CHAPTER 1

The Old World of Business versus the New World of Business in Four Major Industries

As economic downturns don't happen overnight, neither do missed opportunities, sometimes appearing so obvious to the casual observer that he might ask, "What were they thinking?"

It is challenging to connect the dots when you're in the midst of running a business—recognizing and effectively responding to temperature flags before the water reaches the boiling point, what former Intel Corporation Chairman and CEO Dr. Andrew Grove in his 1996 book, *Only the Paranoid Survive,* refers to as strategic inflection points.

In the following four industry snapshots, you will have a chance to connect the dots and discover how operating in the old world of business hinders how we move forward in a reinvented world and the importance of reinventing in front of the curve—innovating before the business requires it. The new innovation currency requires a foundation of entrepreneurial skill sets, adeptness in managing different areas of expertise, and the ability to scale up quickly in cross-adjacency knowledge.

Unfortunately, the old world of business is where many U.S. companies find themselves today, if, in fact, they're still in business. One company snapshot—Circuit City—floundered for years before its death spiral ended in 2008. In another company snapshot—the newly divided and renamed Motorola Mobility, Inc.—a telecom

industry giant struggles to reclaim its top position against rivals Apple, Samsung, and Research in Motion, among others.

Two of the industry snapshots—transportation and journalism, new media, and publishing—represent a more complex set of challenges. These industry bundles reconfirm just how connected we are today, whether we're talking about rebuilding and investing in our infrastructure for the next century or rethinking how we receive our news content.

What we decide or do not decide to do will greatly affect the world as we know it.

Industry Snapshot: Retail—Circuit City Stores, Inc.

Founded by Samuel S. Wurtzel as a television store in 1949, Circuit City Stores was incredibly successful in the 1980s and 1990s by pioneering the concept of the electronics superstore that offered a broad variety of products in a cavernous setting. Poor leadership, basic inventory management, and bad customer service contributed to the demise of a one-time retail giant that filed for bankruptcy in November 2008 and closed its doors shortly thereafter.

Ultimately, the company waited too long to reinvent itself and then attempted to do so in the midst of the Great Recession.

Complacency and slow response. In the face of fast-moving retail changes and a downturn in the economy, Circuit City's disjointed actions began a snowball effect that the company never recovered from, after losing its crown as No. 1 American consumer electronics chain to Best Buy in the 1990s.

Spin-off of CarMax. The company let many of its best and most experienced people go at a time when their skills were most needed.

Failed to secure prime real estate early on. Consumers were tempted to check out competitor Wal-Mart since both were located in out-of-the-way locations.

Poorly executed CEO's turnaround plan. The skill sets needed for such an aggressive turnaround were either missing or not leveraged.

Slow response to Best Buy's purchase of Geek Squad. Circuit City's installation business, called Firedog, a high-margin service that generated $300 million in sales, came four years too late to gain traction against Best Buy's service offering.

Death spiral combination of credit crunch and financial crisis. Vendors became reluctant to offer products to a weakened company that could go under without their getting paid (which is exactly what happened).

Table 1.1 shows what happens when a company waits too long to reinvent itself and then attempts to do so in the midst of a major inflection point, in this case the Great Recession, without a sound strategy, adequate resources, or the right expertise and with a weak execution plan.

Table 1.1 Circuit City, Inc.

Old World of Business	Missed Opportunities
CEO and execs' slow response to operational struggles and financial meltdown, no cost-reduction strategies, knee-jerk reactions to cost cutting	Closing weak/poorly performing stores preferable to cutting 3,000 of top sales people; C.C. lost its quality differentiator of professionals who knew the product lines and replaced them with cheaper workers
"Retention" compensation for executives in 2007	"Retention" compensation came under fire as the company delivered pink slips to thousands of experienced salespeople
CEO distracted with shareholder battles and calls for his ouster	Personal ego got in the way of facing relationship issues straight on Tough, open discussions with influential shareholders and vendors didn't happen
Low-hanging fruit for competitors: Stopped selling popular appliances—opening for Wal-Mart Missed in-store promotions with thriving companies such as Apple Computer—opening for Best Buy Web presence was weak—opening for Amazon.com	Turnaround team needed to operate as if the company could close tomorrow: Daily war room meetings Aggressive execution plans Agile response to unexpected developments Inside team members partner with external turnaround retail experts
Poor in-store shopping experience and laborious check-out process	Best Buy offered better customer service, faster shopping and check-out experience
Became a copycat, often building big-box stores right across the street from Best Buy	Throwing money at a problem was no guarantee of innovative results

Industry Snapshot: Technology and Telecommunications—Motorola, Inc.

Motorola Inc. invented the cell phone, popularizing it with its StarTac, before losing its lead to Nokia. The company regained its mojo with the launch of its ultrathin Razr (22 percent market share in 2006), only to see it slip away again with the company's slow entry into 3G, or the third-generation market, as Samsung and LG introduced several 3G phones early for use over next-generation wireless networks. Motorola sold its wireless network unit in 2010 to Nokia Siemens Networks for $1.2 billion in cash. Motorola Inc. split itself into two separate companies in January 2011: Motorola Mobility Inc. and Motorola Solutions Inc.

Motorola Mobility's challenge is to out-compete entrenched rivals Apple, Research in Motion, and Samsung, among others.

Shelled out too much money. Overpaid when it purchased bar code scanner maker Symbol Technologies in 2007 for $3.7 billion; wasted money on share buybacks in 2006 to 2007, repurchasing $6.8 billion of stock at an average cost of $20 per share.

Brought in new talent to right the ship. The ouster of CEO Ed Zander following the Razr's stalled 3G strategy ushered in a number of executives who rotated at the helm.

Lawsuit distractions. Activist Carl Icahn filed a lawsuit against Motorola. Apple's 2010 patent lawsuit against Google's Android and Motorola's Droid could distract the company from building out its product pipeline.

Samsung threw a curveball in early 2011. Korean device maker Samsung Electronics, following cues from Apple, introduced a line of Galaxy S Smartphones in 2010 that saw sales of 10 million units. The company unveiled the Galaxy Tab, its answer to the Apple iPad.

Verizon threw its own curveball. Verizon announced that it will offer an iPhone 4, which is expected to sell at least 20 million in 2011, 10 million to 12 million of which will go to Verizon wireless customers.

Table 1.2 shows what can happen when a company rests on its laurels and gets too comfortable (and a bit complacent) before aggressively responding to competitors. The revolving talent at the

Table 1.2 Motorola, Inc.

Old World of Business	New World of Business
Attempted to innovate only from the executive suite and unwilling to take risks	Continue to leverage Google's open source Android and Verizon wireless with new product lines
Attempted to rebrand before it reinvented the company	Refocus on reinventing itself—not just adding a rebranding layer to the business
Company rested on its Razr laurels by not introducing a digital version—cementing the image and brand in buyers' eyes of the product as analog	Motorola's new generation of Smartphones combine Internet access, e-mail, and software applications
Slow to market with 3G version of Razr that had to compete with Apple's iPhone buzz	Motorola regarded as comeback kid at 2011 Consumer Electronics Show for its line of Droid handsets and its iPad competing tablet, Zoom, which *eWeek* magazine touts as the perfect iPad competitor
Round after round of cost cutting in a desperate attempt to right the ship may affect ability to move quickly in an economic upturn	Enterprise crown jewel offers good growth prospects and high operating margins (15 percent). Motorola's enterprise mobility sells radio, data communications, and other equipment to police, fire departments, and other government operations that won't buy from a non-U.S. vendor. This unit generated $1.1 billion of operating profits in 2009 and could be worth $10 billion, given this entrenched customer base
Putting all its eggs in the Android basket without a Plan B	Develop a pipeline of innovative products, should Google's Android miss a beat. Prepare for fast marketplace shifts: Six years ago, iPhone didn't exist; four years ago, there was no Android

helm with shifting strategies and priorities creates confusion and missed opportunities.

Industry Snapshot: Transportation—Airlines, Rails, and Automobiles

Our country is sorely behind the rest of the world in implementing the transportation ecosystem that America requires in the twenty-first century. The United States invests at most 2.5 percent of its

gross domestic product (GDP) on infrastructure compared with China, which invests at the rate of 9 percent to 12 percent of its GDP, and we find ourselves in 27th place among 36 Organisation for Economic Co-operation and Development (OECD) nations.

Our growing population paints a picture of a strained infrastructure in the not so distant future—in 2010 the U.S. population reached 308 million people. Imagine for a moment what the Internet of things will look like with the prospect of a trillion connected objects: cars, cameras, roadways, pipelines, and even livestock and pharmaceuticals. Then think about the movement and interaction of all those things.

No doubt intelligent systems will be needed to manage America's needs just in *this* century to augment our shrinking labor force and aging population. Working smarter, not harder, is imperative for the United States.

The old world of business with its disconnected system of vehicles, pathways, and terminals will not get us to where we need to be in the next decade. A mature society that expects to compete in a global economy, where our planet is becoming smarter and faster every day, must put its reinvention of the transportation industry in overdrive just to keep up with the rest of the world. A snapshot of our country's transportation system—airline, rail, and automobile—offers a glimpse into the complexity of this interconnected world.

Airlines

The deregulation of U.S. air carriers in 1978 leveled the playing field for the flying public with increased competition and lower fares, as no-frills carriers were allowed to join the ranks alongside legacy airlines that had controlled the skies for decades.

Two decades later, on September 11, 2001, the industry found its image tarnished when the flying public questioned its ability to keep them safe in the air. A number of U.S. legacy carriers, already weakened by the spiraling costs of fuel, labor, and general operating costs, filed for Chapter 11 protection; Continental Airlines had already gone through bankruptcy proceedings in the 1980s and 1990s.

The airline business is not for the meek. With each new aircraft delay, new emissions policy, or entry of low-cost carriers (LCC), airline executives must make tough decisions just to stay in business. Decisions to postpone the opening of new routes; whether to keep

older, fuel-guzzling, and higher-maintenance planes in the air longer; buy additional aircraft to fill gaps; or bring planes out of storage until newer planes can be added to the existing fleet add to the complexity of operating an airline.

With fuel prices accounting for at least a third of airline operating expenses, volatile conditions in the Middle East threaten the fragile gains made by domestic carriers in 2010. Delta Airlines and AMR Corporation, American Airlines' parent company, warned analysts in early 2011 that if fuel prices reach $100 a barrel in 2011, their operating costs would increase by $1 billion.

Bloomberg estimates that the airlines could lose more than $600 million because of extreme weather conditions across the country since November 2010 with close to 90,000 flights scrubbed—the most canceled flights recorded by the government since it started tracking this information in 1987.

Industry success story Southwest Airlines has thrived with its lean operations and emphasis on service, no-fee baggage policy, and no rebooking fees for changed tickets. Through its innovations, loyal, nonunion labor force, and direct ticketing (no third-party bookings), Southwest has kept costs in check. In 2010, the company marked 38 consecutive years of profitability.

Domestic U.S. airlines, legacy and LCCs alike, will face severe disruptions—here and abroad—in the next few years that could further shake out the industry.

However, the airlines can turn these disruptions into innovative, profitable products and services by viewing these six challenges as opportunities for reinventing the industry.

Reinvention Challenge #1: Reduce Operating Costs without Further Eroding Customer Service To offset the rising costs of fuel, most U.S. domestic airlines hedge their bets by entering into a contract to pay a set price for future fuel purchases. Hedging is an important aspect of fuel cost management, a strategy that minimizes the impact of volatile fuel prices on operating costs.

As carriers focus on cutting operating costs, consumers now pay for everything from baggage fees ($2.9 billion in 2009) and in-service meals, drinks, and snacks to aisle seats and blankets. According to CIT Group's 2011 "Global Aerospace Outlook," nearly 40 percent of airlines now charge passengers for food (41 percent) and their first checked bag (38 percent). The trend is more common among

U.S. carriers (75 percent) than among European carriers (17 percent) and carriers in other regions (19 percent).

A primary focus on cost cutting has come with a price—the rise of customer service complaints. In the last decade, the number of customer complaints has reached a noise level where Congress is considering the prospect of creating a government body for flyers to get some service satisfaction.

Reinvention Challenge #2: Aggressiveness in Pursuing Innovations The last time the airline industry introduced something truly innovative was the United Airlines introduction of ticketless travel in 1995, with the help of Electronic Data Systems and AT&T Global Information Solution. As part of its $3 billion cost-saving program, the company assessed that manually producing a paper ticket cost them about $8 versus 45 cents for transacting the booking electronically.

Airlines must look to new technologies to help lead the way. For example, Southwest hopes to save $60 million a year with the General Electric Aviation Systems TrueCourse flight management system that controls the aircraft track to an accuracy of 10 meters (33 feet) and the time of arrival to within 10 seconds to any point in the flight plan. Benefits are the ability to fly shorter flight paths and idle-thrust descents, which reduces fuel consumption, while lowering emissions and noise levels.

Reinvention Challenge #3: Reduction in Carbon Footprint and Meeting Environmental Impact Requirements Europe-bound airlines will face the European Union's (EU) newest policy for tackling the high environmental costs of carbon emissions by air carriers. The policy covers all flights that land or take off within the EU. With U.S. airlines expected to face the largest bill of all, court battles are heating up between the EU and the U.S. Air Transport Association (ATA) and three of its members—American, Continental, and United Airlines—who allege that the EU has no jurisdiction over non-EU countries. Associated carbon costs mean that consumers can expect to pay more for the price of a ticket.

Next-generation aircraft, regardless of size, will have one thing in common: planes that produce a smaller carbon footprint. According to Boeing, the new B787 Dreamliner ($200 million each) will be 20 percent more fuel efficient than the comparable midsize 767 or the Airbus A330.

Reinvention Challenge #4: Managing Equipment Delays, Cost Overruns, and Complex Supply Chains Fierce aircraft competitors Boeing and Airbus continue to struggle with manufacturing headaches: delivery delays, cost overruns, labor strikes, engine problems, canceled orders, and disappointed customers who expect compensation for delayed equipment delivery.

Rising fuel prices in 2011 could result in more aggressive decisions to mothball old gas-guzzlers and invest in newer, more fuel-efficient jets to replace aging DC-9s, A320s, 757s, and unpopular 50-seat regional jets, further placing pressure on aircraft manufacturers to get their houses in order.

Supply chain complexity has slowed the delivery of Boeing's Dreamliner—three years behind schedule and at least several billion dollars over budget. This historic design feat for Boeing also marks the company's departure from its own time-honored manufacturing practices, contracting 65 percent of the work to outside suppliers versus Airbus's 52 percent. Boeing leads an international team of suppliers and engineers from the United States, Japan, Italy, Australia, France, and elsewhere.

Reinvention Challenge #5: Ongoing and Emerging Competition The Airbus 380—a super-sized behemoth of an aircraft—risks putting to bed the Boeing 747. With its 49 percent more leg room and operating costs cited at around 15 to 20 percent lower per seat, along with its claims of fewer emissions, less noise, and a seat capacity of 800 people, the Airbus 380 puts it squarely in Boeing's crosshairs.

The problems of both Airbus and Boeing have awakened the dragon and given China an opportunity to grab its own piece of the small jet market. The Chinese-made ARJ21 (which stands for the Advanced Regional Jet for the Twenty-First Century) is scheduled for its first deliveries in 2011, carrying between 90 to 105 passengers and serving regional airports in China and beyond—a market poised for explosive growth. In China alone, domestic airlines are expected to purchase almost 3,500 new aircraft by 2025.

Reinvention Challenge #6: Continued Passenger Safety in the Face of Rising Costs As U.S. airlines look for ways to trim here and cut there, outsourcing their maintenance to third-party maintenance, repair, and overhaul (MRO) companies continues to be an attractive option. The question then becomes one of whether U.S. carriers are relying so heavily

on cutting costs that they risk inconsistent maintenance quality and increasingly unsafe flying conditions, particularly as planes age and require more maintenance.

According to the most recent survey of nine major U.S. airlines conducted by the Department of Transportation's Office of the Inspector General, close to three-quarters of the airlines now outsource their heavy maintenance work—planes stripped completely down to their shells for inspection and then reassembled—compared with a third in 2003. Labor rates abroad can be a fraction of those in the United States.

Federal Aviation Administration (FAA) inspectors once had oversight for only centralized shops at the airlines on U.S. soil, but with the work now spread across the globe, site visits often require government clearance, eliminating the element of surprise through unannounced audits. Today, American Airlines is the only U.S. legacy carrier that performs its heavy maintenance in-house. Most low-cost airlines do not include the costs of maintaining their fleets as part of their core operations.

United Airlines grounded 96 of its Boeing 757 aircraft—less than a third of its fleet—in February when the airlines discovered that follow-up checks on previous maintenance to air-data computers had not been done according to FAA specifications. The FAA had given United six years to correct the airworthiness directive (AD). Three questions made the rounds of airline-related blogs and community forums: (1) Why had FAA inspectors missed this AD during subsequent site audits between 2004 and 2011? (2) Why hadn't United maintenance crews corrected the problem before it became a potentially pricy FAA fine? (3) Would the FAA have caught this problem during one of their regular audits, had the MRO facility been on foreign soil?

In today's global environment, MRO is the competitive reality of airlines doing business. But perhaps the question isn't *where* the work is done but *how,* and *who* is minding the store to ensure that maintenance is completed safely—even in an outsourced world.

Reinvention Challenge #7: Sustaining Safety on the Ground—High-Risk Operational Audits The recent spate of U.S. air controllers asleep in the tower or abandoning their posts while at work and leaving air crew on their own to land jumbo jets obviously points to a serious underlying problem.

This high-risk operational and safety issue has probably lain dormant for years before reaching this level of exposure. Airport locations across the country from Reno-Tahoe, to Seattle, Knoxville, and

Washington, DC, confirm that years of cost cutting, downsizing, and lax internal controls are now risking passenger safety.

What operational controls exist for monitoring critical ground crew situations? If control mechanisms do exist, what is the frequency of these audits, and are they self-administered or managed by an impartial third party? Who monitors the results of these audits, and how can the public access these findings?

Table 1.3 shows what happens when an industry attempts to compete with itself by lowering standards for customer service and responding to operational challenges with a fee structure that charges for everything except oxygen.

Table 1.3 U.S. Legacy and Low-Cost Carriers (LCC)

Old World of Business	New World of Business
Decline of customer service and quality flying experience; Congress considering a return to some type of industry regulation	***What if?*** Airport kiosks allowed passengers to share their flight experience with airlines via a Twitter-like tool. Employees respond in real time, with customers electing to receive updates via e-mail, text message, or return call
Charging customers for food and snacks, aisle seats, baggage, blankets, and early boarding feels like individual customer punishments instead of a pricing strategy	***What if?*** Airlines made fees fun. Airline reality chef meals-on-wings contests where passengers vie for a chance to have their menu selected for different routes. Online voting for the best meal, with winners receiving gift cards redeemable for air miles, upgrades, preflight services, or in-flight goodies
Relying too heavily on cutting costs without oversight that could lead to unsafe flying conditions	***What if?*** Airlines became more transparent. Post maintenance specifics online for each plane: age of the aircraft; where the plane was serviced; if outsourced, name of MRO; and when it was last serviced
Reactive, not proactive, in response to environmental concerns of carriers' carbon footprint	***What if?*** Airlines introduced door-to-door carbon footprint reduction programs and partnered with clean tech companies and passengers to discover innovative ways to regreen refurbished aircraft. Southwest is on the right path with its environmental initiatives—a nine-program efficiency initiative that raises the bar for other carriers

(Continued)

Table 1.3 (Continued)

Old World of Business	New World of Business
Slow to innovate—alone or in partnership with suppliers and vendors; supply-chain complexity and poor oversight and execution	Southwest and GE Aviation Systems's TrueCourse flight management system. San Francisco's new terminal—first airport to be registered LEED Gold by the U.S. Green Building Council

Rails

The history of rail in this country is a mixed bag for many Americans. The United States continues to fight an uphill political battle about whether we need to invest in the next generation of transportation—high-speed rail (HSR)—and whether this is the best investment for our country's future.

We can't stop moving forward unless we want to fall faster behind. Although freight, passenger rail, and HSR needs differ in China and Europe than in the United States, we still need to move forward on the rail agenda. But doing so will be difficult on three fronts:

1. **High-speed rail is considered flighty and fluffy when you don't have a job.** Congressional members, including a number of men and women elected to office in November 2010, came in promising not to support HSR. In a reverse show of support for HSR, two Florida state senators filed a lawsuit in March against Republican Governor Rick Scott, saying he overstepped his authority in rejecting $2.4 billion in federal funds to build a high-speed rail link in Florida.
2. **Conflicts exist between big oil and those who support alternative fuel and multiple forms of transportation.** An uphill battle will ensue for upgrading our existing infrastructure and finding new ways to drive innovation in transporting freight and passengers.
3. **Political baggage stemming from 100-year arguments could cloud the next 100 years.** Everything from land leases to labor issues and NIMBY (not-in-my-backyard) concerns will need to be surfaced, dealt with, and laid to rest.

Shifting buying behavior will be difficult where gas-run automobiles, SUVs, and trucks are considered primary sources of moving

people and things instead of an alternative to other adjacencies in the transportation ecosystem. Continued unrest in the Middle East could conjure images of long gas lines from the 1970s, resulting in an abrupt U-turn and increased demand for faster implementation of alternative modes of travel.

Ironically, America's love affair with the automobile came about because consumers tired of the railroad barons getting rich by controlling the tracks. Servicemen returning from World War II with money in their pockets and paved highways to enjoy found automakers ready to oblige this independent, wind-in-the-hair customer. Americans became hooked on their personal automobiles.

According to the Environmental Law & Policy Center, Americans spend $1 billion a day on foreign oil and an average of four weeks each year stuck in gridlock. Add to this massive flight delays and airport security screenings that have rendered short-haul flights an inconvenient hassle, and rail presents a way to give customers greater choice.

Reinvention Challenge #1: Discover Innovative Means of Transforming Rail Usage That Address Adoption Barriers Ideas drive innovation. Helping people see beyond the tracks to the possible benefits derived from connecting businesses and their customers can begin to address HSR adoption issues. Getting-closer-to ideas, where companies build divisions and campuses in smaller towns and cities across the United States, could provide an attractive alternative to professionals who want to get home the same day instead of the ubiquitous overnight business trip. High-speed rail discounts could become the newest company benefit.

Reinvention Challenge #2: Deal with the Immediate, Short-Term, and Longer-Range Funding Issues—Government, Private Industry, and Public Outlays The billions it will cost to add new tracks and stations and introduce coast-to-coast high-speed rail need to be weighed against the multitrillion-dollar outlay we spend on our existing infrastructure—dangerously undermaintained bridges, pot-holed roads, and congested airports.

Critics complain about the hidden agendas and the real price of this proposed long-range investment. Critics point to Boston's Big Dig, which ended up costing three times more than estimated. Los Angeles's subway initiative continues to be fraught with cost overruns and delays. Congress itself is unsure how much high-speed rail construction would cost. In its March 2009 report, the

U.S. Government Accountability Office found that "while some U.S. corridors have characteristics that suggest economic viability, uncertainty associated with rider and cost estimates . . . makes it difficult to make such determinations on individual proposals."

Getting people back to work is a big plus for those who support building out our rail infrastructure. But questions still remain about who can bid for these construction jobs—union only or any qualified persons? If a closed bid, how much more will it cost taxpayers versus an open bid?

Reinvention Challenge #3: Persuade a Skeptical Public That Views Rail Investment, including HSR, as a Waste of Money The challenge of bringing all sides to the table to discuss and negotiate something as volatile as high-speed rail is not on the short list of priorities in the minds of voters and government officials, especially when federal and state budget cuts will affect education, health care, and possibly social safety nets such as Medicare and Social Security. The run-up to the 2012 U.S. presidential elections could table HSR discussions well into 2013.

Pro Arguments

- Powered by clean electricity from renewable energy sources: wind, solar, geothermal, ocean/tidal. It's cleaner and provides a major step toward solving global warming by reducing our oil consumption and emissions.
- It's a distribution channel of people, products, and freight with a smaller carbon footprint.
- Faster, more efficient mobility, enormous energy savings, reduced environmental damage.
- Creates millions of green jobs nationwide building the new rail infrastructure and manufacturing the railcars.
- Pays for itself by significantly reducing our dependence on oil.
- Offers a convenient, comfortable way to travel without delays, freedom from never-ending flight delays and cancellations, freedom from being forced to spend hours stuck in airports.

Con Arguments

- There is no single, long-range vision that ties a coast-to-coast rail initiative, thus making it easier to add complexity (and cost) to projects.

- The image of corruptness, bloated management, and back-room union deals still sticks in the mind of many who don't trust the government to oversee a strategic vision of this scope.
- Why spend all this money during a deep recessionary time when there is little to no data on who would actually use high-speed rail?
- Inconsistent reports on ticket prices and how long before high-speed rail would break even. Perception that HSR is mainly for the wealthy (or at least those with good-paying jobs).
- In the 1970s, the railroads were nearly threatened out of existence by the popularity of air travel. The government-owned National Railroad Passenger Corp., better known as Amtrak, was created in 1971 and is still reliant on taxpayer money today.

Table 1.4 shows how old-style "What's in it for me?" (WIIFM) thinking sabotages complex problem solving and innovative breakthroughs when extreme collaboration is required.

Table 1.4 U.S. Rail

Old World of Business	New World of Business
Slow with investing and designing a transportation ecosystem for the twenty-first century	Innovate in front of the curve: move people and freight faster, more efficiently, at less cost, more securely, and with less environmental impact
We lose traction when many of the pre–Great Recession jobs do not return and their replacements require new skill sets that we're not prepared for	Proactive training and education for new jobs required for operating a twenty-first-century transportation ecosystem
Artificially high costs: line items that contribute to a bloated budget	Surface hidden agendas and address adoption barriers; aggressively move forward in reinventing the transportation system
Historical baggage gets in the way of innovative, integrated transportation solutions	Develop a single, long-range vision that includes government officials, private industry, academia, consumers, and alternative transportation visionaries—change makers in their fields and areas of expertise

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Table 1.4 (Continued)

Old World of Business	New World of Business
Amtrak cannot financially support itself largely due to Americans not using rail as their primary or secondary means of transportation	Rail decisions for the future continue to use rail data of the past in building a case for moving forward. We need to ask different questions: What would motivate riders to use rail as either their primary or secondary source of transportation? How will demographic shifts—particularly our aging population—change transportation needs? What environmentally friendly alternatives will we have to address politically volatile sources of gas and escalating fuel prices?

Automobiles

The Great Recession has forced the auto industry—GM, Ford, and Chrysler—to reinvent at a faster clip than ever before in their history, where for more than three decades the struggling Big Three have attempted to sustain a viable business model while the world was changing around them.

Americans and their love affair with the personal automobile, truck, or SUV has come with a price, as billions of dollars in taxpayer bailouts since the 1970s have kept the Big Three afloat.

General Motors and its rivals were caught unaware by a dramatic shift toward smaller, more fuel-efficient cars and away from the pickups and sport utility vehicles that served as GM's mainstay. The company cut its fourth-quarter 2007 production by 10 percent, and by July 2008, overall U.S. sales had fallen 20 percent. General Motors announced plans to idle plants to address the shrinking demand for pickups and SUVs. At the same time, it was adding shifts to try to make enough small cars.

Many of the excesses of the past—overproduction, bloated vehicle lineups, expensive rebates—are gone. In 2009, the UAW agreed to game-changing concessions, ending jobs banks, streamlining work rules, and freezing cost-of-living adjustments. All three carmakers have shed workers and a new breed of top management—outsiders to Detroit—were determined to keep the Big Three lean, agile, and focused on building better cars that earn a profit.

It seems to be working. In January 2011, after a surprising recovery, Ford and GM announced profit-sharing checks for their hourly workers—expected to top $5,000 at Ford—perhaps the largest in a decade. Detroit's upbeat mood reflects a growing sense that these changes could drive the Big Three's turnaround.

With sales rising and promising new vehicles on the way, the automakers are solidly positioned for future profits. But their competitors are also leaner and stronger and account for more than half of all car sales in the United States.

A big piece of the industry's long-term reinvention depends on the United Automobile Workers (UAW). Founded in 1935, the UAW is still one of the largest unions in North America. In the years after World War II, the union played a pivotal role in expanding the nation's labor movement, and the generous pension, health care, and job security provisions it won helped define labor conditions for more than a generation.

Reinvention Challenge #1: Old Ways of Doing Things No Longer Apply New contract negotiations with all three Detroit car companies slated for July 2011 will be about more than work rules or cost-of-living adjustments. Given the still fragile economy the focus has shifted from wages and retirement benefits to retaining as many jobs as possible as General Motors and Ford attempt to figure out the future of six plants staffed by UAW members.

Workers face a real choice: Do they try to turn back the clock and fight to regain what they gave up in 2009 and 2007, or do they partner with management to figure out a new way forward that allows them to share in the automakers' success without jeopardizing it?

The automakers also face a choice: Do they restore concessions to keep the peace, or do they hold the line on costs and do whatever is required to remain competitive?

The deal the Obama administration imposed on the UAW during the industry bailout in 2009 prevents it from striking GM or Chrysler. Its only resort is binding arbitration.

Reinvention Challenge #2: Nonunion Plants and Union Membership Drives The UAW membership has dropped in the last three years, and its leadership is keen to regrow its base. The UAW is positioning itself as a car company partner rather than an adversary as it renews a campaign to sign up workers at U.S. plants owned by foreign-based car

companies. The union may ask the Big Three for help in growing their membership base with Toyota, Honda, BMW, Hyundai, and others.

Reinvention Challenge #3: Gas Price Fluctuations The price consumers pay at the pump could weaken a fragile economy, dampen the outlook for adding new jobs, and reduce pent-up consumer demand for replacement cars or a new type of car—for example, GM's hybrid electric car, the Volt.

Reinvention Challenge #4: Innovative and Fast-Moving Responses to Local, National, and Global Challenges Government measures to cool China's economy in 2011 and 2012 could bite into the Big Three's sales. Sales faltered in the United States, China, Europe, and Japan after governments withdrew stimulus measures.

Reinvention Challenge #5: Collaborative Partnerships for a New World of Business Whether collaborative partnering refers to automaker-union relationships, dealerships forced to close their doors in 2010, or new deals that increase their visibility in other countries, the Big Three has a chance to reinvent how they manage their relationship infrastructure for the long haul.

Table 1.5 looks at the challenges and opportunities faced by automakers and their extended relationships as they look to reinvent themselves while coming out of the economic slump.

Table 1.5 Automotive

Old World of Business	New World of Business
Automakers indicate that labor costs totaled $73 an hour per worker. Union bully tactics could feed negative public perception with UAW's recent push to unionize foreign car competitors Toyota, Honda, BMW, Hyundai, and others	The gap in labor costs has narrowed: Ford total labor cost for a worker is $59, compared to $56 at Toyota (Center for Automotive Research) Bypass union bully pulpit; grow membership base through value creation and innovative programs
Taxpayer bailouts as a safety net, sense of entitlement, WIIFM mentality between union and carmakers	Carmakers-AUW partners to compete in a reinvented world Compete for the long haul

(Continued)

Table 1.5 (Continued)

Old World of Business	New World of Business
Critics portray the union as a major hindrance to Detroit's ability to compete, muscle-flexing during negotiations	Introduce innovative and fair reward and compensation programs Successfully navigate volatile public sentiments about taxpayer money used to keep GM and Chrysler afloat
Lack of vision, real leadership, innovation	Vision for the long-haul, value creation becomes part of the company culture, initiate across-the-board ideation and faster vetting, decision making
Stodgy, slow to adapt to changing conditions—denial of foreign competition—unwilling to take the necessary risks for reinventing the auto industry	Allows risktaking across the board, reeducate/retrain for auto industry jobs of the future—creating value in front of the curve
Strained dealer relationships; many forced to close their doors during the recession	Innovative ways to help dealers boost sales, repair partnerships, new ways to collaborate going forward

Industry Snapshot: Journalism, News Media, and Publishing

Not since the Gutenberg press printed its first copies of the Bible using movable type has ink-print copy gone through so many changes. Thanks to innovative technologies and devices, the world of news and publishing continues to transform itself into a game-changing content machine.

News rooms and journalists unable to recognize and respond to the changes swirling within and around their industry—slow to jump in and embrace the reinvention fray—will continue to lose an audience looking to receive content in new ways, tailored to their needs.

According to the Pew Center's Project for Excellence in Journalism (PEJ), citizen media continued to explode in 2009 and 2010, thanks to the popularity of Twitter, Facebook, and other social media. But PEJ's ongoing analysis of more than a million blogs and social media sites finds that 80 percent of the links are to U.S. legacy media.

What would happen if traditional newsrooms closed their doors, since even citizen journalists are dependent on legacy media for links to their content? Although technology is making it easier

for citizens to participate in content creation, it also means that the news we get will increasingly be fast and furious.

One high-profile example was that of Congresswoman Gabrielle Giffords of Arizona and the NPR newscast team reporting she had died in an assassination attempt instead of being seriously wounded. NPR two-source rule—common in most newsrooms—hurt the news organization's reputation when neither of the two sources were confirmed and identified before NPR went live with the story. NPR's escalation process of running it up the flag pole, contacting a senior editor for a second opinion, was also overlooked. CBS and NBC did special reports, while Reuters repeated the mistake, crediting NPR. Social media site Twitter—where NPR has thousands of followers—retweeted this report.

With so much news coming our way via rushed reporters and citizen journalists, consumers don't know whom to trust and so wind up trusting their favorite cable personalities, regardless of whether the news can be traced back to a credible source or data lineage.

Earlier this year, CBS News anchor Katie Couric mistakenly informed her 140,000 Twitter followers that embattled Egyptian President Hosni Mubarak had stepped down after 30 years. The source of the erroneous report was apparently Al Arabiya television, with Reuters relaying the resignation story, later retracted by the Arabic-language news channel.

The Reinvention of News

Reinventing newsroom operations is one thing, but do we really want our news reinvented? And what are the longer-term risks in allowing the media to disguise hard news—objective reporting—with subjective opinion?

In a November 2010 *Washington Post* column, Ted Koppel, one-time managing editor of ABC's *Nightline* from 1980 to 2005, wrote: "The need for clear, objective reporting in a world of rising religious fundamentalism, economic interdependence, and global ecological problems is probably greater than it has ever been. But we are no longer a national audience receiving news from a handful of trusted gatekeepers; we're now a million or more clusters of consumers, harvesting information from like-minded providers."

Although still in its infancy, online journalism is rapidly reshaping the traditional media landscape. The newsroom as profit center is today's reality. Revenue potential will drive media reinvention decisions, from newsrooms struggling with finding their pay-for-content sweet spot to profit-generating headliners misrepresenting their opinions for hard news for an increasingly younger audience who may not know the difference.

The February 2011 merger announcement between AOL and *Huffington Post* will continue to blur lines between entertainment and information. The $315 million deal aims to transition AOL from a technology company to a media empire, further shifting the sands for Silicon Valley's Yahoo!, Google, and Facebook. Frequently criticized for its lack of original content—linking primarily to legacy news reports—*Huffington Post* will now have the funds to expand news gathering and original content creation, areas that AOL's chief executive, Tim Armstrong, views as vital to reversing a decade-long decline. With AOL's elimination of close to 2,500 jobs in 2010, roughly a third of its staff, the new merger could add layers of reinvention via new partnerships and collaboration opportunities with legacy newsrooms.

In its 2009 report titled *Moving into Multiple Business Models: Outlook for Newspaper Publishing in the Digital Age,* PricewaterhouseCoopers (PwC) and the World Association of Newspapers (WAN) reported that a future remains for newspapers and established brands that can gain access to the capital needed to fund the transition to digital business models.

One such success includes the *New York Times,* where the key to the newspaper's survival lay in its ability to reinvent itself by crossing the digital abyss and attracting a younger audience—34 percent are under the age of 30, compared with 23 percent of the public—who are discovering the virtues of the venerable Old Gray Lady for the first time through search engines and digital media sites.

New Technologies Level the Playing Field

Relationships between publishing houses, bookstores, and libraries, although symbiotic in nature, have been uneasy partnerships, at best, with traditional publishers holding most of the cards.

The introduction of e-books in 1971 by Michael Hart, founder of the Gutenberg Project, with a typed-up version of the

Declaration of Independence, by 2010 had made over 31,000 public-domain e-books available for free download.

In the 1990s, niche and small-press publishers started to leverage the Internet by offering e-books for sale that were read on computer screens. Marketers helped make the e-book a must-have in their industry, and within 10 years, the viral impact of e-books—cheap to produce and free to distribute—began to transform the publishing landscape.

Sony offered the first successful e-reader with its Rocket in 1997, but few sold at the time since e-books were such a small part of the market.

Amazon came out with its own competitive product with the invention of the Kindle 10 years after Sony's release. The Kindle could not only read e-books but also accepted orders for new ones and instantly downloaded the book to the reader, giving users more power over their pocketbooks within the device itself.

By 2009, the sales of e-books had taken off, with multiple bookselling corporations investigating how e-readers could be used to boost sales.

But it was the triage of content, hardware, and software innovations that offered real industry disruption. Apple's release of the first iPad in April 2010—the company sold 3 million of the devices in 80 days—transformed the industry and altered how people viewed e-books and online content. With the release of the iPad2 in March 2011, Steve Jobs noted that close to 15 million had been sold in its first nine months on the market—more than all other tablet PCs.

Today's tablet landscape, with devices ranging from Amazon's Kindle and Barnes and Noble's Nook to Apple's iPad and Motorola's Zoom, is leveling the playing field between traditional publishers, intermediaries, and authors.

One success story comes from a woman who bypassed the traditional vetting process after unsuccessful attempts to interest a publisher in her work failed. Amanda Hocking sells more than 100,000 copies of her nine, young-adult paranormal books each month. Virtually all of them are e-books selling for $2.99 each, where she keeps 70 percent of the revenue, with the remainder going to the online bookseller.

Acclaimed author and marketer Seth Godin is further expanding and redefining how books get into the hands of the reading

public. His partnership with Amazon aims to bypass the traditional publishing model with his "Powered by Amazon" imprint, the Domino Project. His first book under the imprint is appropriately titled *Poking the Box*.

"Brick-and-mortar" bookstores are feeling the one-two punch of online competitors and their e-book cousins. Ironically, large chains responsible for the closure of many mom-and-pop bookstores are now at risk of closing due to fast-moving industry shifts.

Borders, the second-largest bookstore chain after Barnes & Noble, earlier this year filed for bankruptcy protection, and now faces liquidation with no bidders for the chain as of July. Borders was slow to respond to industry shifts as e-books took off and its competitors gained footholds in the marketplace with their branded digital readers, the Nook and Kindle. Unable to keep pace with Barnes & Noble—the largest bookstore chain—and discount chains led by Wal-Mart and online retailer Amazon, Borders saw their position in the marketplace further erode.

What this all means for new media, the publishing industry, and adjacency technology companies is still up in the air. But these game-changing disruptions and innovations are poised to change how we learn—schools are piloting the use of e-readers and e-books as alternatives to print—collaborate, connect, and communicate in a reinvented world.

Reinvention Challenges

Here are five challenges for reinventing the journalism, news media, and publishing industry.

Reinvention Challenge #1: Reinventing the Business of Tomorrow While Continuing to Sustain Operations Today Although reportorial journalism is getting smaller, news media is not so much shrinking as moving into areas driven by new technologies and innovative devices, from smart phones to media tablets.

Before jumping into all things social from blogging to video to tweeting, news organizations need to first determine their immediate, short-term, and longer-range strategic goals: 90 days, 6 months, and 18 months, respectively. Budget centers must be separate, with a reporting structure for the reinvention team outside of operations and with well-developed execution plans, objectives that are

trackable and measurable, and clear lines of ownership. By keeping the day-to-day process team and reinvention team separate but collaborative, both teams ensure that they don't muddy their outcomes and become distracted with conflicting goals.

Reinvention Challenge #2: Retaining News Source Quality and Original Data Source Traceability Even if we trust citizen journalists, we still don't often know what fact versus opinion is. The editorial versus the news division is now blurred and will continue to blur. With news conglomerates able to quash, rehash, and selectively choose the content it presents to users—vanilla news—it also becomes easier to manipulate public opinion.

Has WikiLeaks become the new muckraking model? In a *Los Angeles Times* article "WikiLeaks Reflects New Model for Muckraking," reporters Noam N. Levey and Jennifer Martine state that maverick Julian Assange "has helped pioneer a new model for using the Internet to unearth classified government documents and private corporate memos." Assange has publicly embraced the role of muckraker, using modern technology to do what he says the mainstream media are not doing enough of, although he has acknowledged that in many cases WikiLeaks does not know the source of a leaked document.

As the pendulum swings from one end of the spectrum—little or no original data source traceability—to users more willing to pay for verifiable content, we are seeing new business models and innovative start-ups differentiate themselves as responsible content providers.

Reinvention Challenge #3: Reinventing Traditional Journalists into Hybrid Content Providers Legacy newsrooms will look to increase the number of hybrid journalists who can write for the printed page and the digital screen. More journalists will take the lead in their own career reinventions, regardless of whether their legacy employers adapt to the new reality.

Multiskilling—training an employee to cover a range of different jobs—is the reality of many newsrooms today, with staff mastering both online and print. Minimally, journalists are expected to create content for all channels.

According to a survey from Pew Research Center's Project for Excellence in Journalism and the Online News Association, journalists

who work online are more optimistic about the future of their profession than are news people tied to off-line traditional media, but they still believe the Internet is changing the values of journalism for the worse.

Reinvention Challenge #4: Boldly Go Where Other Legacy Newsrooms Do Not As the convergence of print and online continues in the reinvention of traditional newsrooms, bold leaders willing to take risks in an industry accustomed to playing it safe will become the new 3.0 game changers.

Legacy newsrooms will continue to look under the hood for their own spin-off opportunities. Fact checking—a rigorous and largely thankless job—is an interesting example of a job that has spun off into its own niche and online presence. PolitiFact, a 2009 Pulitzer Prize–winning fact-checking venture appears to be filling a void with its Truth-O-Meter. Others in the field include the *Seattle Times's* Truth Meter, a fact-checking initiative that aims to separate truth from fiction in the political arena, and AZ Fact Check, a partnership announced in 2010 that includes the *Arizona Republic,* Phoenix's 12 News, and the Walter Cronkite School of Journalism and Mass Communication at Arizona State University. This trend appears to be picking up steam, according to the *American Journalism Review,* with at least two dozen media organizations or universities having launched or joined fact-checking operations in 2011.

Reinvention Challenge #5: Discover New Ways to Collaborate and Manage Ongoing Publishing Relationships, Policies, and Contracts Industry disruptions and innovations are changing who controls the publishing levers and the distribution channels. Due to the explosive growth of e-books, HarperCollins announced in March its intent to limit the length of library e-book licenses and the number of checkouts allowed per license. In the past, library licenses have been unlimited, but trade publishers are debating the digital future where a single e-book license to a library never expires, never wears out, and never needs replacement.

Pricing of digital products by traditional publishers and the e-book royalties shared with authors will offer opportunities for both to rethink and redesign the boilerplate contract of the past. Authors

will look for a bigger piece of the royalty pie, and publishers will look for authors to evolve into creative business partners. Disruptive concepts, policies, and procedures will follow close behind the innovative technologies.

Table 1.6 looks at the big shifts occurring in the world of journalism, news media, and publishing due to technological advances affecting how people consume the news (online, smart phones, tablets) and the changing demographics of who consumes the news (digital generation).

Table 1.6 Journalism, News Media, and Publishing

Old World of Business	New World of Business
Ranks of self-interested information providers grow rapidly, news organizations blur the lines of reporting and their relationships to them—less transparency—and truth in news becomes harder to confirm. When it comes to audience numbers online, traditional media content still prevails, which means the cutbacks in old media heavily affect what the public is learning through the new media.	News organizations define their relationships with content providers—online and print—with clear traceability between journalistic and independent content
Increased competition from further afield. Existing customer relationships are at risk because of new competitors with innovative, value-added services.	Business spin-offs by traditional newsrooms and publishing houses offering outsourced solutions for legacy newsrooms and publishers who can no longer afford to support different lines of business.
Legacy newsrooms stuck in the past with no strategic plan on how to move forward and manage their futures.	Newsrooms prepare for the attention economy, where information is no longer a scarce commodity; attention is. The digital generation—people younger than 25, who have lived most or all of their lives with the Internet—demand faster content delivery and more enriched, connected experiences that will affect truth in news coverage.

Table 1.6 (Continued)

Old World of Business	New World of Business
Controlling partnerships versus collaborative partnerships.	Ongoing efficiency gains. Finding new ways to cooperate with suppliers by shifting the financial burden of offering next-generation products and services.
The printed book purchased in brick-and-mortar bookstores and checked out from brick-and-mortar libraries.	Digital information and distribution channels that level the playing field and allow pricing models that reflect a new digital golden age.

Facing the Facts: The Old Rules No Longer Work

It is one thing to talk about America's reinvention—write some policy and maybe even fund a few programs—but quite another to execute a full reinvention for the long haul. This requires a receptive culture for change, commitment from the top, focus on what to achieve and when, champions throughout the organization, project implementation teams, trainers and coaches for people who get stuck, measurements and reporting mechanisms, and recognition and rewards that are consistent and fair.

The United States has two options, either of which will change the course of this country for years to come:

1. We can aggressively take steps to relevel the playing field—what President Obama in his State of the Union Address called out-innovating, out-educating, and out-building the rest of the world.
2. We can choose to ignore what's happening—at our peril.

New Rules for a Reinvented World

The rules have changed, and today's world is different. Whether you apply these new rules for transitioning from the old ways of doing business to the new, leading transformation inside your organization, or managing your career, there are five overarching tenets that govern these changes in a reinvented world and provide a nesting place for the 10 essential elements in this book.

Size Doesn't Matter

In today's world of mobile access, pennies per day storage costs, and social connectivity, businesses of all sizes are able to compete on a

more level playing field. America's challenge in the next three to five years is to ensure equal access to new tools and emerging technologies, especially as budget cuts for education and the closure of K–12 schools across the country create technology chasms. Equal access includes the affordability of new technologies for the smallest of small businesses in helping them compete, regardless of size.

Becoming Your Own Safety Net

The Great Recession has been a stark reminder for working Americans that neither big business nor government can provide all the required safety nets for this newest reality. Our schools and universities must train their teachers and professors to prepare students for a lifetime of career reinventions and the skills needed for reinventing businesses in front of the curve, whether they work for an employer or for themselves. Consolidation and innovative partnering between nonprofit businesses could occur in this country, as government support dries up and requires niche social safety nets to reinvent themselves in new ways.

Innovation: The New Currency

The demand for truly innovative products and services will never go away. Innovating in new, faster ways where innovation tribes gather to create, solve, and improve at lightning speed, disband, and move on to the next opportunity will need to become commonplace. Organizational politics could be a thing of the past as cross-functional silos won't have a chance to develop. Professional titles will mean nothing in a reward system where innovation is the new currency and value creation defines the new world of work.

Cultural Collaboration: The New Influence

Competing in the global marketplace requires a cultural mind shift. Navigating the more nuanced aspects of cultural communication used for solving complex problems and creating bridging opportunities for innovation, whether in the next office or on the other side of the world, will increasingly become the skill of choice for employers and customers.

Reinventing in Front of the Curve

The inflection point in differential calculus is at the point when a curve changes sign from a positive (upward) curve to a negative (downward) one. A curvature can quickly change signs (positive or negative) once an inflection point is reached. In business, you want to reinvent better, faster, and at less cost than your competition. In a career situation, you want to reinvent before you become stale and complacent and sabotage your own efforts. Inflection point learning doesn't require knowledge in differential calculus, but it does require business acumen, cognitive skills, research and data analysis, and a good dose of intuitive sense.

Table 1.7 lists each element and its corresponding definition as we explore in this book how individuals successfully apply these 10 essential elements in their world of business, community outreach, or personal and career development.

Table 1.7 The 10 Essential Elements to Succeed in the New World of Business

1. Vision and Values	Rethinks and reinvents strategic vision for the new world of business. Core values model consistent messaging, measurements, and accountability that set the tone of trust for the company.
2. Entrepreneurship	Design and deployment of entrepreneurial capabilities throughout an organization that extends its influence to the intricate ecosystem of customers, partners, suppliers, and community supporters. Creates new growth opportunities and sustains the business while evolving the culture.
3. Navigation	Entrepreneurial leaders bridging marketplace inflection points, organizational transition, and talent transformation; helping the workforce shift into role of value creators and innovators. HR transitions from administrative role to that of innovation catalysts.
4. Responsible Risktaking	Accountable leadership and responsible workforce decision making that incorporate the longer-view impact of decisions when moving the organization and business forward. Personal risktaking is valued, rewarded, and an integral part of the culture.

(Continued)

Table 1.7 (Continued)

5. Disruption and Discontinuity	Leadership capable of connecting the dots in new ways. Leverages innovative technology and disruptive-style collaborations that move the organization forward.
6. Experimental and Exploration	Research and development is an integral part of the organization's innovation engine. Leaders represent new-world-of-business thinking: agile, flexible, and tied to business results.
7. Innovation and Invention	R&D is seen as an investment strategy versus short-term business response. Leaders successfully leverage the inventiveness of their ecosystem—workforce, customers, partners, suppliers, and communities—as a means of continuous innovation and new business growth.
8. Transition and Training	Designs organizational capability for reinventing in front of the curve and for longer-term business sustainability. Delivers ongoing training for new market innovations and emerging areas of expertise.
9. Networking and Collaboration	Innovative means of engaging workplace talent. Leaders extend influence throughout their ecosystem of relationships, build bridges, and inspire others to do the same. Leverage traditional and digital collaborations for a new reality.
10. Execution	Organization successfully deploys innovative products and services amid market shifts and workplace disruptions. Leaders reinvigorate operations to repurpose programs and reinvent processes. Transforms the business through end of cycle management of products and services in preparation for new growth.

The Takeaway

Through these four industry snapshots, you have learned the importance of operating in the new world of business and the risks associated when companies cannot, or will not, reinvent to remain in front of the curve—innovating before the business requires it.

Coming Up Next

In Chapter 2, we explore in more detail the first of the 10 essential elements—Vision and Values—and how four successful business leaders representing different industries, company sizes, and profit structures are building lasting legacies for their companies, their workforces, and their communities.