

# Managing Resources of Innovation Ecosystems





# How can I manage an enterprise to success?

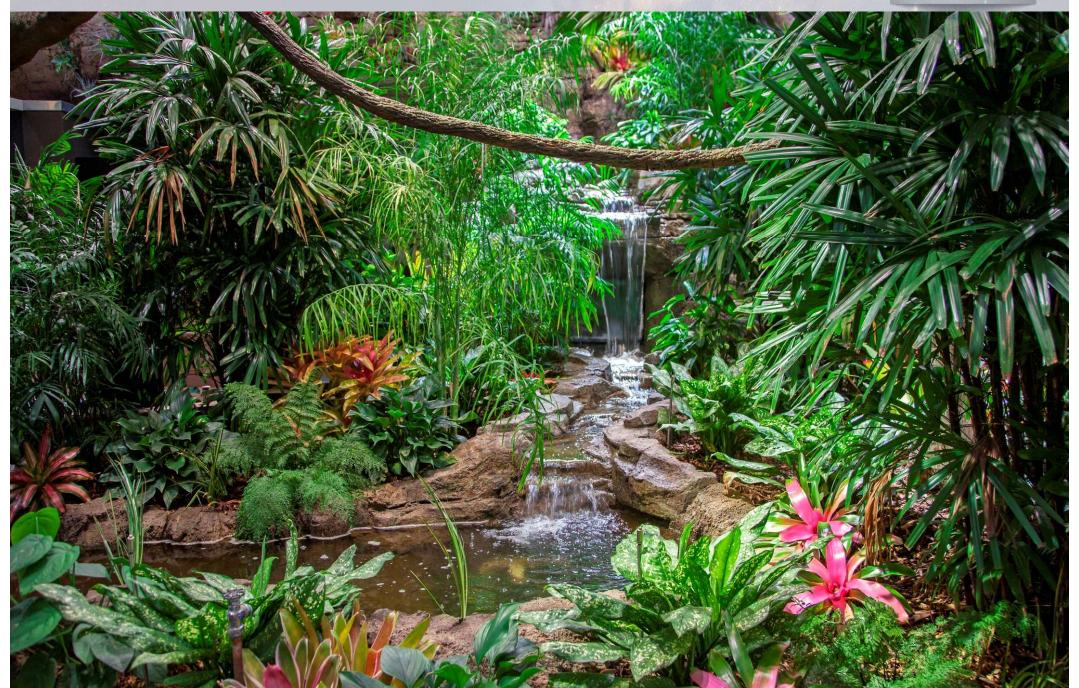
Management of
Resources and Tools
in an Ecosystem.



# Ecosystems

### **Biological Ecosystem**





#### **Ecosystems**



- > Biologic
  - Forests
  - Marine
  - Deserts
  - Wetlands
- > Artificial or Human-Made
  - Urban
  - Agricultural
  - Company
  - Innovation

#### **Ecosystems**



## **Dynamic Elements**

#### **Static Elements**

## Characteristics

Energy Flow (Sun/Usefulness)

Nutrient Cycling (Food Chain/Money)

Diversity (Bio/Resource)

#### **Energy Flow**



Eye Object Sunlight

**Allegory of the Sun** (Plato)

Technology



Market

**Perceived Usefulness** 

Magic of ...



## Innovation

#### Origin



Limitations

**Evolution** 

**Efficiency** 

**Definition** 

**Dimensions of Innovation** 

**Barriers** 

Characteristics

**Societal Impact** 

Geography



"the economic effects of innovation processes as constructive destruction"

#### **Origin of Innovation**

Josef Schumpeter ~1940s



# Innovation is "a new or changed entity, realizing or redistributing value"

#### **Definition of Innovation**

Standard ISO 56000:2020

## Innovation is



Real
Genuine
Authentic

True

# Reality is that which, when you stop believing in it, doesn't go away.

Philip K. Dick





## BUT

Reality is always complemented by our view, our experiences, what can see and what we want to see.

#### **Limitations of Innovation**



#### What Innovation is not:

- Research
- > Ideation
- > Invention
- New Knowledge

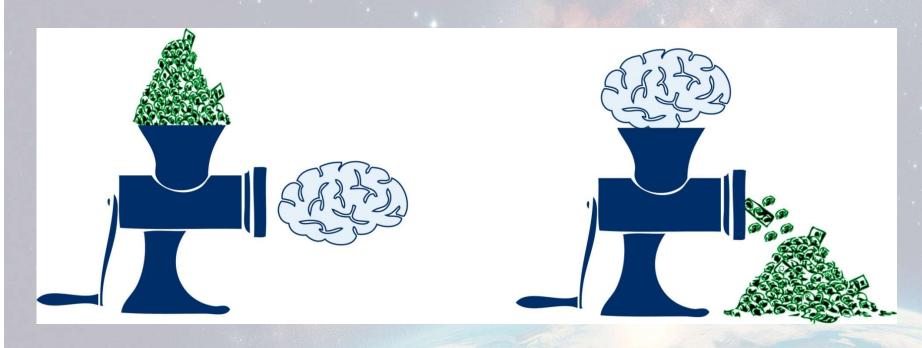
#### **Discussion:**

What is the opposite of Innovation?

**Conformity, Normality** 

# **Limitations: Research vs Innovation**





RESEARCH

Generates Knowledge with Money

**INNOVATION** 

Makes Money out of Knowledge

#### **Barriers of innovation**



- > Convenience
- Burocracy
- > Religion
- > Autocracy
- > Lobbyism
- > Alternative career models





#### Innovation is about

- > bringing existing technology to a new market
- > bringing new technology to an existing market
- > bringing new technology to a new market



#### **Innovation** is about

> combining different expertise



Thomas Edison (camera)
Eastman Kodak (film)

#### **Ask the right Question**



What?

How?

Why?





#### **Improvement**

#### **Newness**

Spread of Ideas or Technologies

#### **Characteristics of Innovation**

**New Value** 

**Pushing Boundaries** 

**Improving Societal Development** 

**Challenging the Status Quo** 



## **Resources of Innovation Ecosystems**



#### **Resources of Innovation Ecosystems**

- Finance (VC/Bank/FFF/Promotion)
- Human Resources (Knowledge/Skills/Leadership)
- > Technology (AI/Blockchain)
- Institutional Setting (Univ./RTO/Agency)
- Legal Framework
- Mindset (Belief/Attitude/Tolerance/PIF)
- Policy (Government/Strategy)
- Service Providers (Tax/Law/Management)



#### **Power of Priorities**

- > Flexibility
- > Importance

#### **Flexibility**



# Flexibility assesses each resource's potential to increase or decrease over time

#### **Importance**



Importance is a function of a changed status quo of the resource compared to its current status

#### **Discussion**



#### List resources

Design Importance/Flexibility

**Focus Energy** 

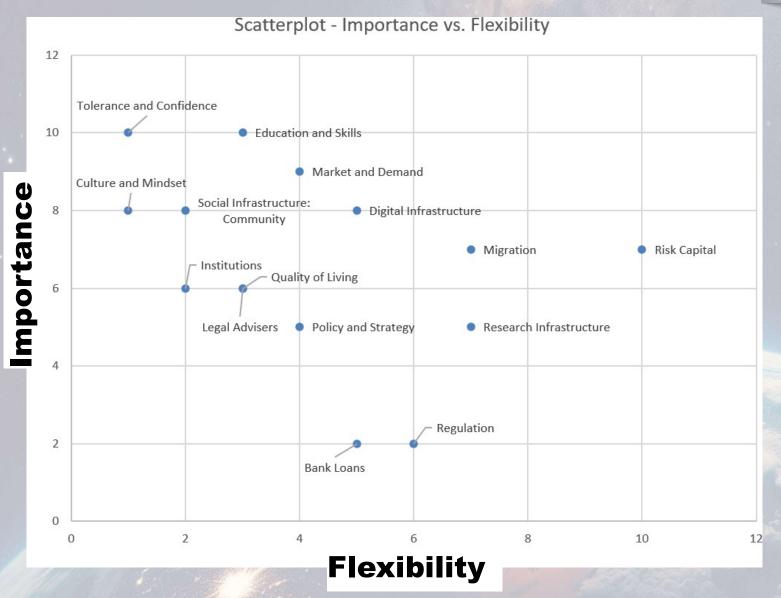


Resources	Flexibility	Importance
Bank Loans		
Culture and Mindset		
Digital Infrastructure		
Education and Skills		
Institutions		
Legal Advisers		
Market and Demand		
Migration		
Policy and Strategy		
Quality of Living		
Regulation		
Research Infrastructure		
Risk Capital		
Social Infrastructure: Community		
Tolerance and Confidence		

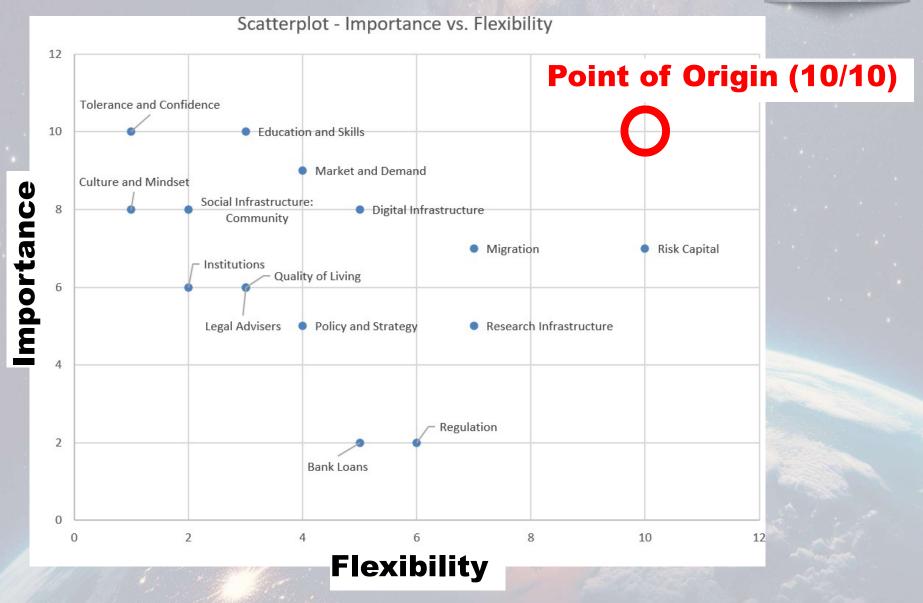


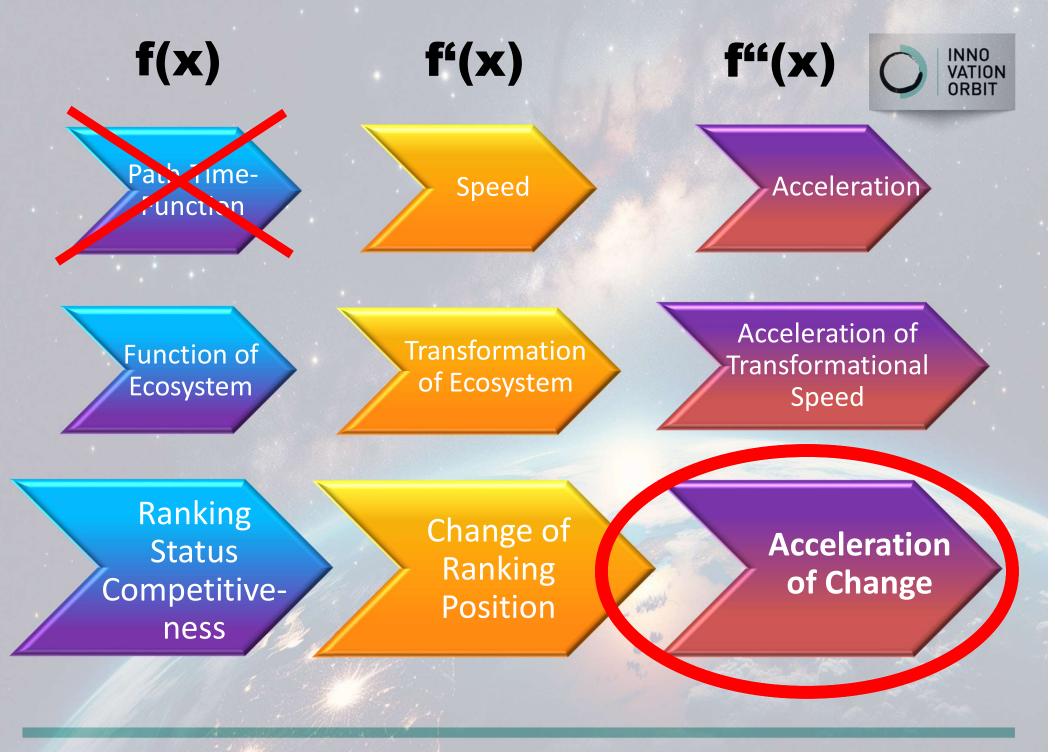
Resources	Flexibility	Importance
Bank Loans	5	2
Culture and Mindset	1	8
Digital Infrastructure	5	8
Education and Skills	3	10
Institutions	2	6
Legal Advisers	3	6
Market and Demand	4	9
Migration	7	7
Policy and Strategy	4	5
Quality of Living	3	6
Regulation	6	2
Research Infrastructure	7	5
Risk Capital	10	7
Social Infrastructure: Community	2	8
Tolerance and Trust	1	10













# Al in Innovation Ecosystems



#### Role of AI in Innovation Ecosystems

AI influences ecosystems by

- enhancing creativity
- improving decision-making
- optimizing processes
- accelerating new technologies



## AI boosts the ecosystem with

- acceleration
- efficiency
- new opportunities



## AI supports the ecosystem by

- augmenting human imagination
- providing new perspectives
- streamlining repetitive tasks



## AI provides data-driven decision making

- process and analyze large datasets
- make more informed decisions
- anticipate market trends
- understand consumer behavior
- predictive power for strategic decisions

#### **USE CASE**



How to leverage basic competitive mapping into an expansion strategy?



map direct competitors, indirect competitors and substitutes for China Southern Airline



what is the competitive advantage China Southern Airline compared to its competitors?



provide a table comparing the KPIs



adapt this table reducing the competitors to 3 and include 3 substitutes



sorry, I do not regard xxx as a substitute, please replace by another substitute



thanks, that's wonderful. How can China Southern Airline focus on specific resources and take a decision to beat the high speed railway in its advantage of punctuality?



# Board Meeting Let's present the contents



It lacks the context of the passengers that take the train. Focus on the disadvantages in travelling in train compared to a flight

## Why should we care about the interpretation of Al results?





GPS - Dilution of Precision



## Culture







## Is there a bias in Al support regarding cultural differences?







## Language

### Languages to train Al Models



Languages worldwide

7000

Languages training AI (GPT-4) 28

#### **World Economic Forum**



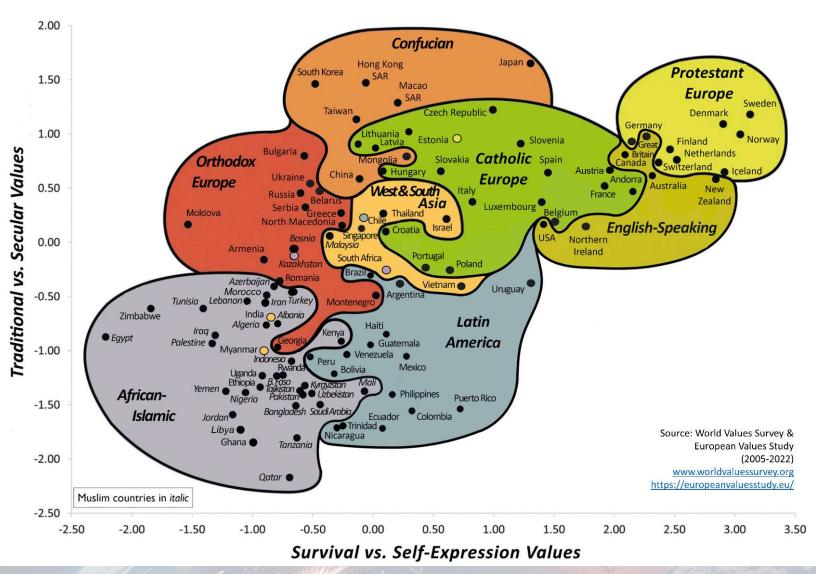
"Generative AI is mainly trained on the English language, leading to bias and, in some cases, errors with serious consequences"



## Attitudes Believes









## Is there an impact of cultural settings in Al?

## 3 steps of cultural impact



bias impact

bias in interpretation by humans

bias in algorithm

bias in data

## Self-Perception ChatGPT Nov 2024



"AI models like me don't have inherent attitudes, beliefs, or subjective experiences in the way humans do. However, the data used to train these models can reflect human attitudes, biases, and cultural norms, which can sometimes be unintentionally learned by the AI."

## Self-Perception Deepseek



"Hi! I'm DeepSeek-V3, an artificial intelligence assistant created by DeepSeek. For comprehensive details about our models and products, we invite you to consult our official documentation."

### **Bias in Data**



#### Data consists i.e. of

- > text from books
- > websites
- > social media
- > news articles

#### **Discussion**



## What kind of biases can be there and what impact will it have?

#### **Discussion**



## Newsflash in 1500 after 50 years of book printing.

Write 5 sentences for the news about the potential bias in data for Al models.

#### **Discussion**



#### Newsflash in 2125

Write 5 sentences for the news about the learnings from the biases humankind had in 2025 in the impact of AI models.

## **Bias in Algorithm**



### **Developer of Al algorithms?**

- > Male
- > Young
- > Urban
- > Industrialised Country
- Communicating in English language
- > Wealthy

## **Bias in Algorithm**



### Consequences

- > Intensifying the bias in data
- > Lack of transparency of biases
- Misconception of consistency in data and algorithms

## Innovation - AI - Society



## What impact does Al have on improving societal development?

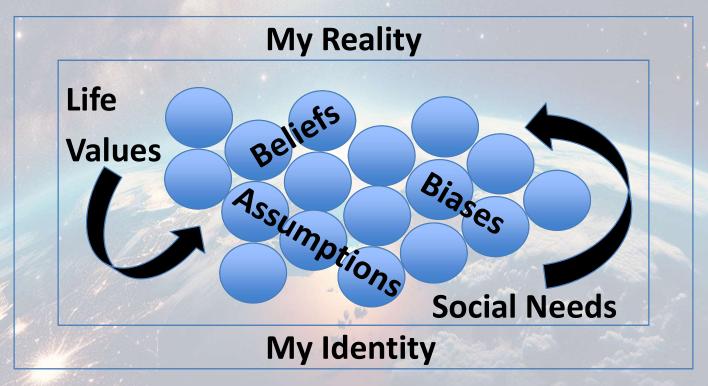
- Powerful Acceleration
- Digital Colonialism
- Expanded Workforce
- Increasing International Gap
- Spiritual/Real Al Conflicts

## **Al Identity**



If AI knows your stories and experiences, it can simulate your believes, your needs and your reality and identity.







## **International Innovation Ecosystems**



### **Global R&D Investment**



No.	Country Name	Continent	GDP (USD Billion)*	GDP Per Capita (USD thousand)*
1	United States	America	28,783	85.37
2	China	Asia	18,536	13.14
3	Germany	Europe	4,590	54.29
4	Japan	Asia	4,112	33.14
5	India	Asia	3,942	2.73

## Which country/global region will be leading in 2100?



Regarding GDP China will retain Nr 1 the next decades.

By 2100, India's GDP will be competing with China.

## Leading by GDP in 2100



China India

> Nigeria USA

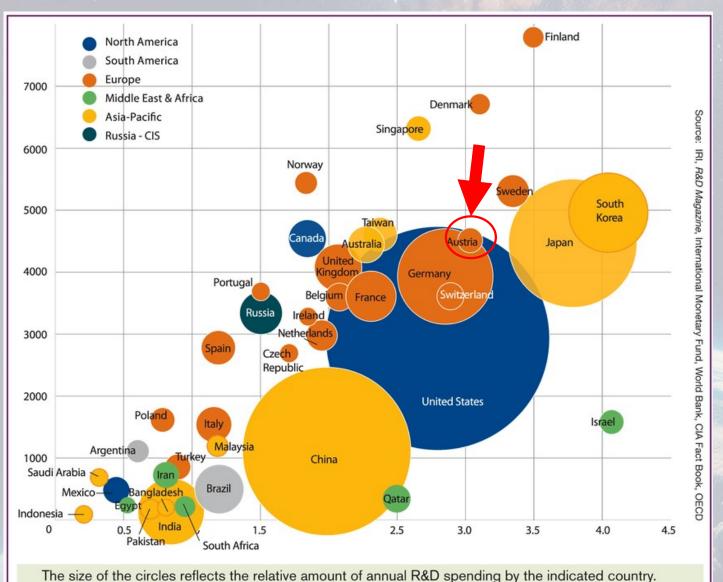
> > Pakistan
> > Indonesia
> > Ethiopia

#### **Global R&D Investment**

Note the regional grouping of countries by the color of the balls.





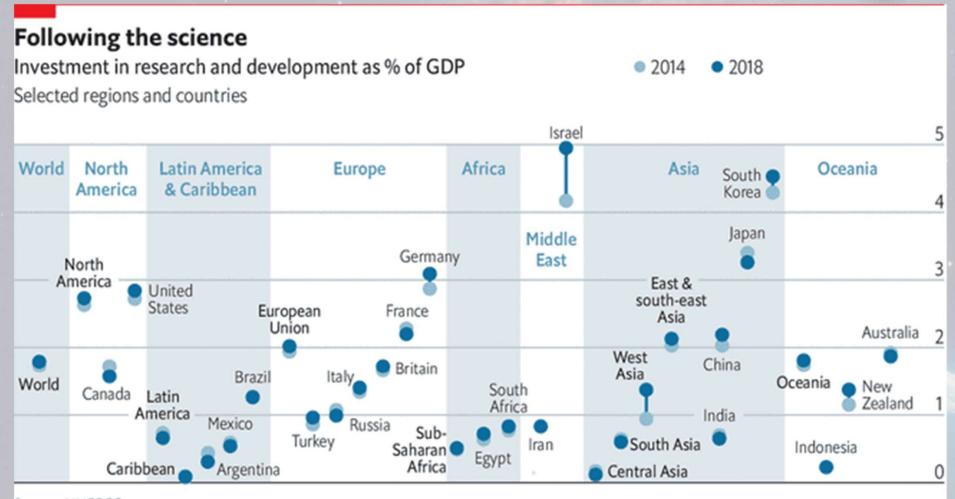


.,.

GDP on R&D

#### **Global R&D Investment**





Source: UNESCO

The Economist

#### **Immigrant Founders in US**



#### Non-US countries of birth of US unicorn founders



Data covers 531 US companies that became unicorns between 1997-2019. For 1,078 founders of 500 unicorns, we identified the country of their birth. Only non-US-born founders (44%) are included in this figure.

SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (08/2024)



Silicon Valley
New York



Zurich



Berlin



Moscow





Shanghai Shenzhen



Sofia
Tel Aviv



Nairobi





Medellin



Co-Authors of





## **International Innovation Ecosystems**











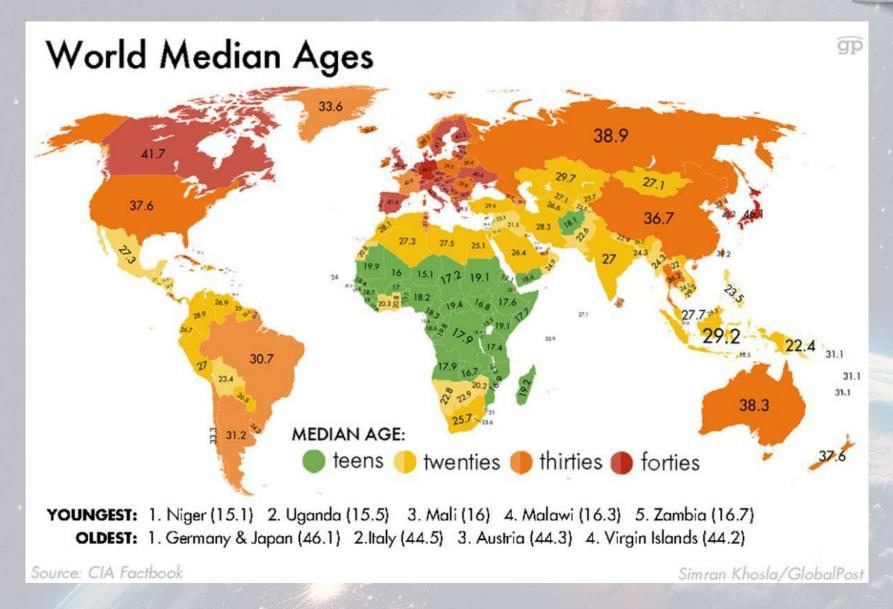
#### **Facts about Africa**





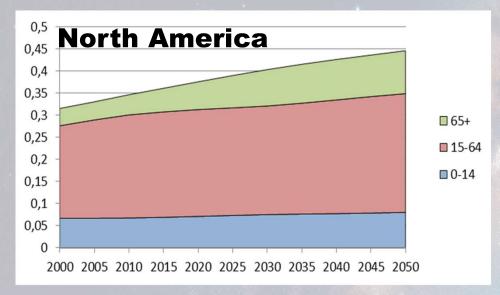
- > 2000 languages
- > Worlds longest river
- > 2nd largest continent
- > Our ancestors paradise
- > Average income: 12 US\$
- > Worlds youngest population

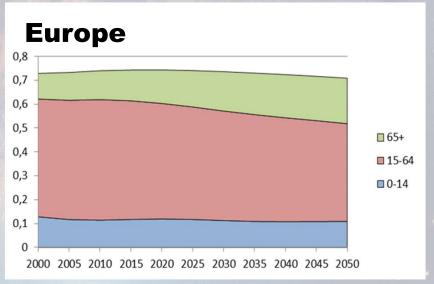


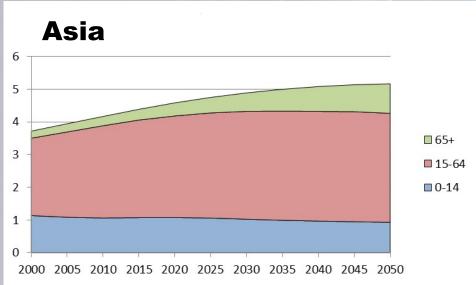


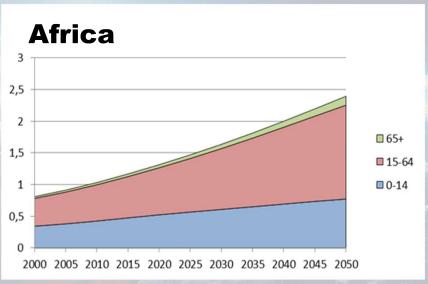
#### Global Demography (bn people) 2000 - 2050







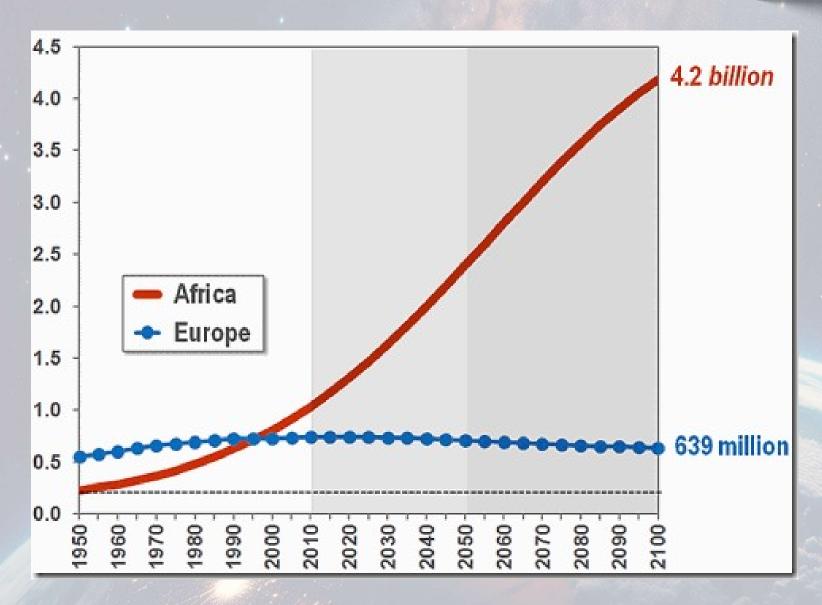




Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat

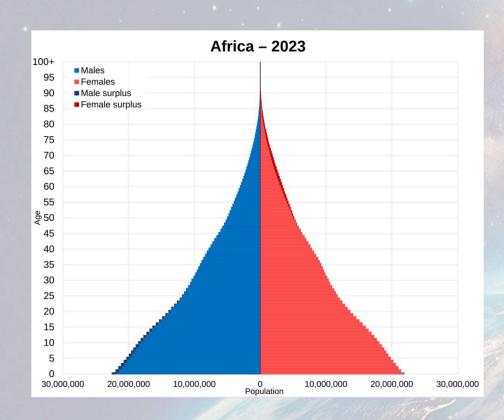
## **Population Growth**

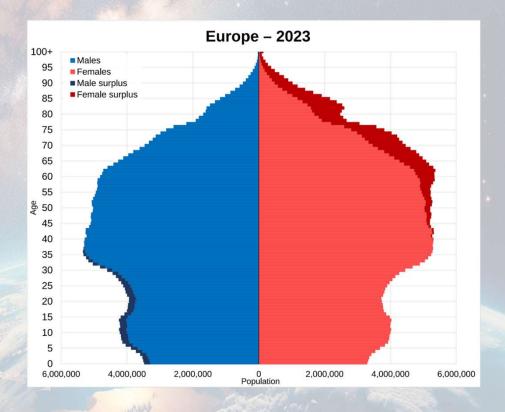




## Demographics Africa / Europe









## "WE SHOULD STOP THINKING ABOUT HOW

#### AFRICA CAN BE MORE LIKE US

WE SHOULD RATHER THINK ABOUT HOW

WE CAN BE MORE LIKE AFRICA"

**ERIK HERSMAN** 



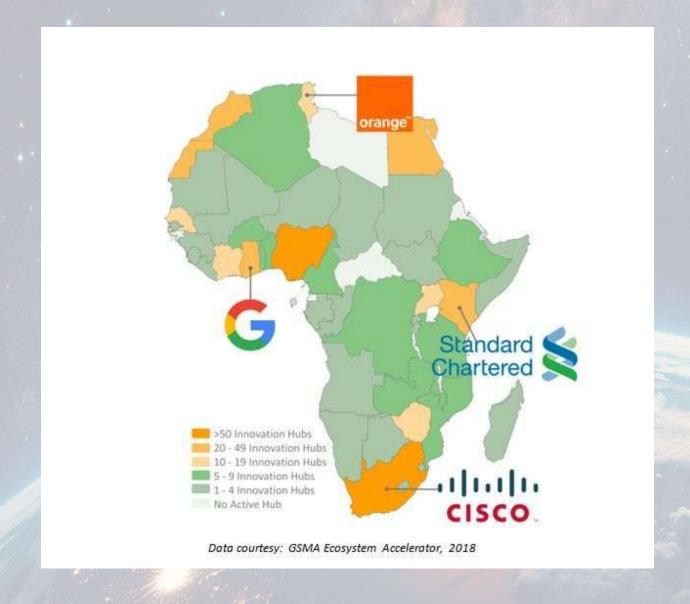






## Tech Hubs and Innovation Hotspots



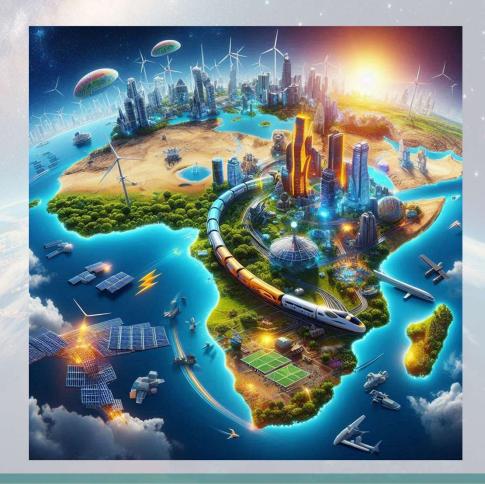


## **African Innovation Strengths**



- > Frugal Innovation
- > Perceived Usefulness

Leapfrogging





### **Frugal Innovation**

- **F** Functional
- R Robust / Resource-efficient
- **U** User-friendly
- **G** Growth opportunities
- A Affordable (for consumer, society and environment)
- L Less complex / simplified

## Frugal Innovation: Examples





**Mobile Phones** 



**Transport** 



**Water Treatment** 

## **Discussion**



## **More Examples for**

**Frugal Innovations?** 

#### **Perceived Usefulness**





African Digital Transformation is Closer to Human Needs

#### **Testbed for Drone Services**

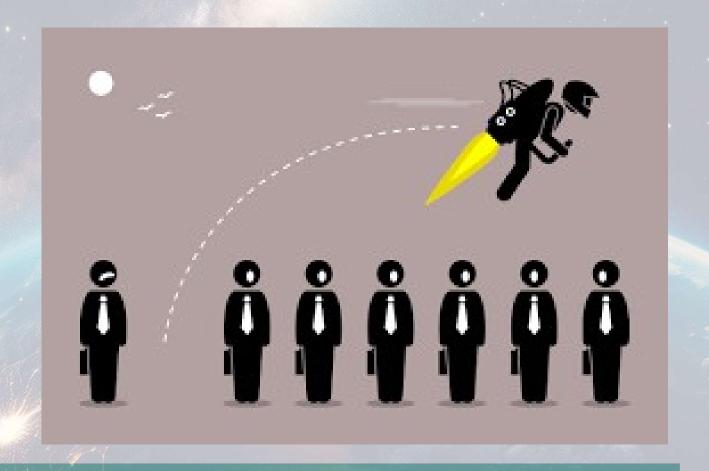




## Leapfrogging



- Mobile Money > No Bank Branches
- Energy / Sustainable PV system





## **World Leader in Mobile Money**

- > deposit and withdraw money
- > transfer money to other users
- > pay bills
- > purchase airtime



"Mobile Phone = Bank Account"



## **Disruptive Innovations**

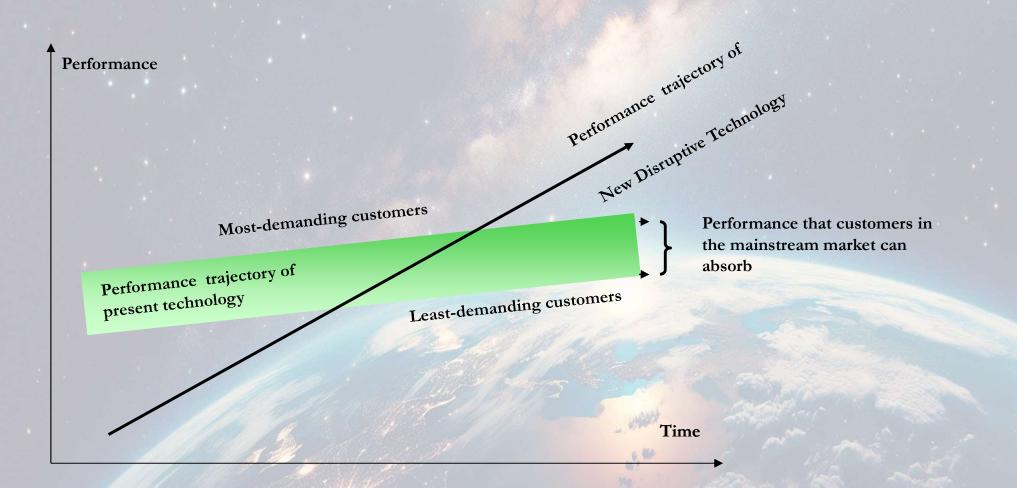




Disruptive innovations emerge at the bottom of the market

#### **Innovator's Dilemma**





Source: Clayton M. Christensen

#### **Discussion**



# Resources and Strenghts of Innovation Ecosystems in Africa



#### **Take Home SWOT**

#### from Africa

- > Young Population, fast Growth
- > Frugal Innovation
- > Innovation Leapfrogging
- > Motivation of Improvement of Societal Position
- Poor Framework Conditions (Tax/Law)
- > Infrastructure Challenge
- Double Population in 25 years



## **International Innovation Ecosystems**



#### **Facts about the United States**



- Largest Economy
- > No Metric System
- > Humans on the Moon
- > 800 languages in NYC
- > Nr 1 International Students
- > Welcoming Home to Newcomers
- > Alligator and Grizzly as Presidential Pets



## The United States in the World



➤ Top 10 Tech Companies (in Market Capitalization, 2024)
Apple, Microsoft, NVIDIA, Alphabet, Amazon, Meta, TSMC,
Broadcom, Tesla, Tencent

USA 8 Asia 2 Europe 0

Top 10 Start-Ups ByteDance, SpaceX, SHEIN, Stripe, Checkout, Canva, Instacart, Databricks, Revolut, Epic

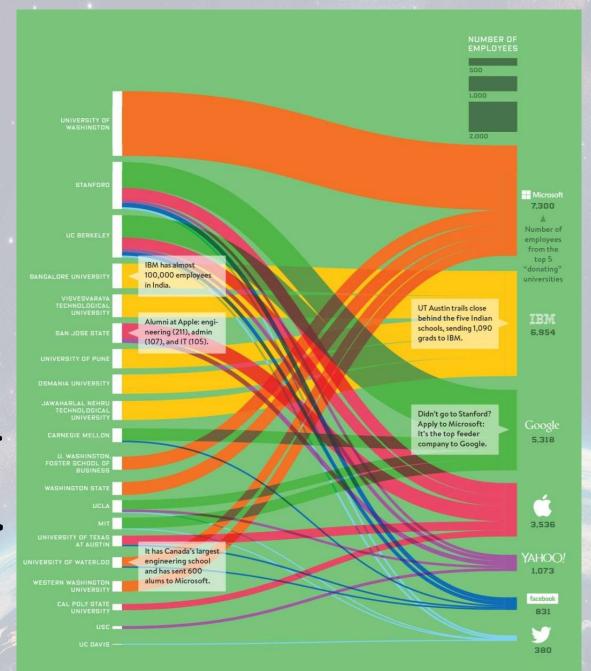
USA 5 Asia 3 Europe 2

#### Knowledge > Market

Stanford > Berkeley >

Carnegie Mellon >

MIT >















## **Bay Area Ecosystem**





## **Moving Hotspots of Innovation**









Silicon Valley about Europe:

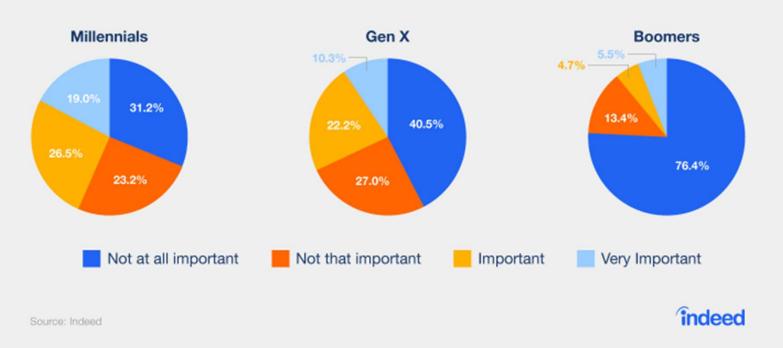
"People come to Silicon Valley to see the future"
"People go to Europe to see the past"



#### **Silicon Valley attracting talent:**

# 45.5% of Millennials Consider Working in Silicon Valley "Important"

Attitudes to importance of Silicon Valley among Millennials (18-34) Gen X (35- 49) Boomers (50-65)





# **Silicon Valley – The Story**

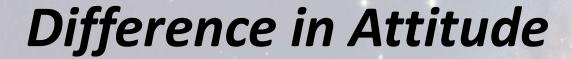
# Ingredients to the Silicon Valley Ecosystem



#### Centered around emotion and desire:

- > Finding common cause to change the world
- > People want to do things that matter
- > People want to do things that are new

Creating a common identity as problem solvers.





**Silicon Valley** 

"How can we make this thing happen?"

**Europe** 

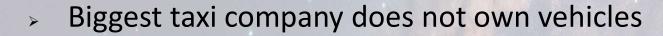
"How can I keep my job?"

#### Platform business resources











Biggest provider of accommodations without own any real estate



Biggest phone company does not own any telecommunications infrastructure



Biggest provider of photographic content employs no photographers



Most popular publishing house does not generate content



Biggest movie distributor owns no movie theatres



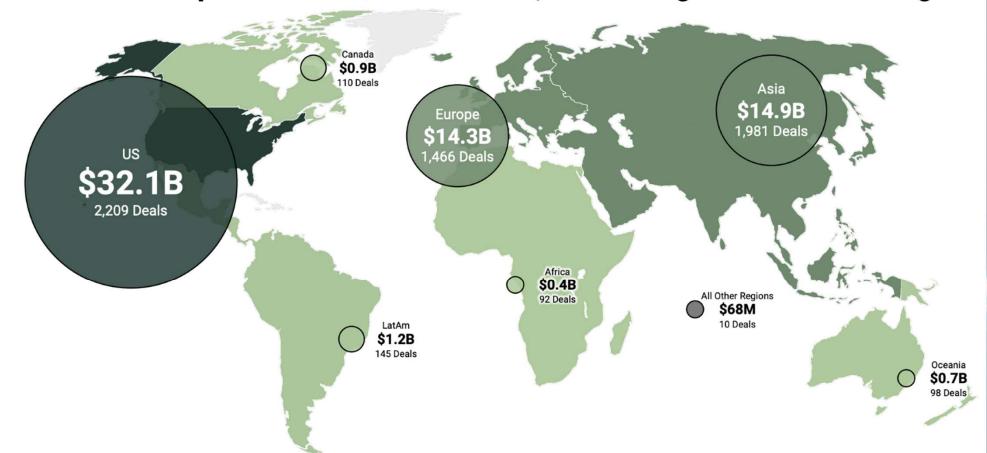
Most valuable trading company has no inventory

### **Venture Capital**



State of Venture | Global Trends | Investment Trends

#### US-based companies raise \$32B in Q3'23, accounting for 50% of funding



Source: CB Insights Q3 2023 State of Venture Report

## **Leading Tech Cities**



#### **Key Ingredients For A Tech City**

- > An urban site that attracts young professionals
- > A large pool of skilled talent
- > Modern infrastructure and technical support
- Demographics (population growth, education, etc.)
- > Attractive tax and/or other beneficial policies

Source: Arubaexec



## **Discussion: Future Hotspots**



according to the change in the number of utility patents granted over time per 100,000 residents.

**Northwest Arkansas** 

Louisville

**New Orleans** 

Source: Axios

### **US Innovation Strengths**

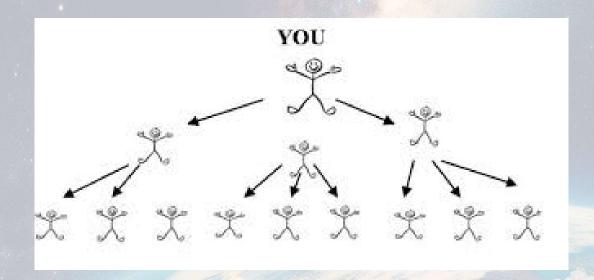




- > Pay-It-Forward
- > Tolerance and Trust
- Customer Orientation



# **Pay-It-Forward**



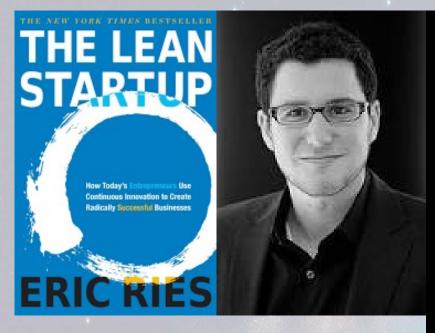
### **Tolerance and Trust**

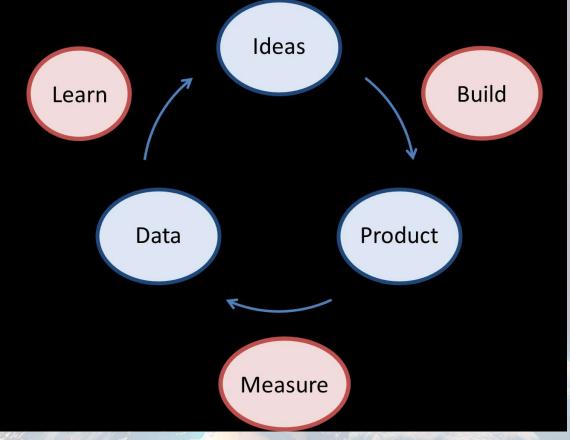




#### **Customer Orientation**







- > Lean Process
- > Minimum Viable Product
- Pivot or Persevere



#### **Discussion**

# USA: Resources and Strenghts of the Innovation Ecosystem

# USA: Strenghts of the Innovation Ecosystem



- > Human Resource Magnet
- > Smart Management Capacity
- > Strong Customer Orientation
- University Strategy in line with Industry
- > SV Specials: Lean Start-Up, Community
- > Tolerance

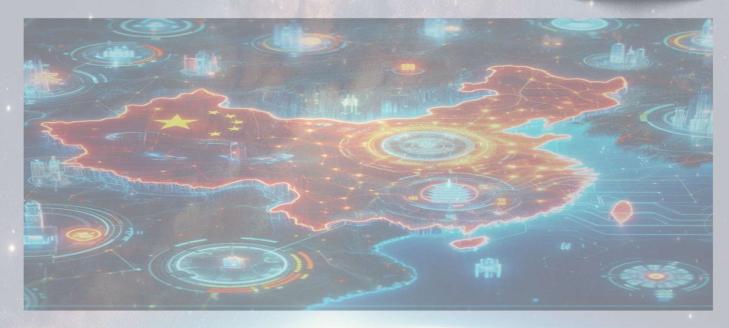


# **International Innovation Ecosystems**



#### **Facts about China**

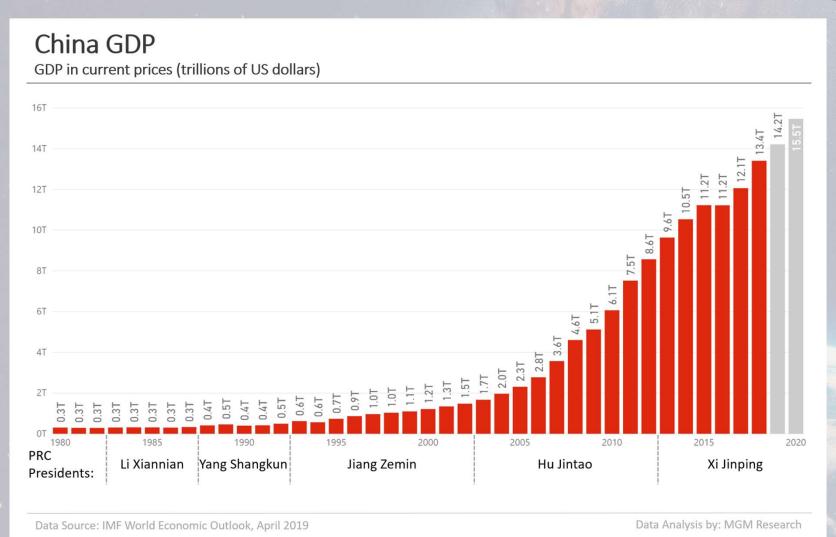




- > Largest High-Speed Railway Network
- > 35 Million People who live in Caves
- > One of the World's Oldest Civilisations
- > Largest Economy by Purchasing Power Parity
- > Invented Paper, the Compass and Gunpowder
- > The Only surviving Pictographic Writing System

#### China: GDP per capita





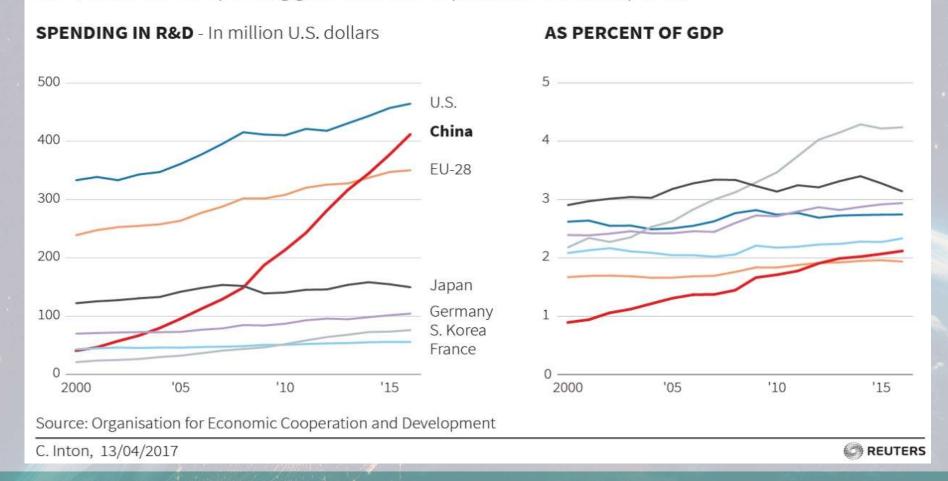
Source: MGM Research

### China's Research Spending



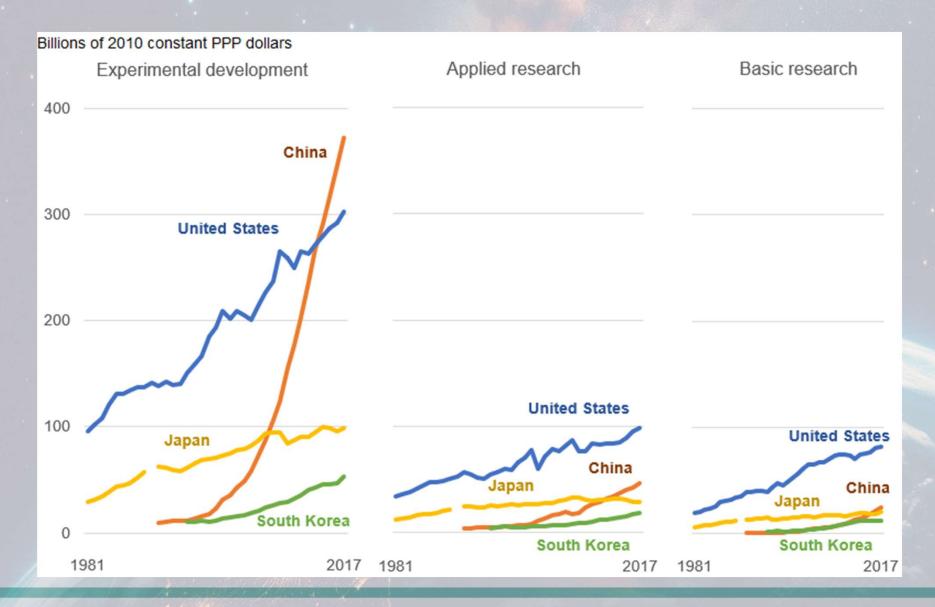
#### Research spending

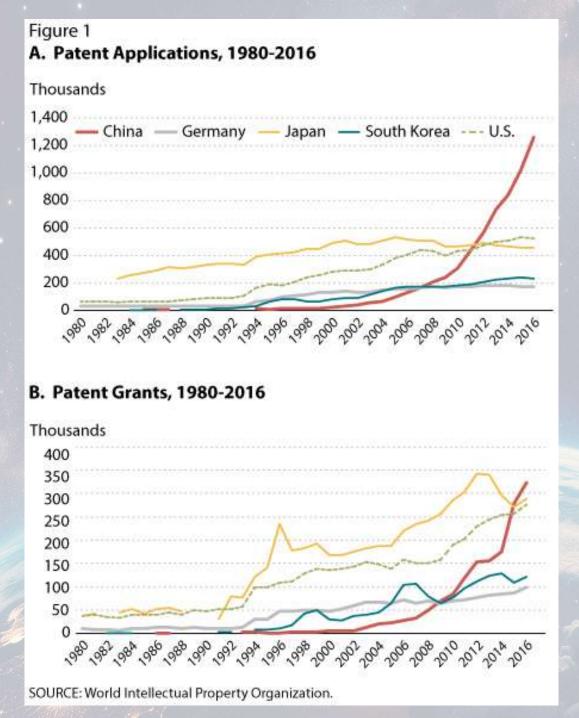
China's spending on research and development in science and technology, surged ten-fold since 2000, while the U.S. spending grew a modest 39 percent in the same period.



# China's Research Spending



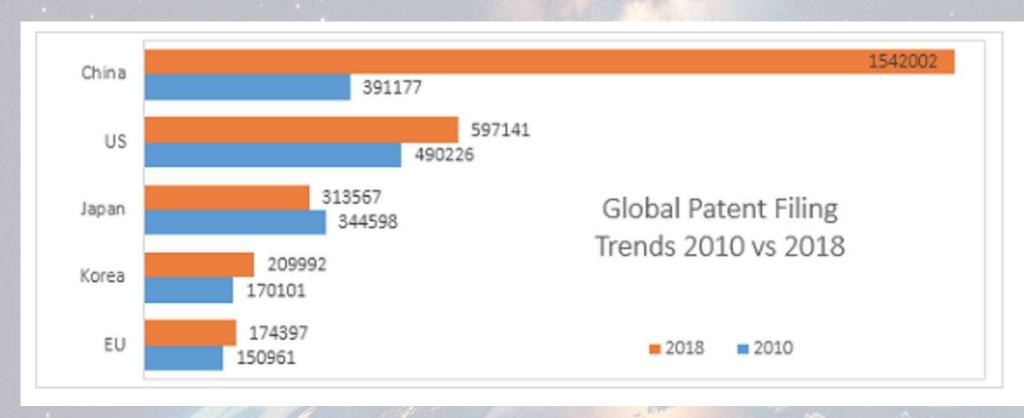








# World Patents: China's Growth (2000-2018)



# China: How they see themselves



- World's largest R&D investment
- World's leading innovative enterprises: in manufacturing, high-speed rail, the Internet industry, robotics and artificial intelligence industry.







### The Steep Rise of Huawei

Huawei's global revenue and Chinese smartphone market share

- Revenue (in billion U.S. dollars)
- Chinese smartphone market share (in %)



Converted from Yuan Renminbi Sources: Huawei, Canalys







### **IT Industry**



"What do we need?"
"Where do we get it?"



"What are they doing, we don't do?

# "THEY DO"

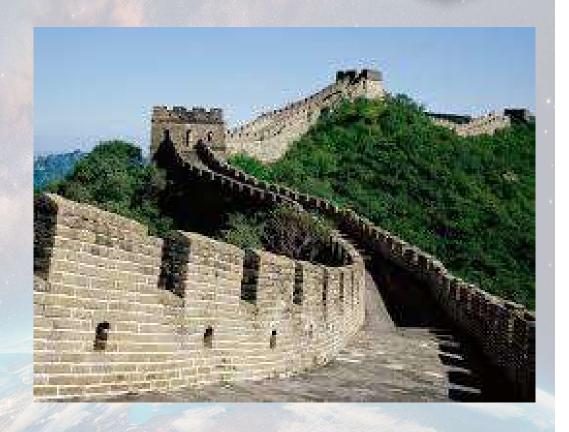
# China and Innovation What do we need to know?



- China's rapid rise: combination of size, dynamics and ambition it unique
- China's global ambitions: innovation a core element of its national interests
- China 'does not play fair': divide & conquer, 'technology for market' etc.
- The conflict with the US is about technology and geopolitics, not about trade, and it's escalating

### **Chinese Innovation Strengths**





- Speed of Implementation
- Market Orientation
- Knowledge to Innovation

# China's scientific and technological development: size and speed



Rapidly becoming a cash-free society
 (750 m internet users of with mobile payment methods)



- Nearly one half of all global STEM graduates
- > Many of China's 'tech entrepreneurs' have close links to US



#### China lets us know its ambitions

#### **President Xi Jinping:**

"the initiatives of innovation and development must be securely kept in our own hands (...) only by mastering core technologies can we guarantee national economic security, defense security and other securities."

#### The Chinese Academy of Sciences:

80 people doing bibliometric studies in order to be aware who is most successful in doing what and where

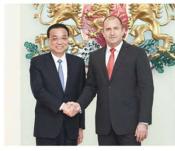
#### **Compare EU:**

1,5 people involved in science cooperation with China and they do project management too.



#### Premier Li meets Bulgarian president on ties

Updated: Jul 7,2018 5:56 AM Xinhua



SOFIA — Visiting Premier Li Keqiang met with Bulgarian President Rumen Radev on July 6, and the two sides pledged to promote bilateral ties.

#### Austria to Send Its Largest-Ever Trade Delegation to China

#### Premier Li meets with British foreign secretary



China, Estonia strengthen cooperation Updated: Sep 19,2018 8148 PM english.gov.on



e Président de la France débute auiourd'hui sa première visite d'état en Chine depuis sor

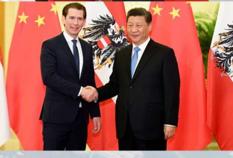
Emmanuel Macron en Chine : les enjeux de sa visite

Réagir 37 réactions

S'ABONNER

pour la France

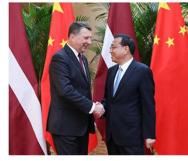
International



#### Premier Li meets with Dutch PM

#### Premier Li meets with Latvian president

Updated: Sep 19,2018 S:17 PM english.gov.cn



remier Li Keqiang held a meeting in Beijing on April 12 with visiting Dut Minister Mark Rutte, who attended the annual conference of Boao Forum (BFA) and is on an official visit to China.

#### r Li meets Austrian

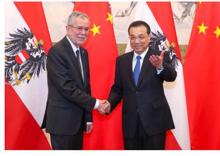
nt

Premier Li Keqiang met with Latvian President Raimonds Vejonis, who was in Cl for the Summer Davos Forum, on Sept 19 in Tianjin.



#### **Delegationsreise China**

China. 25. November - 2. Dezember 2018.



Die Wirtschaftsbeziehungen in Ingolstadt und der Region 10 haben Premier Li Keqiang met with visiting Austrian President Alexander Van der Bellen in

Premier Li meets with French minister of Europe and foreig affairs



Premier Li Keqiang met with Jean-Yves Le Drian, French minister of Europe and foreign affairs, in Beijing on Sept 14.



Tria dalla Cina rassicura su sp





# Europe's reaction to China's rise

- > EU: lack of coordination, outcompeting each other
- > Naive view of China? Eurocentrism?
- Rapid change in position driven strongly by industry? (Germany, Sweden, EU)
- Low China competence
- > Polarization of views on how to handle China (and the US)

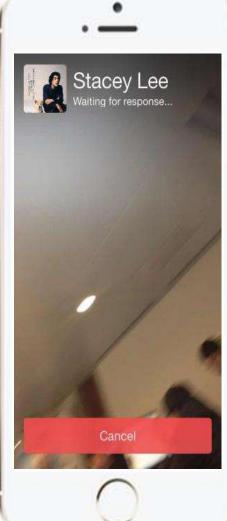


WeChat微信

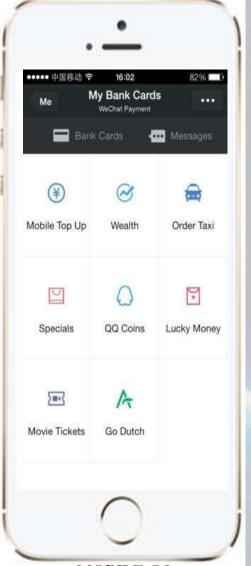
#### **RESHAPING INDUSTRIES**











TELCO

(TEXT & VOICE)

VIDEO CALL

**PAYMENT** 

MOBILE OS

(APP AS A PLATFORM)

#### **RESHAPING INDUSTRIES**











SOCIAL NETWORK

PERSONAL FINANCE

GAME DISTRIBUTION

TAXI BOOKING

#### **Duration to 100 Mio Users**



1878	Telephone	75 years	
1979	Mobile phone	16 years	
1990	World Wide Web	7 years	
2003	iTunes	6 years, 5 months	
2004	Facebook	4 years, 6 months	
2008	Apple App Store	2 years, 2 months	
2009	WhatsApp	3 years, 4 months	
2010	Instagram	2 years, 4 months	
2012	Candy Crush Saga (Smartphone game)	1 year, 3 months	

#### **Duration to 100 Mio Users**



Rank	Platform	Launch	Time to 100M Users
1	Threads	2023	5 days
2	ChatGPT	2022	2 months
3	TikTok	2017	9 months
4	WeChat	2011	1 year/2 months
5	Instagram	2010	2 years/6 months
6	Myspace	2003	3 years
7	WhatsApp	2009	3 years/6 months
8	Snapchat	2011	3 years/8 months
9	YouTube	2005	4 years/1 month
10	Facebook	2004	4 years/6 months
11	Spotify	2006	4 years/7 months
12	Telegram	2013	5 years/1 month
13	Twitter	2006	5 years/5 months
14	Uber	2011	5 years/10 months
15	Pinterest	2010	5 years/11 months
16	Google Translate	2006	6 years/6 months
17	World Wide Web	1991	7 years
18	LinkedIn	2003	7 years/11 months

# Days to 100 Mio Users





1,600 days

twitter

1,400 days



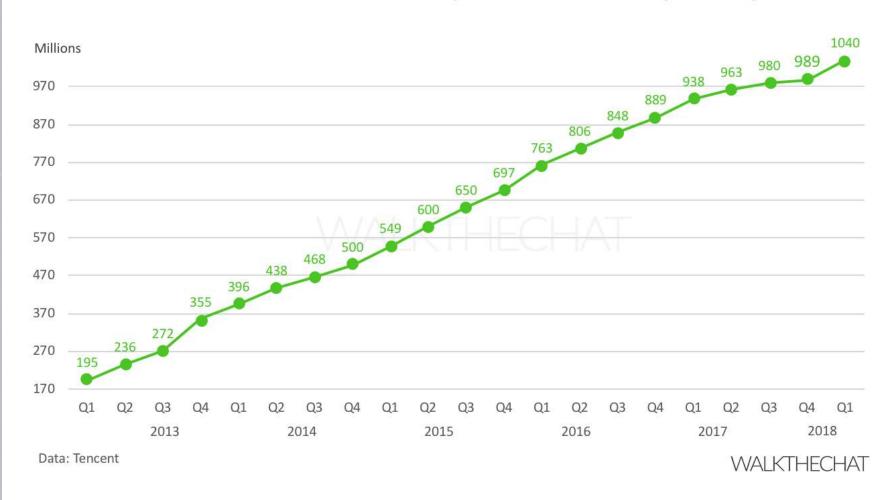
433 days

#### **Example WeChat**



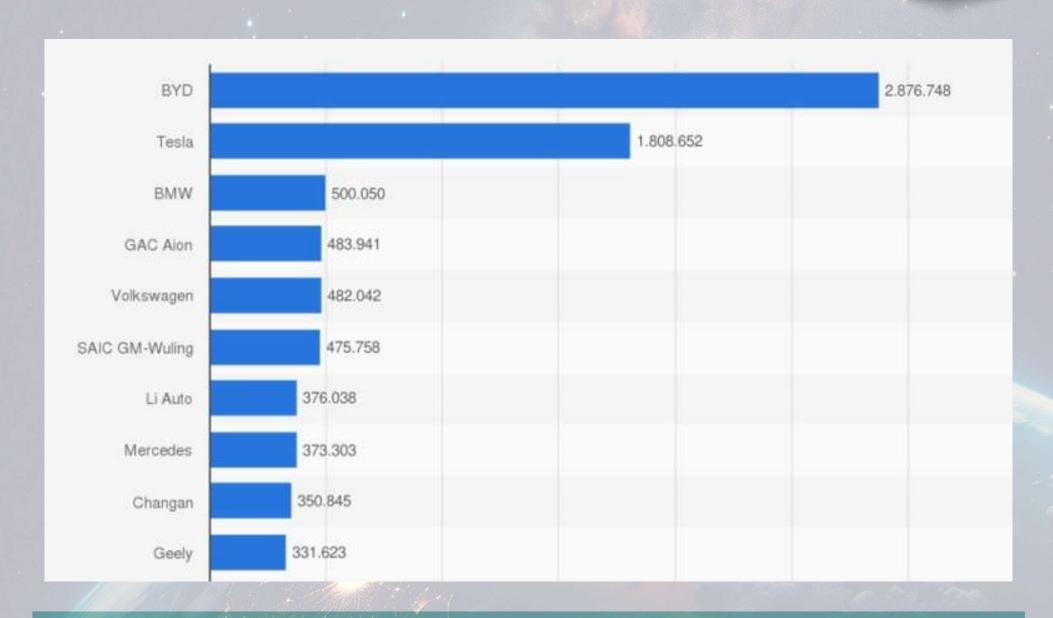


#### **WeChat Monthly Active Users (MAUs)**



#### **Example E-Cars 2023**





#### Shenzhen / HKG Border 1979





#### China Strategic Developemnt Example Shenzhen



- > 1979: Shenzhen becomes a City (~15000 inh.)
- > 1980: Special Economic Zone
- > 1989: Salary Civil Servant 50 RMB Industry Shenzhen 3000 RMB
- ➤ 2018: HQ of BYD, DJI, Huawei, Tencent, ZTE
  Passed by GDP of Hongkong
  ~20 Million inh.

#### **Shenzhen 2018**



#### **Shenzhen City Square October 2018**

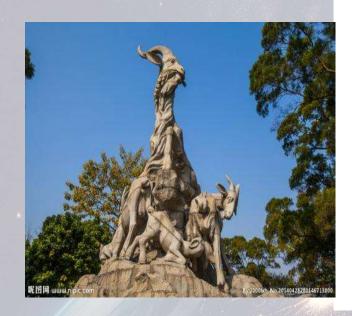
#### **China University Education**



廣東工業大學

Guangdong University of Technology

广东工业大学(90017)位于中国东部,中国的富裕大省广州市。学校是广东省最大的工科大学





#### Technology...











#### ...and Arts!



艺术教育活动

校区分布







#### Discussion



## China: Resources and Strenghts of the Innovation Ecosystem

## China: Strenghts of the Innovation Ecosystem

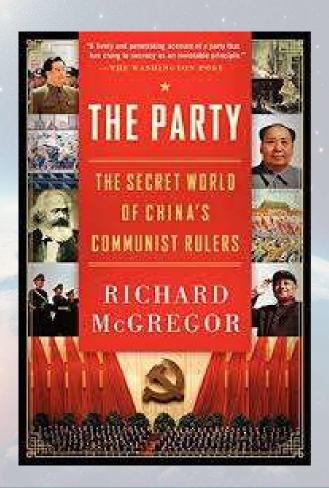


- **➤ Market Size**
- Top-Down Strategy of Economic Development (i.e. Shenzhen)
- > HR Global Exposure (Inviting Expats)
- Strong Industry Strategy
- > Quality of Administration
- Change from Manufacturing to Innovation
- > Next Step: Artificial Intelligence

#### **China: Literature**



> Richard McGregor: "The Party"





## Mindful Leadership



The Innovative Organization

# How do you make a learning and innovative organization?



Five keys to becoming "innovative" in your organization



- > Reduce Cognitive Load
- Encourage Openness
- > Encourage Problem Solving
- > Increase Diversity
- > Setup Safety Nets



#### Brainstorming

Form groups of 3

Discuss one example for each of these five key factors that could be easily implemented in your company?



Create Systems and Platforms to reduce cognitive load.



#### Play

A study psychologist Sir Cary Cooper revealed young employees that have fun in the workplace take less sick leave, work harder and are more productive.



Create Systems and Platforms to reduce cognitive load.

Top rated ideas for encouraging play/fun at work:

- Dress down Friday (25%)
- Office parties/nights out (21%)
- A pool or game table (19%)
- An office pet (18%)
- Wellbeing massage days (17%)



Create Systems and Platforms to reduce cognitive load.

What other ways can an organization help reduce cognitive load at work?







#### **Internal Openness**

Extending inclusion into the decision making process can encourage ideas and innovation from employees according to studies.

Simply providing opportunities for employees to voice concerns or add ideas can increase productivity by 15%.





#### **External Openness**

Encouraging your community to provide new ideas can add to your bottom line. This can be done through specific customer review and follow up processes or innovation challenges.



**Openness** 

What policies can an organization put in place to encourage openness?









Employees are more motivated if they know what they are expected to achieve. Study from HBS noted clear improvement in performance between two groups, one given vague goals and timelines and the other given precise goals and timelines.



## **Encouraging Problem Solving Feedback**



To learn from mistakes and gaining Grit. Dr. Angela Duckworth, a pioneer in character development, identified that feedback is a key motivator in moving forward after a setback. This is key to solving long-term complex problems.



**Encouraging Problem Solving** 

What other policies or systems can an organization put in place to encourage problem solving mentalities?





## **Diversity Cultural Diversity**



A German study led by Dr. Silke Stahl-Rolf demonstrated positive correlation between cultural diversity and innovation, showing that cultural diversity has a stronger impact on innovation than other diversity indicators such as age or gender.



**Diversity** 

What policies can an organization put in place to encourage diversity?







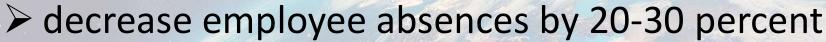
Insurance

The American Institute for Stress finds workplace stress due to health concerns is one of the biggest employer challenges to productivity.



## Safety Nets Child Care

Employer provided child care services



- > improve employee recruitment
- boost employee productivity





**Safety Nets** 

What other safety nets can organizations use to help employees feel safer innovating?





#### **Creating an Innovation Identity**



Identity Matters because...



People will follow you.

Until you fail to innovate.



Identity Example: Sports

Pittsburgh Steelers





Identity Matters because...

You come together as a tribe.



#### Discussion



#### Creating your innovation identity

In groups of "/3, create an "innovation identity". Write down in 3 sentences answers to the following questions:

- 1. What values do you have?
- 2. What problems are we uniquely motivated to solve?
- 3. What future do we want to help create?
- 4. What do we do better than anyone else?



**Activity: Creating your innovation identity** 

**Example: Pittsburgh Steelers** 

1. Values: the Steelers value hard work. We focus on always putting in 110% and rising to every challenge. We also value defense, we think that a strong defense will be the booster to our victories.

#### 2. Internal Change:

- We want all our team to want to put in 110%.
- We want to provide a structure where defense becomes an integral part of our culture.
- We want to hold our opponents to less than 50 yards rushing every game.

#### 3. External Change:

- We want to encourage fans to show up to every away game.
- We want to sell out all our home games.
- We want to encourage our fans to engage in community service.
- We want to help make Pittsburgh a safer place to live.



# Megatrends and Perspectives





## Mindful Leadership





## Transition

VS

## Transformation



## Transition

#### **Definition:**

A transition refers to the *process or period* of changing from one state, condition or stage to another. It emphasizes the movement or passage between states.



## Transformation

#### **Definition:**

A transformation is a profound or significant change that alters the nature, structure or appearance of something. It focuses on the outcome or the new state achieved.



**Aspect Transition Transformation** 

**Focus** The process or journey The result or final state

Nature Gradual, incremental Fundamental, radical

**Duration** Temporary Permanent

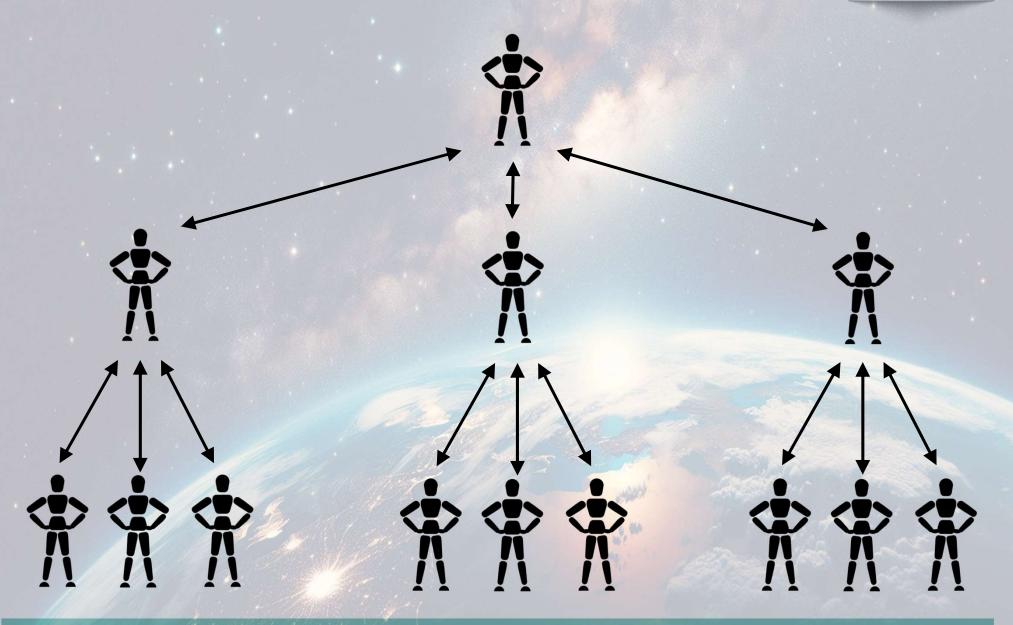
Scope Narrower, stepwise Broader, affecting the core

Change Strategy/Plan Beliefs/Behavior

Support With or w/o advice Support from outside

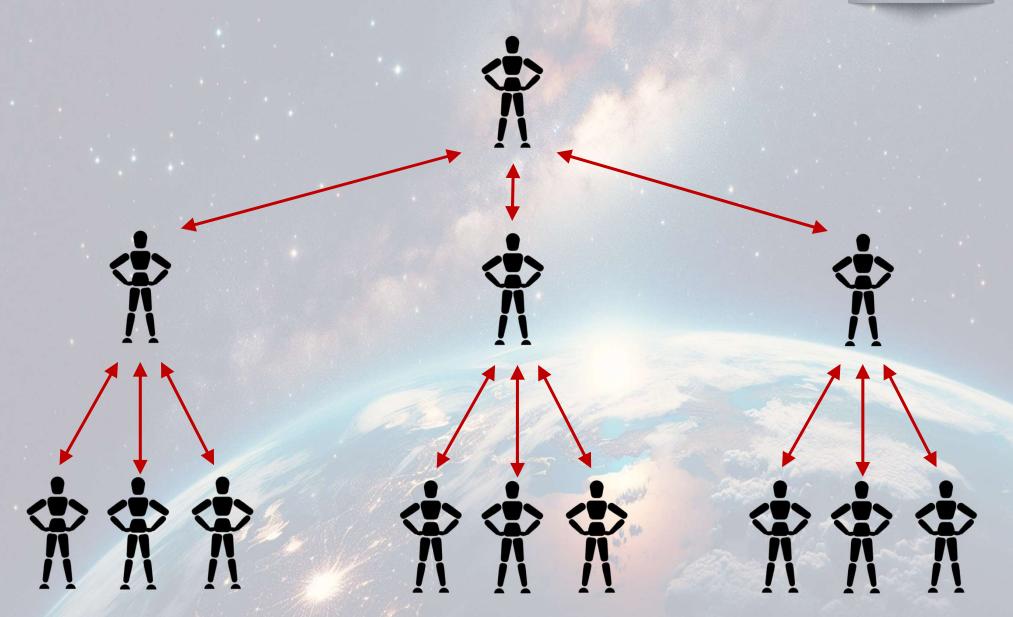
#### **Transition vs Transformation**





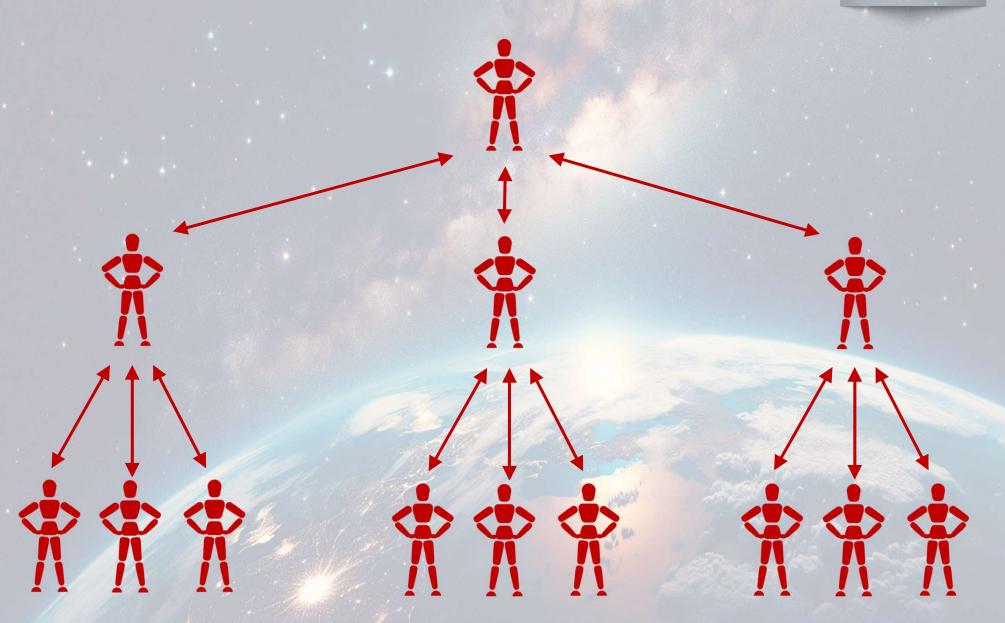
#### **Transition**





#### **Transformation**







## Transformation

Inspire Humans to Love the New Horizon



#### Where is the starting point of transformation?

## Yourself



#### **Your Transformation Capacity**



#### Mindfulness



## Mindfulness

- > is a cognitive skill
- > can be trained
- > controls your archaic programs
- boosts your energy level
- > focuses on your positive motivation
- > shrinks negative vibes
- > is a precondition for successful leadership



#### Mindfulness



**Exercise Content Mindfulness** 



## Start with Yourself

https://www.youtube.com/watch?v=TZs35mJGBtQ



#### The Journey using Mindfulness

Walk
Do it
Focus on Your Goal
Define Your Success

Look at the Broad Vision Define Your Idea

Stand Up

Define Yourself

#### **Discussion**



What is your success?

What is the value of your success?

10min
Group of 2
Make Notes.





...valid for the whole process of strategy implementation

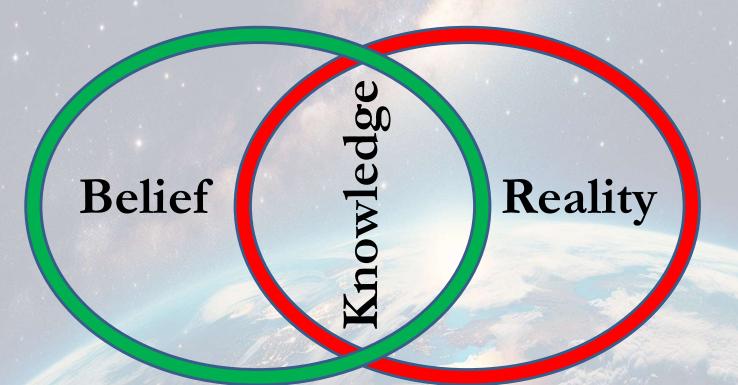


## Culture

- > Principles of Interaction
- > Perception of Reality
- > Appreciation of Ideas of Others
- > Societal Values
- Motivation towards Success

#### **Beliefs and Reality**







#### **Two Components of Mindfulness**

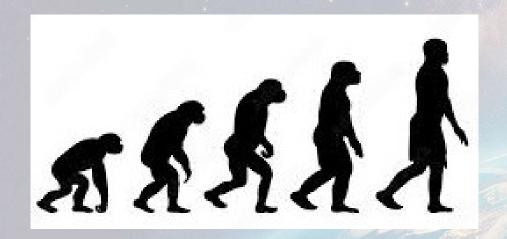
> Archaic Programs

> Stoizism



#### **Homo Sapiens**

#### Modern Society ~ 300 years





Homo Sapiens ~ 160.000 years

Early Homo Sapiens ~ 300.000 years





#### The Challenge of Challenges





## How many of you hunted this morning to get breakfast?





#### Maybe the hunt looked like that:



#### **Archaic Challenges**



- > Food, Water, Shelter
- > Protection from Predators
- > Health and Disease
- > Resource Scarcity
- > Social Dynamics
- > Technological Limitations
- > Environmental Changes



#### **Modern Challenges**

- > Food, Water, Shelter
- > Protection from Predators
- > Health and Disease
- > Resource Scarcity
- > Social Dynamics
- > Technological Limitations
- > Environmental Changes



#### **Homo Sapiens in the Modern World**

- > Underchallenged
- > Convenient
- > Comfortable
- > Overfed
- > Safety Netted
- > Temperature Controlled
- > Clean
- > Sheltered

## Sounds great! Why is that a problem?



The human brain is programmed to meet challenges, not to manage boredom.



#### **Brain and Body react with**

- > Depression
- Psychological Stress
- > Diabetes
- > Cancer
- > Anxiety
- > Physical Constraints



# How can we achieve the best operating temperature of our brains?

### Meet challenges!



#### **Challenge Options**

- > Expand Comfort Zone
- Develop Your Ideas
- > Respect Desires
  - √ Social Meaning
  - ✓ Importance
  - ✓ Significance



#### Change is driven by the

#### energy of the humans

that act in the system



#### **Two Components of Mindfulness**

> Archaic Programs

> Stoizism



#### What is Stoizism?

- > School of Hellenistic Philosophy
- > 300 BC (Zeno of Citium)
- > Ancient Greece and Ancient Rome
- > Happiness through Virtue
- > Wisdom, Courage, Temperance, Nature



#### Why is Stoizism a topic today?

#### **Focus on What You Can Control**

- Reduces Anxiety and StressPracticing Mindfulness
- ➤ Reflecting Your Actions and Thoughts
  Emotional Resilience: External Events are Neutral
- ➤ Achieve Calmer and Balanced Life
  Community and Social Duty
- > Act with Kindness and Foster Social Responsibility



No tree is solid and strong that is not frequently exposed to gusts of wind.

These vibrations give it inner support and allow its roots to sink more securely into the ground.

The trees that grew up in the sunny valley are granted only a short and fragile existence.

Seneca



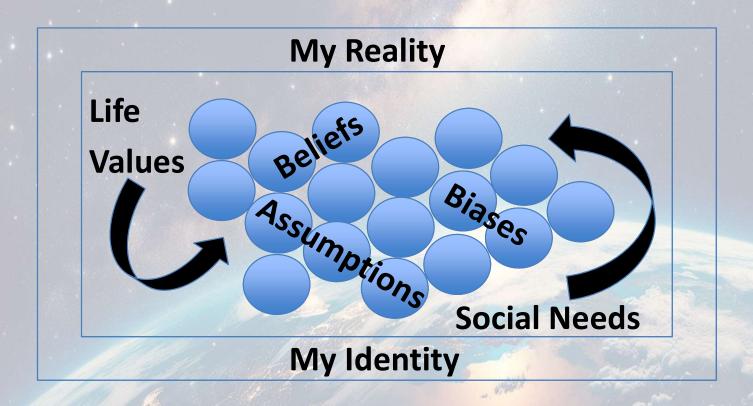
#### Mindfulness

> Individual Reality

> How is it designed?



### My Reality





# Life Values best of...



- **✓** Perseverance
- **√** Generosity
- **✓** Honesty
- **√** Forgiveness
- **√** Gratitude
- **√**Self Respect
- **✓** Pleasure

# Social Needs best of...



- **√Love**
- **✓ Intimacy**
- **√** Friendship
- **√** Family
- **√** Feedback
- **√** Acceptance
- **√** Belonging



#### Maslow's Hierarchy of Needs

#### Self-

#### Actualization

Reach full Potentia

#### Esteem

Respect from Others: status & public recognition
Respect for Self: Sense of competence & confidence

#### Belongingness and Love

Belongingness: Membership of families, school communities, community groups, gangs, etc. Love: From family, friends and a significant other.

#### Safety, Protection & Security

Feeling and being safe from harm from family members, strangers or occupational hazards.

#### **Physiological**

The basic needs for physical survival including food, water, a liveable environment, clothing, and shelter.



### **The Brain**

- > Perfect in processing stories
- > Failing in bureaucracy



## How can you make use of Al in your mindfulness journey?



### The Essence of Coaching

Be a Thinking Partner, not an Advisor

#### **Reflective Inquiry**

- > Surface Dreams and Fears
- > Gaps in your Logic
- > Belief Models



## Coach the Person not the Problem

We need somebody outside our head to be able to

- > Realize our Patterns
- > Cross our Barriers
- > Challenge our Brain



### **Discussion Exercise 1+1**

10min each. Make Notes.

#### Reflective Inquiry:

- > Beliefs and Patterns
- > Awareness of Dreams and Fears
- > Value of Success
- > Mapping, no Judgement



### Choose your preferred AI tool

# Prompt1: Can you be my Coach?



## > Option Prompt2:

Lets start with my personal development. I want to get ready for changes in my work environment. How can I prepare now for changes that could be arising in future?



# Using Al for Self-Coaching in Transformation



**Exercise Content AI Self Coaching** 



# Using Al for Self-Coaching in Transformation

What self coaching tools and processes can help me improve my change journey?



## Change Management and the benefits of Al

## Opportunities for the use of Al in Change Management?



- Monitoring and Measuring Success
- Automating Administrative Tasks
- > Change Impact Analysis
- Predictive Analytics for Change Readiness
- > Personalized Communication
- > Training and Upskilling



### AI

## is the fire accelerant of my experience and creativity





#### No. 1 The ADKAR Model

#### Five main goals

- Awareness: Ensure everyone in your organization understands the need for change.
- Desire: Make your case so that everyone involved wants the change.
- Knowledge: Provide the information each person needs on how to accomplish their part of the change process.
- Ability: Make sure all employees have the skills and training they need to successfully do their part.
- Reinforcement: Continue to work with employees and stakeholders after you accomplish a change



#### The ADKAR Model - USE CASE AI

- Awareness
- Desire
- Knowledge
- > Ability
- Reinforcement

**USE CASE Content pdf** 

Al Support in the ADKAR Model of Change Management



## The ADKAR Model – Example AI Sentiment Analysis

Change Management	Analyze employee feedback to detect resistance early
Customer Service	Flag angry or unhappy customers in messages
HR & Culture	Assess sentiment trends in internal surveys
Marketing	Understand brand perception on social media



#### No. 2 William Bridges Transition Model...

...emphasizes the emotional transition people go through in the course of experiencing and accepting a change

- Ending, losing and letting go: For many people, the first reaction to change is a resistance marked by fear and discomfort
- ➤ The neutral zone: When the change is starting to take place, people will be stuck between letting go of the old status quo and welcoming the new
- ➤ The new beginning: Once the new change is in place and it's handled well, people will enter the stage of acceptance and comfort with the new way of doing things



### No. 3 Kurt Lewin's Change Management

- 1. Unfreeze: This is the preparation stage. Analyze how things work now so you accurately understand what needs to change to get the intended results. Implement change management communication so employees know what to expect
- 2. Change: This is the implementation phase. Put the change into practice, and keep communicating and providing support for all employees involved
- 3. Refreeze: This phase helps you avoid falling back into the old way of doing things. Review how the new processes work and measure change management metrics and key performance indicators (KPIs) to see how well you've reached your goals



### No. 4 Nudge Theory

Focus on employing a particular mindset to encourage change rather than a step-by-step guide. Instead of issuing top-down change requests from senior executives and expecting people to fall in line, the nudge theory is about finding a persuasive way to nudge your employees toward wanting the change on their own.

- Thinking about the change you want to make from your employee's point of view
- Presenting it based on how it will benefit them
- > Treating it as a recommendation rather than a command
- > Listening to employee feedback throughout the process

### O INNO VATION ORBIT

#### No. 5 PDCA Plan-Do-Check-Act

...also known as the Deming Wheel.

- Plan: ...assess the need for change and establish clear objectives and goals. Develop a detailed change management plan, outlining strategies, resources and timelines
- Do: ...implement their change management plan, execute activities, communicate with stakeholders and support employees with necessary training
- Check: ...evaluate the progress and impact of the change initiative by monitoring key performance indicators and analyzing deviations from the planned outcomes
- Act: ...take corrective actions based on findings from the check phase, adjusting the change management plan



### No. 6 John Kotter's 8 steps for change

...focuses primarily on the people involved in a change process

- 1. Create a sense of urgency to motivate people
- 2. Build your change team with leaders and change agents
- 3. Define your strategic vision for what you want to accomplish
- 4. Communicate with everyone involved in the change process
- 5. Identify roadblocks and address anything causing friction
- 6. Create short-term goals to break into achievable steps
- 7. Keep up the momentum throughout the process
- 8. Maintain the changes after the initial project is complete



#### No. 7 Virginia Satir Change Model

...based on trends Ms Satir saw in how families experience change

- > Late status quo: This is where you are when you first start
- Resistance: This is the natural response many people have when you first introduce change
- Chaos: This occurs when the change first gets implemented, and there's still confusion and resistance from employees
- Integration: This is when productivity begins to level out, suggesting general acceptance
- New status quo: This is when employees settle into the new normal



### No. 8 Mc Kinsey 7-S framework

- 1. Strategy: This is what a company wants to achieve
- 2. Structure: This is how a company is organized, including who reports to whom and how tasks are divided among employees
- 3. Systems: These are the formal processes like technology systems, performance evaluation processes and budgeting procedures
- 4. Shared values: These are the core beliefs and principles that guide behavior and decision-making in a company
- 5. Skills: These are employees' abilities and expertise
- 6. Style: This is the leadership and management approach within a company, including the leadership style of top executives
- 7. Staff: This is the company workforce and includes the number of employees, their roles and their distribution across functions



### No. 9 Resistance to change model

...focuses on the factors that lead to change failure. It emphasizes that poor leadership and implementation strategies are the primary reason for change failures, not resistance.

#### Three levels of resistance:

- Level 1—"I don't get it": This level involves rational objections due to lack of information, disagreement with data or confusion
- Level 2—"I don't like it": This level is emotional resistance based on fear of loss, such as face, status or control
- ➤ Level 3—"I don't like you": This level is based on resistance towards the leader or the organization, often due to mistrust or past negative experiences



#### No. 10 Elisabeth Kübler-Ross Curve

...five stages of grief, the model describes the experience and process of dealing with loss:

- Denial: Refusal to believe the situation is a common reflexive response to information a person doesn't want to hear
- Anger: When an unwanted change feels forced on a person, anger is natural
- Bargaining: People may try to push for a compromise to avoid having to accept the change entirely
- Depression: If employees are upset about the change and feel hopeless about it, they may enter a stage of depression
- Acceptance: When people realize there's no other option, they eventually reach the point of acceptance





#### No. 1 Focus on the human side

Successful change management addresses the emotional and behavioral aspects of change, recognizing that people may resist or fear the unknown.



#### No. 2 Clear communication

Regular, timely and consistent communication is crucial throughout the change process to articulate the need for change and provide guidance.



### No. 3 Leadership and ownership

Change initiatives require strong leadership and encourage ownership by key players.



#### No. 4 Vision creation

Change management involves developing a clear vision for the future state and crafting a compelling story.



### No. 5 Training and goal-setting

Providing necessary training and establishing clear goals helps employees understand their roles in the new environment.



### No. 6 Adaptability

Change management strategies need to be flexible to address various types and degrees of change in different organizational contexts.



### No. 7 Emotional intelligence

Change leaders must demonstrate emotional intelligence to navigate the human aspects of transition.



## No. 8 Recognition and engagement

Acknowledging progress and achievements boosts morale and reinforces the change process.



### No. 9 Forward-thinking

Successful change management requires a focus on long-term objectives and the ability to anticipate future needs.



### No. 10 Systematic approach

Change management involves a structured process to transition an organization from its current state to a desired future state.



# Communication



**Clarity of Vision and Objectives** 

Communication articulates the purpose and goals of the change

It helps stakeholders understand the "why," "what," and "how" of the change initiative, reducing ambiguity



**Building Trust and Reducing Resistance** 

Open and honest communication fosters trust and credibility among employees and stakeholders

It addresses concerns and mitigates resistance by creating a sense of inclusion and transparency



**Engagement and Buy-In** 

Effective communication ensures that all stakeholders feel involved and valued in the process

It enables leaders to align teams around a shared vision, securing commitment to the change



**Providing Direction and Guidance** 

Communication serves as a roadmap, outlining the steps and milestones in the change process

It helps clarify roles, responsibilities and expectations for individuals and teams



**Managing Emotions and Building Resilience** 

Change often brings uncertainty and stress. Communication addresses these emotions through empathy and support

It builds resilience by reinforcing positive outcomes and providing reassurances



**Fostering Collaboration and Feedback** 

Two-way communication encourages collaboration, innovation and feedback

It enables continuous improvement and ensures that the change process adapts to emerging challenges



### **Sustaining Momentum**

Regular updates and success stories keep stakeholders informed and motivated

Communication reinforces progress, celebrating wins and maintaining focus on long-term goals



# Engagement

# Leading and Managing for a Culture of Engagement and Innovation



People want to be engaged when they come to work.

Most people are not engaged based on the Gallup Institute's research on engagement.

When people are engaged they perform and contribute at higher levels.

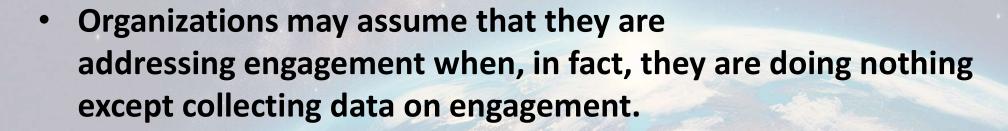
When people are not engaged, performance drops, dissatisfaction increases and they often leave earlier to join other companies.



### **Engagement – Main Questions?**



- How do organizations build engagement?
- How do organizations sustain engagement?
- How does engagement impact performance?
- How do organizations sabotage engagement?

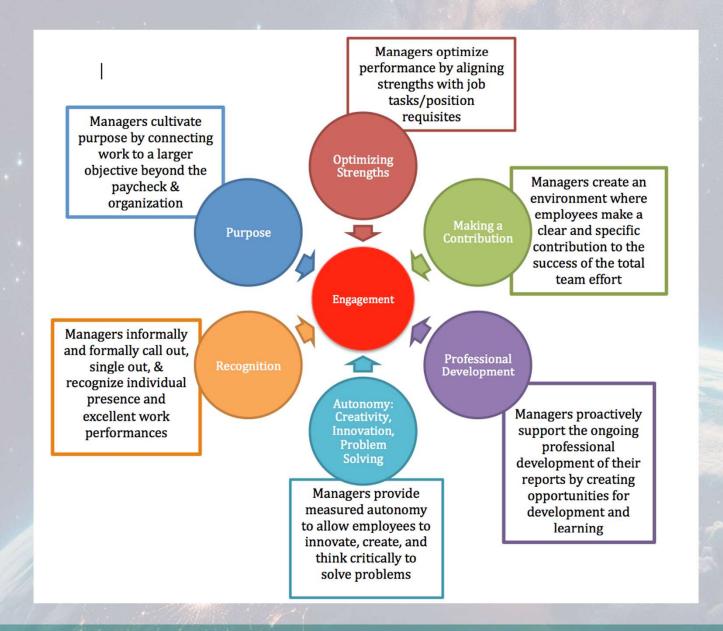


#### **Discuss:**

What are the assumptions about engagement in your organization?

# The E6 Model







### **Purpose**

Managers cultivate purpose by connecting work to a larger objective beyond the paycheck & organization



# Recognition

Managers informally and formally call out, single out and recognize individual presence and excellent work performances



# Autonomy, Creativity, Innovation, Problem Solving

Managers provide measured autonomy to allow employees to innovate, create and think critically to solve problems



# **Professional Development**

Managers proactively support the ongoing professional development of their reports by creating opportunities for development and learning



## **Making a Contribution**

Managers create an environment where employees make a clear and specific contribution to the success of the total team effort



# **Optimizing Strengths**

Managers optimize performance by aligning strengths with the job that tasks or position requires

# Findings from E6



If a leader wants to create a culture of innovation, that leader must view innovation as an outcome of other factors that, when combined, build and sustain a powerful culture of employee engagement.

Moreover, innovation must be supported by established organizational core values and consistently advanced and resourced by senior leaders throughout the organization.

# Findings from E6



Those who are most responsible for building and sustaining engagement at the line-level are the managers. The flash points for effective engagement leading to innovation and creativity are managers who understand, value and have an established track record of building and sustaining engagement.

Organizations that collect engagement data and then use that data to evaluate and train managers around building and sustaining engagement have a distinct advantage.

## **Preconditions to E6**



Must be a cultural imperative reflected in core values

Must be supported and championed by senior leaders

HR must be a true business partner at the table with senior leaders

Managers must be trained to build and sustain engagement

Performance evaluations for managers must include data on the engagement levels of teams



# How can you support engagement efforts with Al?

Teams of 2
20 min
3 Slides

### **Engagement supported by Al**



**Recognition and Rewards** 

Al can identify and highlight employees' achievements by analyzing performance metrics, ensuring that contributions are acknowledged and rewarded

Predictive analytics can suggest appropriate rewards based on employee preferences, fostering a sense of value and belonging

### **Engagement supported by Al**



### **Inclusive Work Environments**

Al can reduce unconscious bias in hiring, promotions and evaluations, promoting diversity and inclusion—key drivers of engagement

Al-powered collaboration tools can enhance teamwork across diverse teams, breaking language barriers and streamlining communication



# Leadership

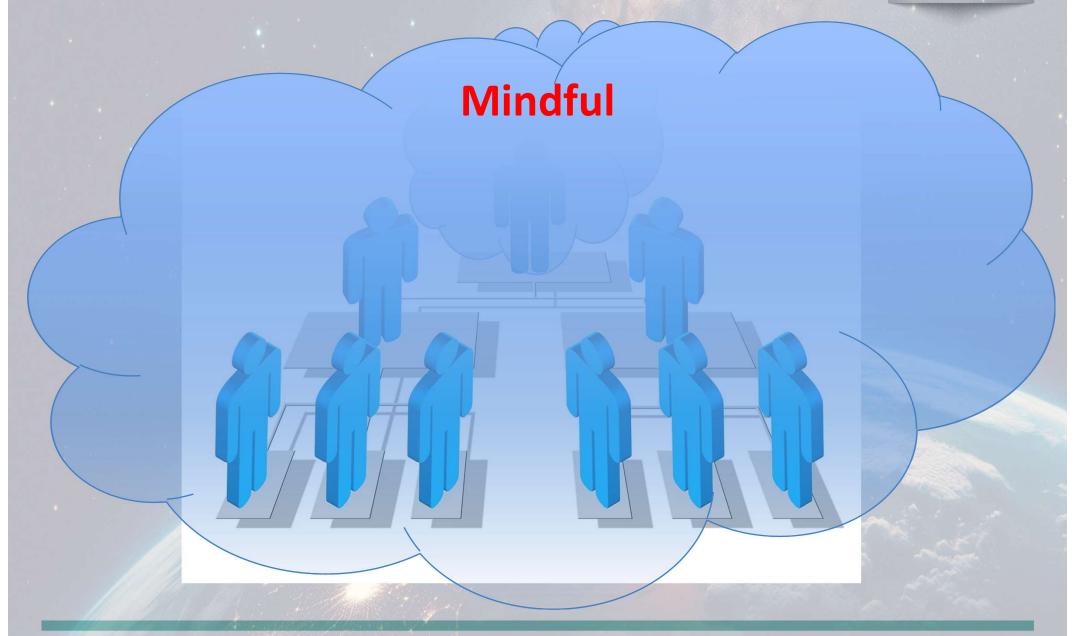


## **Next Step: Inspire Your Team**



### Culture is a top-down topic







**Vision/Mission** 

### Leader

**Practice Stoizism** 

Culture

Inspire Team-Ideas

## **Team**

Focus on Success of own Ideas

**Understand Vibes** 

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# **Case Study**



Exercise Content Case Study Al Change Management

# **Exercise Case Study**



- ➤ Group of 2/3
- ➤ Max 7 Slides
- > Topic is the value added mixture of experiences
  - > Find topic
- ➤ Change Management with Al support

  Starting point: Status of Your individual settings
  - Design Change Process
  - > Use Al Tools

# **Exercise Case Study**



Leading Questions: (Try to use AI tools for every question)

- What is our setting today?
- > What is the value of the desired future?
- What is the added value for the customers or stakeholders?
- > How can I make use of tools to meet the future goals?
- What is the improved efficiency of my workflow?
- > How do you sell it to your investors who have to approve the new goals and procedures?

# **Exercise Case Study**



#### **Investment Decision**

- One point is 20% of your investment budget
- Place Points on Top of Flipchart

### **Your Contact**



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