Sixth annual

KELLOGG MARKETING LEADERSHIP SUMMIT

Agility – The Key to Unlocking Growth

Northwestern Kellogg

Egon Zehnder

McKinsey & Company
Could it be that …
Environment is more volatile and uncertain than ever …
Is Your Organization Disrupting or Being Disrupted?

- Disrupting: 19%
- Disrupted: 30%
- Neither: 8%
- Both: 44%
Disrupt … or be disrupted

Entrepreneurial disruptors experiment their way to market success…

Companies at scale must also scale the number of experiments… not just a few successes
<table>
<thead>
<tr>
<th>Company 1</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>6</td>
</tr>
<tr>
<td>Google</td>
<td>8</td>
</tr>
<tr>
<td>Amazon</td>
<td>17</td>
</tr>
<tr>
<td>Apple</td>
<td>5</td>
</tr>
<tr>
<td>WPP</td>
<td>70</td>
</tr>
<tr>
<td>Omnicom</td>
<td>46</td>
</tr>
<tr>
<td>Macy's</td>
<td>62</td>
</tr>
<tr>
<td>Nordstrom</td>
<td>46</td>
</tr>
<tr>
<td>Sears</td>
<td>63</td>
</tr>
<tr>
<td>Samsung</td>
<td>94</td>
</tr>
<tr>
<td>HP</td>
<td>112</td>
</tr>
<tr>
<td>Microsoft</td>
<td>15</td>
</tr>
</tbody>
</table>
The ability to sustainably innovate?

Agility
Agility requires …

An Organizational Mindset & A Leadership Capability
Agility as an Organizational Mindset

3 Tips
Who In Your Organization Best Drives the Agility Agenda?

- CEO: 52%
- Head of Strategy & Innovation: 9%
- Digital Expert: 6%
- CMO: 16%
- Other: 6%
- No one: 12%
Evolve your competitor set and talent strategy
Who had the first FAA approved drone delivery?
Commit to Controlled Experimentation
How Does Your Company Approach Failed Projects?

- Failure is not an option: 48%
- We embrace failure: 52%
Benefits of Embracing Failure

Dec 18, 2009
$7.73

Aug 23, 2016
$150.45

NYSE: DPZ
Agility as an Organizational Mindset

Evolve Your Competitor Set and Talent Strategy

Commit to Controlled Experimentation

Embrace Failure
Agility as an Leadership Capability

A new model for talent
A new era of talent spotting

Era I: Physical Strength

Era II: IQ, Experience Performance

Era III: Competencies

Era IV: Potential
The drivers of Executive Potential

**Curiosity**
Seeks out new experiences, ideas, knowledge
Continuous improvement mind-set

**Insight**
Pattern recognition and synthesis of actionable ideas

**Engagement**
Engages others on multiple levels, e.g., emotions, logic

**Determination**
Resilient in the face of setbacks or failure
Insatiable need to understand the world at large and one’s self

Seeks new information and experiences
Proactively incorporates learning

How to unlock?
External Exposure
“The 20%”
Connects seemingly unrelated information into new ideas

Shifts thinking
Identifies patterns
Simplifies complexity

How to unlock?
Experiment with purpose
Interpret relentlessly
Builds relationships and unifies the team

Engagement

Social intelligence
Capacity to connect
Brings out the best in others

How to unlock?
Authentically share oneself
Inspired by adversity; channels emotions to stay focused

Commitment
Realistic Optimism

How to unlock?
Seek challenges
Embrace the process
Potential = Agility

Curiosity
A time you received insightful developmental feedback?
A time that you chose to develop yourself?
A time when you spotted an opportunity to develop your organization?

Insight
A time when you saw a problem from a fresh perspective?
A time when you had an idea that had an impact?

Engagement
A time when you had to motivate a group?
How do you build connections with individuals you have less in common with?

Determination
A time you faced a difficult situation, professionally or personally?
A time when you took a personal or professional risk?
What Do You Feel Is Your Team’s Biggest Strength?

- Curiosity: 9%
- Insight: 20%
- Engagement: 24%
- Determination: 47%
Agility requires …

An Organizational Mindset & A Leadership Capability