

## THE CHANGE CHALLENGE.....A Newsletter About Leadership

May 1, 2014

Issue: 67



Welcome to the May edition of *The Change Challenge*. The fact that Moore's Law is approaching fundamental limits doesn't mean innovation will slow. Quite the contrary. Futurists predict the innovation in this century will dwarf the 20th century - and that makes innovation a survival skill. That's the focus of this month's feature titled "***The End of Moore's Law.***"

The *Leading Change* article titled "***Two Streams of Innovation***" warns that businesses must pioneer entirely new products and services even as they compete in today's market based on price and quality. The *Personal Change* article titled "***One More Question***" asserts that even when you believe you have all the information to make a decision, ask your people at least one more question.

Your feedback and recommendations to improve this newsletter are always appreciated via return email or through *The Change Blog* at [www.dickstieglitz.com](http://www.dickstieglitz.com). Because of travel plans, there will be no issue of



DICK STIEGLITZ, PhD  
Business Consultant, Author  
and Executive Coach

### This Month's Articles

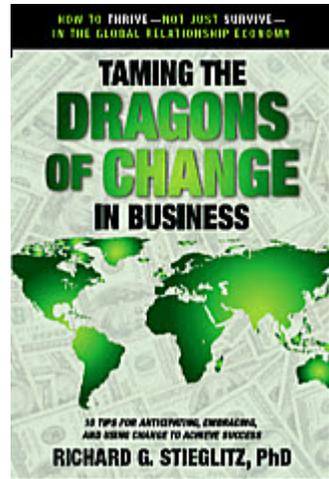
The End of Moore's Law

Two Streams of Innovation

One More Question

Organizational Change

**Looking to have your organization embrace change in 2014**



**CLICK BOOK COVER TO ORDER FROM [AMAZON.COM](http://AMAZON.COM)**

The recession, sequestration, new technologies, acquisitions, and intense competition have produced a world of constant change. Today, ideas travel at the speed of light. You can communicate with anyone, anywhere, at any time, on any subject. To stay on top, you must do more than react. You must anticipate, embrace, and use change to your advantage

**THAT'S WHAT THIS BOOK IS ALL ABOUT!**

**Buying or selling a business can be a lucrative but risky transaction**

The Change Challenge on June first.

Until July 1st,

*Dick Stieglitz*

## **Feature Article**

### **THE END OF MOORE'S LAW**

***"Innovation separates leaders from followers."*** - Steve Jobs

Moore's Law says the density of transistors on integrated circuits - and therefore computing speed - doubles every two years. But Gordon Moore himself, Intel's founder and author of the law, warned *"It can't continue forever. At some point we reach fundamental limits."* But that doesn't mean innovation will slow - quite the contrary. Futurists say that innovation in this century will dwarf innovations of the 20th century. Advances in synthetic life forms, exotic materials, connectivity, data analytics, robotics, and energy distribution (for example) will far exceed innovations in computing. Is your organization prepared for innovation on a grand scale? Are you?

**Waves of Innovation.** Waves of innovation will create products and services that are as far beyond our imagination as the Internet was beyond Thomas Edison and Alexander Graham Bell's imagination in 1914. They used innovations in electricity and communications to build industrial giants that changed the way we live and work. Innovation in the 21st century promises a sustainable future that produces more food, energy, and consumer conveniences using progressively fewer resources and with lower environmental impacts.

**Instincts Drive Innovation.** Since the Stone Age, innovation has been driven by man's basic instincts: survival, fear desire, and competition. Those instincts are still at work today:

- *Survival.* The Earth's population will pass 8 billion by 2020 and 9 billion by 2040. Innovation is essential to provide enough clean air, pure water, food, shelter, and health care.
- *Fear.* The omnipresent threat of terrorism and crime will drive innovation in security devices way beyond today's surveillance cameras, intrusion alarms, and defensive weapons.
- *Desire.* The Internet has enlightened everyone to the best things available on the planet - everyone wants the best of everything.
- *Competition.* Virtually instantaneous reporting of economic breakthroughs pressures businesses as well as governments to deliver better and cheaper services and products.

Furthermore, rising expectations in developing countries and a growing cadre of senior citizens are a major force in innovation - and both groups have the money to pay for what they want.

**Whole New Industries.** Entrepreneurs will apply innovations to create new industries, build new facilities, and provide billions of new jobs - although many of today's jobs will disappear. Consider the following

boutique industries that will blossom from today's novelties into widely embraced products and services in the next decade:

- *Pure Water.* Next to air to breath, water is most vital for mankind's survival. Today's water supply systems deplete rivers and aquifers. It's likely that desalting seawater into potable water will become big business - possibly even exceeding today's fossil fuels industry.
- *Food Engineering.* Genetic advances, drip irrigation, and other innovations will produce crop varieties that resist freezing and can be irrigated with saltwater, thus converting wastelands into high-yield, sustainable farms.
- *Energy.* By the end of the century fossil fuels will be a minor energy source behind wind, solar, ocean tides, geothermal power plants, and other sources we haven't thought of yet.
- *Driverless Transportation.* Highways will be traveled by computer-controlled cars, buses and trucks while humans drive vehicles only for recreation. Robo-taxis will take people to work, supermarkets, malls, supermarkets, and doctors - any place they want to go.
- *Garbage.* There will be no such thing as "garbage." Recycling plants will convert 100% of what we now call waste into reusable materials using innovations akin to alchemy.
- *Connectivity.* With sensors imbedded in everything from walls and floors, to appliances and tools, to animals and plants, the "Internet of Things" will disrupt one industry after another and shift economic value from physical goods to software that collect and analyze data.

The 20th century's breakthroughs in information processing, automation, and communications will seem primitive in comparison to what lies ahead.

**Challenge of Innovation.** If you're in an industry with rampant innovation (e.g., cyber-space, health care, or energy), your challenge is to create and market products and services that customers may not understand or know they need. And if you're not in one of those industries, your organization could face extinction. In either case, your continued prosperity in a world of innovation depends on your ability to:

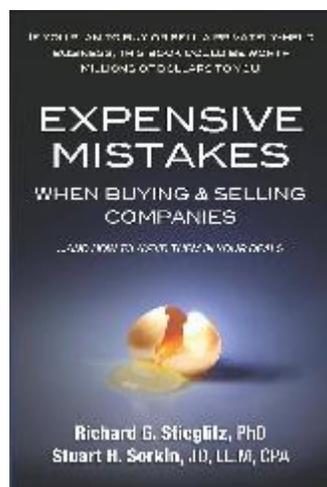
- Recognize trends and incorporate them into your strategic plans
- Understand how organizations connect to help each other succeed
- Question and be open to being questioned about assumptions
- Engage diverse personality styles to promote innovation
- Ask probing questions and genuinely listen to the responses
- Create an environment that fosters collaborative thinking, and
- Value what others say especially if their perspective is unique.

Use these methods to create a culture of innovation that gathers, shares, and acts on ideas and knowledge inside your organization and across your industry.

## Leading Change

### TWO STREAMS OF INNOVATION

***"We keep opening new doors and doing new things because we're curious, and curiosity leads down new paths."*** - Walt Disney



**CLICK BOOK COVER TO  
ORDER FROM  
[AMAZON.COM](https://www.amazon.com)**

**A popular maxim says average people learn from their mistakes, stupid people repeat their mistakes, and brilliant people learn from the mistakes of others. This book is designed to move you toward the brilliant category among business owners who buy and sell privately-held companies.**

## QUICKLINKS

Dick Stieglitz's Website

Dragons Of Change  
Website

Presentations &  
Workshops

The Change Blog!

**ORDER DICK'S BOOK  
ON PERSONAL CHANGE**

As I waited in line at the post office the other day, I observed that I still use it the same way I did 50 years ago when a first-class stamp was five cents. Few organizations face such pervasive change and competition as the U.S. Postal Service (USPS). First class mail volume falls steadily as we pay bills on-line, send emails, and distribute documents electronically. Even still USPS handles half a billion pieces of mail daily with an enviable on-time delivery record using one of the most automated operations in the world. Despite efficiency innovations like barcoding, automated postal centers, and partnerships with retail stores, USPS loses billions every year.

USPS is an example of how vital it is to concurrently promote two streams of innovation: improving current products/services and creating new ones. Both streams are vital for sustained success, but the thinking behind them is different. Incremental improvement starts with where you are today, while creating innovative products and services requires you to imagine the ideal solution and then work backward to where you are today. The latter approach escapes the protective barriers that people erect around what exists today before even considering what is possible.

The success you enjoy today may be the biggest threat to continued success. When you're successful, the natural tendency is to make small changes, and avoid risk and controversy. You assume subconsciously that future success is just an extension of today's success. Logically, it's easy to see the fallacy in that thinking, but you must tame the intoxicating dragon of today's success in order to exploit emerging opportunities. Organizations that prosper decade after decade observe the market to identify shifting demands and trends in their customers and competitors.

Where does innovation rank among your set of values? Do you value it as highly as the order, efficiency, and predictability of incremental improvement? Leading an organization to short- and long-term success simultaneously is like a juggler working with a set of sharp knives. How well are you cultivating both streams of innovation in your organization?

## Personal Change ONE MORE QUESTION

***"Asking questions not only makes a task more palatable, it stimulates creativity in the people whom you ask". - Dale Carnegie***

Simple questions can make a huge difference. For example, Lee was CEO of an engineering firm that performed complex, multi-million dollar projects. The company was profitable and growing, yet Lee was frustrated by the executives who managed his projects. They often missed deadlines, struggled to resolve issues, and lost money on contracts. Lee got angry whenever a project went astray. He would jump in, solve the problem, and return responsibilities to an embarrassed and discouraged executive.

Lee hired a management consultant to eliminate the recurring project problems. Over a year, the consultant helped Lee implement quality controls, hold project reviews, and develop training programs. Those



**TAMING THE DRAGONS  
OF CHANGE**  
10 Tips For Achieving Happiness  
and Success When Everything  
Around You Is Changing  
**CLICK BOOK COVER TO  
ORDER THROUGH  
AMAZON.COM**

Join Our Mailing List!

actions improved performance, but occasionally projects still blew up because the project manager missed something. Lee would blow-up too.

One day, the consultant heard Lee talking with an executive. A client had complained about a design deliverable that was delaying the project and increasing costs. Lee asked if the design was late and when the executive said yes, Lee reassigned people from other projects to finish it. Later, the consultant suggested that Lee might have asked the executive why the design was late and how he planned to recover. Lee changed the subject. At the end of the meeting, the consultant off-handedly said: "*Lee, have you considered how your people feel when you make decisions without asking them what is happening on their projects?*" Lee said nothing and the consultant left feeling like he had done little to help.

The consultant arrived for the meeting the following week not expecting much change. But Lee was animated. He exclaimed: "*I've done what you said and it's fantastic!*" The consultant didn't recall suggesting anything. Lee continued: "*I've been asking one more question before I take action and it's unbelievable how much I am discovering.*" When the consultant asked him to explain, Lee said when he discussed status with an executive and thought he knew what was happening, he would find one more question to ask. Each time, that was when the real conversation began.

Of course, Lee still had to regain his executives' trust, but asking one more question was a good start. When you feel that you know everything you need in order to make a decision, there is always at least one more question to ask: "*What question were you expecting that I didn't ask?*" which often will elicit key information that will influence your decision.

## **Colleagues and Friends,**

If you would like your organization to be more collaborative and innovative, contact me to discuss how to do that. If you found this e-letter to be interesting and useful, please forward it to a friend. If not, let me know why at [dick@DragonsofChange.com](mailto:dick@DragonsofChange.com).

Until July 1st,

DICK