critical to group acceptance of a new culture. A worldly team of employees is faster to accept and embrace new culture. Look for adventurers. Recruit culture over resume.

For culture to really work, it needs to be very simple.

K. Shan Padda Chairman and Chief Executive Officer, Health Integrated

Insight Report by K. Shan Padda, Chairman and Chief Executive Officer, Health Integrated

Culture is dependent and influenced, first and foremost, by the value system of the founder. It can be called a "natural expression" of their beliefs. It is also influenced by the industry the company is in as well as the culture of the nation it is located in. In fact, the founder will generally hire employees with similar values to their own. This works for the initial phase of the company's growth when the founder and senior management can do a lot of culture building and shaping through "walking around" management.

Once a company gets beyond 50-100 employees, culture creating and sustainment needs to become an organized activity with the formal establishment of cultural values and norms, and the publishing thereof. Some of the desirable features are: express values that employees can relate to by expressing them in "their language" so they can connect; employees need to be able to connect on an emotional level, so keep it simple.

The above is necessary for middle management to then become evangelists and cascade the culture down into the organization.

One interesting point is that if an individual openly flouts the culture, it must be dealt with immediately. Opinions diverged on how many chances that person should be given. Some recommended a process, others felt strongly that the person should be removed immediately while publicly sharing that the reason for the dismissal was non-adherence to core values. The latter group said "rot happens quickly".

Global companies must deal with a few additional challenges: while the core culture and values in regional offices must be the same as in the home country, one must also make adjustments in sensitivity to the local culture. Otherwise adoption by local employees will be difficult as will agreement that culture is relevant. Make sure employees who are sent from the home country are open to new cultures and enthusiastic. Promote cross rotations from all locations to create a more homogenized feeling across the enterprise in its many locations.

Disrupting Markets: Adapting and Imagining Future Business Models

Many, if not most, industries are in a state of disruptive change. Industries that could once rely on a predictable set of competitors, predictable business models and predictable markets now find themselves in entirely new circumstances.

- How can a future in which the rules of business are radically different be considered?
- If a business currently competes in the existing "state", how can it then move to a new "state"?
- How can a disruptor design business models that exploit opportunities presented in the new "state"?

Led by

– Tim Brown, Chief Executive Officer, IDEO, USA (GGC Partner)

Special Guest

– Hal Gregersen, Professor of Innovation and Leadership, INSEAD, United Arab Emirates

Rapporteur

– David Frigstad, Chairman, Frost & Sullivan, USA (GGC)

– Patricia Rios, Global Director, KPMG Technology Innovation Center; Marketing Director, Technology Industry, KPMG, USA

"We have to have discipline to project ourselves out and imagine new possibilities."

"For the most part, the disruptors tried to solve problems, not disrupt industries."

Tim Brown Chief Executive Officer, IDEO

"Avoid asking incremental questions that lead to incremental answers."

Hal Gregersen Professor of Innovation and Leadership, INSEAD

Insight Report by David Frigstad, Chairman, Frost & Sullivan

Today's markets are in a state of disruptive change. What was once predictable is now no longer predicable. This rapidly changing environment increases the pressure on executives to invest more time in analysing the future.

Key Issues

How do individuals think about the future with new rules of business?
How do businesses prepare for this new future?
How do the disruptive companies design business models to exploit new opportunities?

Tim Brown, Key Points

– Stepping back and imagining the future is something that CEOs have very little time for although it is an essential part of their role.

– CEOs can get help but it isn't something that can be entirely outsourced. It requires engagement and a point of view that is deeply held.

– Disruption has been in the consciousness of every leader since Clayton Christensen made it popular with The Innovator's Dilemma in 1997.

Industries have been decimated (newspapers, recorded music, bookstores) and others have been created. But as Christensen pointed out in 1997, innovators do not necessarily set out to disrupt industries. They set out to solve problems, and to solve those problems with new tools and technologies and in new circumstances, problems that did not exist when the incumbents emerged. The most important and disruptive innovators make sure they are solving problems for real people, customers, consumers.

One thing I find helpful is to think about how the circumstances are changing and how that might change the problems to be solved. Many industries and companies are essentially moving to entirely new states.

From State A to State B. State A is the accepted way things get done, the constraints and practices that have supported a given industry. State B is the new set of constraints and practices that open up new opportunities.

Largely these constraints fall into two categories: new technologies and new behaviours or practices.

What new technologies are changing the landscape right now, or will over the next several years? They include smartphones, cloud computing, 3D printing, drones and robotic vehicles, sensors and big data and DNA sequencing.

What new practices and behaviours are changing the landscape? Crowd funding, social media based political protest, collaborative consumption, peer-to-peer lending, online learning, document sharing via the cloud, quantified self, social networking and social media are among them.

The greatest challenge we face today is that there is little time to think about the future. More time must be spent trying to understand what people need. Understanding how the world is changing is critical to future success. Often the key to understanding the solution is asking the right questions. More discipline on how to ask the right questions is needed. Many times, stumbling upon the right question makes the solution emerge. Assuming our world doesn't change is a big problem that poses great risk. Many new businesses exist today that were not envisaged just 10 years ago (collaborative consumption, peer-to-peer lending, sharing documents on the cloud). A lot of time is spent looking for the right questions. The value of great questions is greater than the value of the answers. Do not look for incremental questions, look for bigger questions!

Patricia Rios: Guest Speaker

Patricia heads the Global Innovation Center for KPMG. KPMG recently released an extensive survey on the state of innovation and disruptive technologies around the world.

Eight hundred executives were surveyed in 2013. The top disruptive technologies were identified as cloud and mobility. Countries were ranked by their environment of innovation. Contact Patricia Rios or KPMG for the highlights of this new survey.

Insight Report by Patricia Rios, Global Director, KPMG Technology Innovation Center

Industries around the world are in a state of disruptive change. This session, led by Tim Brown, Chief Executive Officer, IDEO, with special guest Hal Gregersen, Professor of Innovation and Leadership at INSEAD, challenged the group to think about a future in which the business rules are radically different, with problems to solve that create the opportunity to disrupt, collapse and transform many industries.

David Frigstad, Chairman of Frost & Sullivan, presented highlights of a powerful model that looks at the interplay between technology clusters, industries and mega trends. The evolution of technologies at different rates gives rise to various waves of innovation that impact industries at varying times, creating opportunities to exploit new markets. Frigstad also pointed out the likelihood that the convergence of technology will continue to lead to the convergence of competition.

I presented KPMG's global technology innovation survey findings. India, Israel, the US and China led the technology innovation country confidence index. Artificial intelligence and biometrics are emerging as key breakthrough technologies in many industries. Cloud and mobile continue to drive significant disruption in business and consumer markets.

Brown and Gregersen engaged the group in a session to identify industries that are yet to be disrupted and follow a disciplined approach to surface the right questions that could help unlock out-of-the-box solutions.

Key Insights

It is critical for leaders to create a culture of questioning to identify big problems. In a world where the pace of disruption is increasing, creating the framework to engage teams to ask questions is a key step. Many issues persist because the wrong questions are asked so it is important to surface the right questions that can help unlock disruptive solutions.

Creative ideas happen at unexpected moments – a disciplined approach to spending time on future challenges is important. Value questions more than answers. Many organizations and teams are not disciplined to focus on the questions. Hal Gregersen led a 15-minute catalytic questioning exercise. The process included asking questions as they came to mind without thinking of the answers. Taking the time, as a group, to focus ONLY on asking questions was powerful.

Many industries have big problems to solve. What possibilities in some of these sectors exist?

Healthcare: if someone from the US is travelling in the UK and their credit card company is not aware that they are travelling, there is an immediate "fraud" alert. Why can't technology and business processes be leveraged to have preventive healthcare?

New business model ideas:

- Create a common goal and offer rewards across stakeholders
- Cooperate across stakeholders to build a technology platform that enables preventive care
- Update regulation to address existing issues
- Encourage the potential opportunity to disrupt the ecosystem by reducing stakeholders
- Make healthy foods “cool” to disrupt the fast food market and be part of a preventive care movement
- Tax it gradually (tax incentives according to healthcare saving correlation)
- Develop health insurance credits
- Offer wearable technology rewards
- Educate the next generation - gamification and social media
- Focus on small farmers in developing countries and address the problems of waste
- Have mobile play a big role
- Customize contracts for small farmers
- Use satellite imagery to spot problem crops
- Promote mobile transactions
- Support the equipment “share” model
- Optimize supply chains (route planning, logistics, etc.)

Market disruption is often driven by leaders who identify problems they are passionate about, who have the discipline and determination to solve the problem by questioning the status quo and challenging others who have a similar passion to join them in finding the solution. Surfacing the questions about the problems they are trying to solve has led to innovation and market leadership.

Today and for the foreseeable future, tech innovation can drive a nation’s economy forward and create jobs. Those leaders, companies and markets that can leverage technology’s rapid advances will be market share winners.

Sources suggested by Patricia Rios

Mobilizing Innovation: The changing landscape of disruptive technologies

https://ftp.weforum.org:8081/Public/KPMGTech_Innovation_Survey_062813_WEFHighlights.pptx

Art 360° Dinner

The dinner provided an opportunity for discussion on the arts and technology as well as transformation related to business and society.

Discussion leaders

- Carter Cleveland, Founder and Chief Executive Officer, Artsy, USA
- Jeffrey Deitch, Director, Museum of Contemporary Art, Los Angeles, USA
- Drue Kataoka, Artist, www.Drue.Net, USA (Young Global Leader)
- Adrian Wong, Co-Founder and Director, Embassy Projects, Hong Kong SAR

Special Guests

- Zheng Chongbin, Artist, People's Republic of China
- Allison Harding, Assistant Curator, Asian Art Museum, USA
- Sanjit Sethi, Director, Center for Art and Public Life, California College of the Arts, USA

Moderator

- Deborah Kan, Executive Producer, The Wall Street Journal, Hong Kong SAR (Young Global Leader)

Closing Community Remarks by

- Andrew Thompson, Chief Executive Officer, Proteus Digital Health, USA (TP 2009 and GGC)

Rapporteurs

- Srikar Reddy, Managing Director and Chief Executive Officer, Sonata Software, India (GGC)
- Matthew Prince, Chief Executive Officer, CloudFlare, USA (TP 2011)

> **Today we are in the period of convergence of different forms of art and technology.**

Deborah Kan Executive Producer, The Wall Street Journal

Insights by Srikar Reddy, Managing Director and Chief Executive Officer, Sonata Software

When the CEOs of some of the most innovative and fastest growing companies around the world gathered with some of the finest artists and art historians in a beautiful hillside setting in the bay area of California, the discussions met the highest expectations. The focus was on how art and technology impact one another, and on identifying the similarities and differences in the creative processes in both arts and business.

Some of the key questions, takeaways and insights included whether art will kill technology, how technology impacts art and vice versa, how technology and art impact and create better society, how an artist prepares or plans for creation, how artists and technologists can collaborate, and what new art forms are emerging because of technology.

Regarding whether technology will kill art, the clear insight is that technology is helping to create newer art forms and is actually helping artists be more creative. The creative process in art cannot be replaced by technology.

Two different views on the creative process emerged: depending on the material being used and end goal, the artist should be clear on what needs to be achieved, or can start with a broad vision of the end objective and innovate as the theme is being developed.

Whether a technologist or artist creating something beautiful or innovative, time and space to be reflective are needed. On the question of how artists and technologists can collaborate, no clear actions emerged. Art forms based on multimedia and devices are emerging; they can have a far-reaching effect on art and reach a wider audience than previously possible.

The clear takeaways for me include "art is technology, technology is art", one cannot exist without the other and trying to draw artificial boundaries is pointless.

Insights by Matthew Prince, Chief Executive Officer, CloudFlare

"Will technology kill art?"

That was the first question posed by participants at the Art 360° Dinner during the Technology Pioneer and Global Growth Company CEO Community Workshop. Hosted by Andrew Thompson at his Portola Valley hilltop home, the dinner featured discussion led by artists and individuals involved in the arts, including Jeffrey Deitch, Director of the Los Angeles Museum of Contemporary Art; Adrian Wong, Artist and Co-Founder of Embassy Projects; Drue Kataoka, Artist and World Economic Forum Young Global Leader; and Carter Cleveland, Founder and Chief Executive Officer of Artsy.

While the initial question was pessimistic, participants and discussion leaders were optimistic on the future of art and technology. Turning the question on its head, several participants noted how art was central to many of the great technologists, including the prototypical artist-technologist Leonardo da Vinci, impressionist painters like George Seurat, who significantly advanced the scientific field of colour theory, Samuel Morse, who was a great American painter and the co-inventor of the telegraph code that bears his name, and Benoit Mandelbrot, who combined a love of art, mathematics and computer science to create fractal geometry.

What is art? What is technology?

Several participants argued that the tension between art and technology is a creation of society and, in particular, our educational system, rather than being anything fundamentally structural. Why, one person wondered, is it assumed that when a student is talented in math, they won't be talented in the arts, and vice versa? "Society puts an artificial wall between artists and technologists," a participant observed, "and it's time to tear down that wall."

As if to prove that point, surveying my own table, I was struck by how the backgrounds of most in the CEOs in the room almost invariably intersected the arts. While today most lead successful high-technology firms, only a minority had formally studied engineering or any of the hard sciences in college. Instead, the group was filled with liberal artists, with most around my table having studied history, philosophy, economics or literature before finding a career in tech.

Entrepreneur as artist

The dinner table conversation turned to how some of the best contemporary technology investors had been trained in one form of the arts, including Y Combinator's Paul Graham (trained as a painter) and Sequoia Capital's Michael Moritz (trained as a journalist). "We point to Steve Jobs as being a leader who brought art to technology," one person said. "But this isn't a new phenomenon. True technology is art, and true art is technology. Both are cutting edge by definition."

While the consensus was optimistic – concluding that technology creates an opportunity for artistic expression that reaches audiences that were previously unexposed – some more challenging topics lingered in conversations over dessert. The artists represented were largely visual artists whose works could not be easily digitized and reproduced. Some wondered about musicians and authors for whom the ease of perfect reproductions facilitated by technology poses a more direct threat.

Perhaps, however, the disruption of some art forms by technology is no different from the constant disruption in the technology industry itself. "Art and technology are the same thing," one person suggested. "Both constantly destroy the old and create the new. The discovery of painting was a huge technological innovation. Imagine the first time people saw a photograph. The technology that blows our mind today is tomorrow's art.

Blogs

Peter Frykman
Founder and Chief Executive Officer, Driptech

What rural India can learn from Silicon Valley

http://forumblog.org/2013/06/what-rural-india-can-learn-from-silicon-valley/

This week, I'll be in Palo Alto to take part in a series of World Economic Forum workshops, bringing together members of the Technology Pioneer and Global Growth Company communities. Of the many topics we'll be looking at, the one I'm most excited about is the session on "Disrupting Markets".

Palo Alto is at the core of Silicon Valley's technological innovation, which is a driving force behind the disruption of many traditional markets. With so many industries in a state of disruptive change, how will companies be able to evolve to compete? And for companies that are driving market disruption, how can they predict where innovation will take the market next?

The reason I'm so interested in this topic is that I recognize that the phenomenon of market disruption is just as relevant in Palo Alto as it is where I work, on the other side of the world in rural India. There, the agricultural industry is ripe for disruption, with outdated, unprofitable techniques ready to be enhanced or replaced by more sophisticated methods. Technology will play a key role in disrupting this market and making sustainable farming a reality for the other 90% of the world's farmers. This is a vital step towards ensuring food security and livelihood for over 2 billion people, a problem which development agencies and for-profit organizations around the world have struggled with for decades.

In my work at the social enterprise Driptech, I've learned that surviving and even driving market disruption relies fundamentally on the ability of an organization to understand and serve its customers. Only by continually designing and delivering affordable, appropriate products can relevance be ensured in the face of constant disruptive change. This series of Forum workshops will be a great opportunity to learn how Technology Pioneers and Global Growth Companies are working to stay connected to their customers, and to translate customer insight and understanding into valuable business models. I'm also really interested to learn how other companies have improved the accessibility of their products, in terms of their innovation with partners and customers: how have their products and business models successfully evolved?

Taking place in the home of technological innovation, I hope that this series of workshops will provide insights that can be applied in the most remote, low-tech environments and markets in the world.

Doreen Lorenzo
President, frog

What does a smartphone have in common with a car?

http://forumblog.org/2013/06/building-a-better-user-experience-in-a-connected-world/

The products and services that are now so much a part of our lives no longer exist in isolation. Today's connected world is filled with product and service ecosystems – from smartphones and tablets to entertainment, healthcare and financial services – that interact and share data in an increasingly complex relationship.

Connectivity creates powerful new ways to build customer relationships, but the added complexity also makes it harder to perfect the user experience. Customers now expect the same high-quality design whether they are at a resort or operating a power plant. Consumer brands were the first to grapple with this shift; now business-to-business (B2B) brands are in the hot seat as well.

Look at any customer experience in sectors like telecommunications, entertainment, health and travel to see a dense web of people, technologies and products. Like a dance recital, individual pieces must be carefully and loosely choreographed into a cohesive whole.

User experience, or "UX" in designer parlance, is the sum of all interactions with a brand's products and services. It is the sequence of interactions customers need to take to complete basic tasks. That's why the quality and nature of the UX is one of the most valuable differentiating assets on the market. A strong UX is a natural complement to a strong brand.

Contact with these UX ecosystems occurs at many points. From our smartphones, tablets and apps to our cars and mobile banking transactions, the interactions must be fast, seamless and intuitive. For any brand today, the UX must stand out in a crowd – much like the impact of a striking design once did on the store shelf. These digital tools must be exciting and easy to navigate, whether buying shoes, booking a flight, or filing a tax return.

That is quite clear for consumer-oriented brands and increasingly so for B2B firms. Financial-services software must be as intuitive and elegant as the likes of Zappos and Netflix, especially for the digital-savvy generation entering the workforce.

Just a few years ago, UX was the obsession of designers alone. Today more and more CEOs know they need to invest in a good UX. A well-designed UX not only sells but also makes the difference between a "just OK" product and one that is coveted by customers.

Bill Tai
General Partner, CRV

Looking beyond Silicon Valley for the next big start-up

http://forumblog.org/2013/06/looking-beyond-silicon-valley-for-the-next-big-start-up/

This week, the World Economic Forum will host a series of workshops with members of its Technology Pioneer and Global Growth Company communities. Discussions will focus on talent acquisition and ways of accelerating performance and growth. The choice of venue, Silicon Valley, could not be more appropriate. Home to the world's leading tech companies and thousands of start-ups, the region is the high-tech hub par excellence.

But advances in technology are shaking up the world of start-ups. Today, companies can be "started" by very small teams from almost any location. This is in part thanks to the commoditization of technology and hosted infrastructure, which has given birth to an environment where most high-value start-ups are essentially just user interfaces to data coming off the cloud.

Facebook, LinkedIn and Twitter are some of the most notable examples of this type of high-value company, but there are many new ones on the way. The next big tech success story could literally come from anywhere. Indeed, in the past three years, I have seed funded five start-ups from Australia, two from Japan, two from the UK and one from Brazil. Compare this to my first 20 years in venture capital, where I didn't seed fund a single non-US start-up, and this gives you an idea of the scale of the change.

Of course, there is still no better place to establish and grow a start-up than in Silicon Valley. The concentration of talent, number of innovative companies and cutting-edge technological developments all make for a unique environment. If these Forum workshops can tap into even a small part of this, we can be sure to leave with some valuable insights.

Shyam Sankar
President, Palantir Technologies

Adopting the consumer's mindset

http://forumblog.org/2013/06/adopting-the-consumers-mindest/

When I think of disrupting markets, the first trend that jumps out is the shift from valuing inputs to valuing outcomes. As the world grows dramatically more asymmetric, the winner is no longer the one who spends the most, but the one who performs the best. This has directly led to the widespread consumerization of enterprise markets, reshaping technical and corporate power structures.

The consumer market is a Wild West of volatile challenges and ruthlessly quick feedback loops. Consumers don't have ponderous requirements – they may not know exactly what they want, but they know it when they see it. Consumer products succeed and fail quickly, and demand rapid iteration, agility and a healthy dose of intuition. Neither do consumers have an unlimited supply of money to throw at their problems. This all adds up to a focus on innovation, value and outcomes that is happily spilling over to other markets.

In technology, the old hierarchy has been reversed: consumer grade is now the benchmark, and the savviest enterprise and government-focused companies are striving to catch up. Amazon, one of the ultimate consumer companies, is a standard-bearer for both logistics and cloud services, two classically enterprise industries. In end-user enterprise technology, exquisite architectures and restrictive interfaces are giving way to commoditized architectures and personalized, responsive app platforms. After years of underserving users, companies realize that empowering them is an investment in better outcomes.

It's no longer important to have an expensive ERP (enterprise resource planning) system that took years to develop – the question is "what has it done for me lately?" Consumers rightly expect better outcomes for less money over time. Consider smartphones: today's top-of-the-line model is ten times as powerful and half as expensive as it was five years ago. In an era of heightened austerity, globalization and competitiveness, that's a lesson for everyone.

This focus naturally leads to a re-examination of traditional hierarchies and infrastructure. For example, chief innovation officers and IT departments used to exist as their own authorities, ostensibly providing direction to business units, but often maintaining complex toys for themselves. Now, they are under mounting pressure to tangibly support those business units' objectives.

Another example is the explosion of the rental economy. This reflects many aspects of the consumer market, including shrinking budgets, expanding choice and great improvements in on-demand efficiency. The larger point, however, is that people are re-examining whether owning (and thus maintaining) something is automatically a worthwhile investment – not just housing but everything, from transportation to fashion to software. Governments and struggling corporations, now forced to do more with less, can take a cue from consumers, who have always managed to do so.

In an era when everything is seemingly bigger, more interconnected and less personal, the consumer is actually more influential than ever before. As a result, large organizations that might have once considered consumer problems to be trivial are now scrambling to adopt the consumer's mindset: a healthy disregard for arbitrary inputs combined with an unwavering focus on results.

For more pictures of this event

Thursday to Friday Workshops and Receptions
See pictures

Museum without Walls
See pictures


other
than getting
started...


yoshito
hori
NEXT

List of Participants

Chip Paucek	Chief Executive Officer	2U Inc.	USA
Elisabet de los Pinos	Founder and Chief Executive Officer	Aura Biosciences Inc.	USA
Benjamin Mophatlane	Chief Executive Officer	Business Connexion (Pty) Ltd	South Africa
Matthew Prince	Chief Executive Officer	CloudFlare	USA
Magid Abraham	Co-Founder, President and Chief Executive Officer	comScore Inc.	USA
Héctor Robledo Cervantes	Executive President	Corporación HRC SA de CV	Mexico
Tang Ning	Chief Executive Officer	CreditEase	People's Republic of China
Ntiedo Etuk	Founder and Executive Chairman	DimensionU	USA
Peter Frykman	Founder and Chief Executive Officer	Driptech	USA
Eben Bayer	Founder and Chief Executive Officer	Ecovative Design LLC	USA
Jack Harding	President, Chief Executive Officer and Chairman	eSilicon	USA
William Lansing	Chief Executive Officer	Fair Isaac Corporation (FICO)	USA
Doreen Lorenzo	President	frog	USA
David Frigstad	Chairman	Frost & Sullivan	USA
Yoshito Hori	President, GLOBIS University; Managing Partner, GLOBIS Capital Partners; Chairman and Chief Executive Officer	GLOBIS Corporation	Japan
Harald F. Stock	Chief Executive Officer	Grünenthal GmbH	Germany
K. Shan Padda	Chairman and Chief Executive Officer	Health Integrated Inc.	USA
Tim Brown	Chief Executive Officer	IDEO LLC	USA
Jacob Leschly	Chief Executive Officer and Director	Ingenuity Systems Inc.	USA
Eugene Kaspersky	Chairman and Chief Executive Officer	Kaspersky Lab	Russian Federation
Genri Goto	Founder and Chief Executive Officer	Kenko.com	Japan
Sergio Rosengaus	Chief Executive Officer	Kio Networks	Mexico
Jose Ferreira	Founder and Chief Executive Officer	Knewton Inc.	USA
Andrés Ruzo	Chief Executive Officer	Link America	USA

Roger Hine	Founder and Chief Technology Officer	Liquid Robotics Inc.	USA
Kal Patel	Executive Vice-President and Member of the Executive Committee	LRN Corporation	United Kingdom
David Icke	Chief Executive Officer	MC10 Inc.	USA
Louis Poire	Chief Executive Officer	Moda in Casa SA de CV	Mexico
Eric Acher	Co-Founder and Managing Partner	Monashees Capital	Brazil
Gary Kovacs	Chief Executive Officer	Mozilla Corporation	USA
Scott W. Wyatt	Managing Partner	NBBJ	USA
David Ulevitch	Chief Executive Officer	OpenDNS	USA
Shyam Sankar	President	Palantir Technologies	USA
Michael Lopp	Director	Palantir Technologies	USA
Michael Woelk	Chief Executive Officer	Picarro Inc.	USA
Ryan Howard	Chief Executive Officer and Founder	Practice Fusion Inc.	USA
Sam White	Co-Founder	Promethean Power Systems	USA
Andrew Thompson	Chief Executive Officer	Proteus Digital Health Inc.	USA
Jonathan Hsu	Chief Executive Officer	RecycleBank	USA
Michael Fertik	Founder and Chief Executive Officer	Reputation.com	USA
Michael Crandell	Chief Executive Officer	RightScale Inc.	USA
Ram Shanmugam	Chief Executive Officer	Sacrum Inc.	USA
Walter L. Schindler	Managing Partner	SAIL Capital Partners LLC	USA
Cyriac Roeding	Co-Founder and Chief Executive Officer	shopkick Inc.	USA
Srikar Reddy	Managing Director and Chief Executive Officer	Sonata Software Limited	India
Jacob Hsu	Chief Executive Officer	Symbio	People's Republic of China
Carlos Moreira	Chairman, Chief Executive Officer and Founder	WISeKey SA	Switzerland
Naokazu Morita	Chief Executive Officer, USA	Zappallas USA Inc.	USA

Technology Pioneer Selection Committee Members*and Special Guests

Rob Hull*	VP Innovation Scouting	BT	USA
Deborah Hopkins	Chief Innovation Officer	Citi	USA
Padmasree Warrior*	Chief Technology and Strategy Officer	Cisco	USA
Linda Boland Abraham*	Co-Founder, Chief Market Officer and Executive Vice-President, Global Development	comScore Inc.	USA
David Spreng*	Founder and Managing Partner	Crescendo Ventures	USA
Bill Tai*	General Partner	CRV	USA
Alison Levine	Mountaineer and President	DareDevil Strategies	USA
Paul L. Saffo*	Managing Director	Discern	USA
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