Hogyan építsünk exponenciális szervezeteket?

Dr. Kristóf Péter

ExO coach, trainer & CEE ambassador – ExO Works

Vendégoktató – Budapesti Corvinus Egyetem

About me

- Dual-MSc in econom
- After 2 year turned f
- Was managing large- ppl; advisor to the g
- Currently: mentor at Academy and Centre YourAnastomosis
- „Standing on the sh
- Demanding clients
- Practice + Theory
- PhD at Corvinus
- Joined OpenExO and Fortune500 compan

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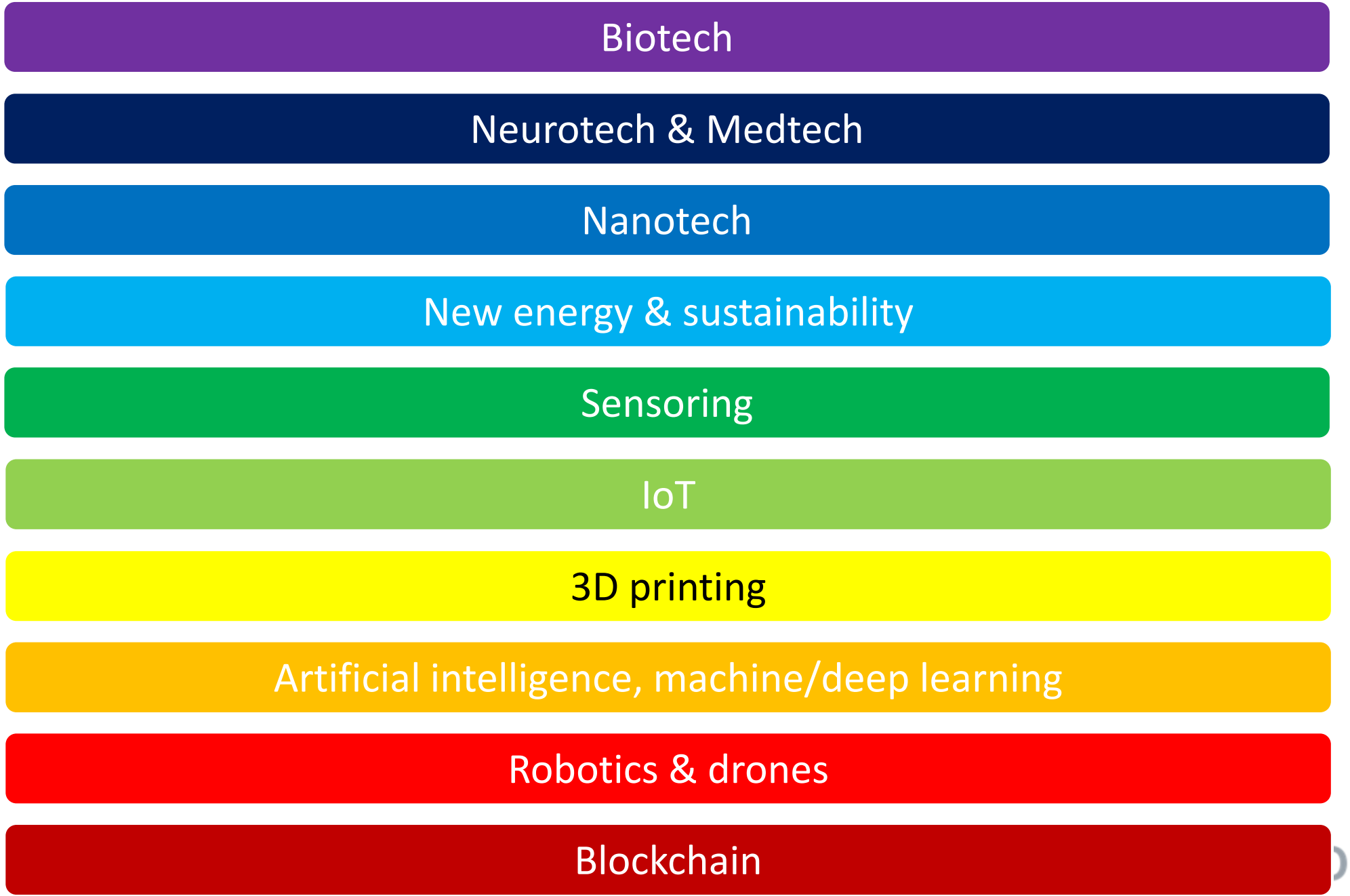
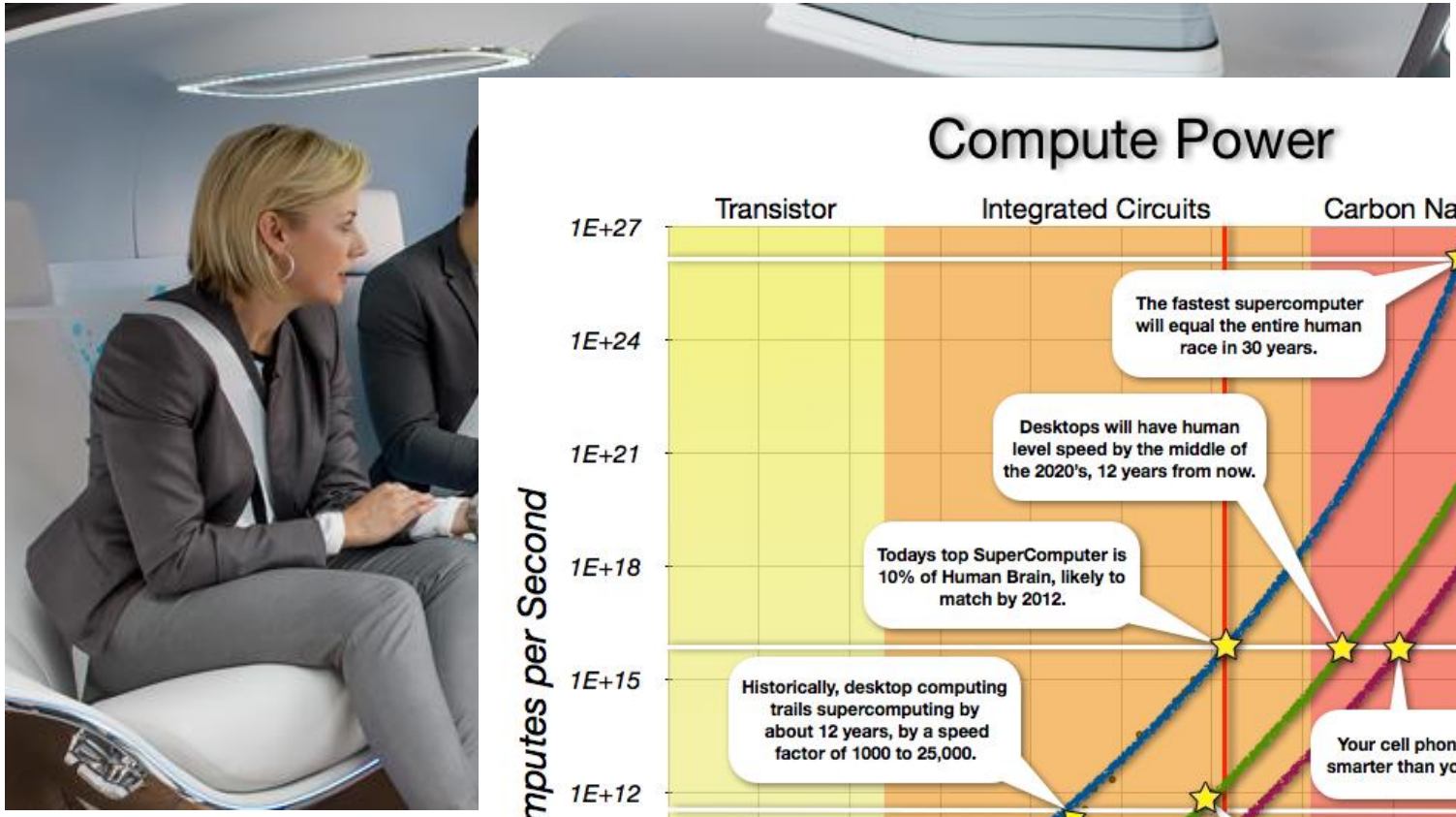
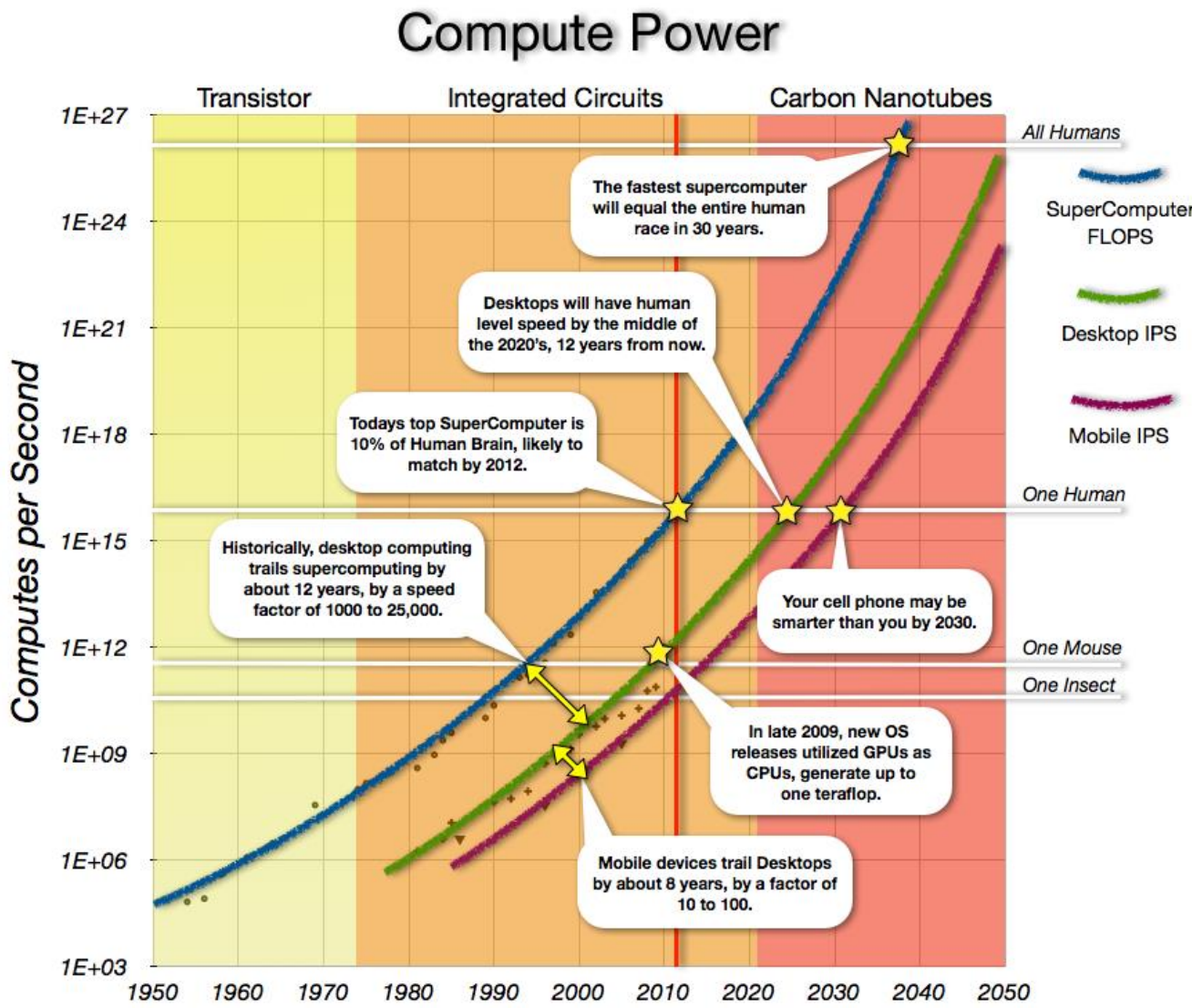
Many disruptive technologies going mainstream all at once



Why to talk about exponentials?





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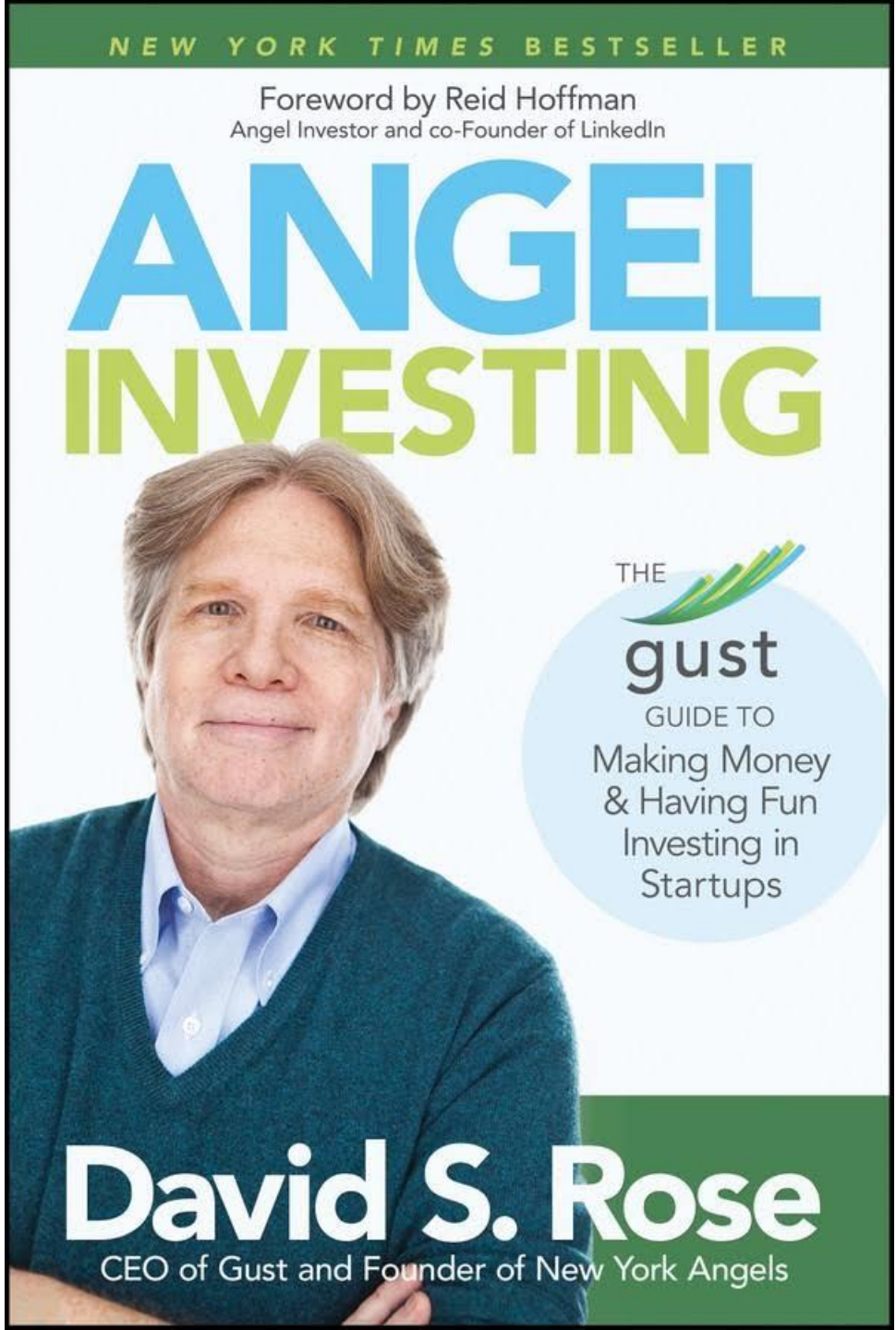
„Any company designed for success in the 20th century is doomed to failure in the 21st”



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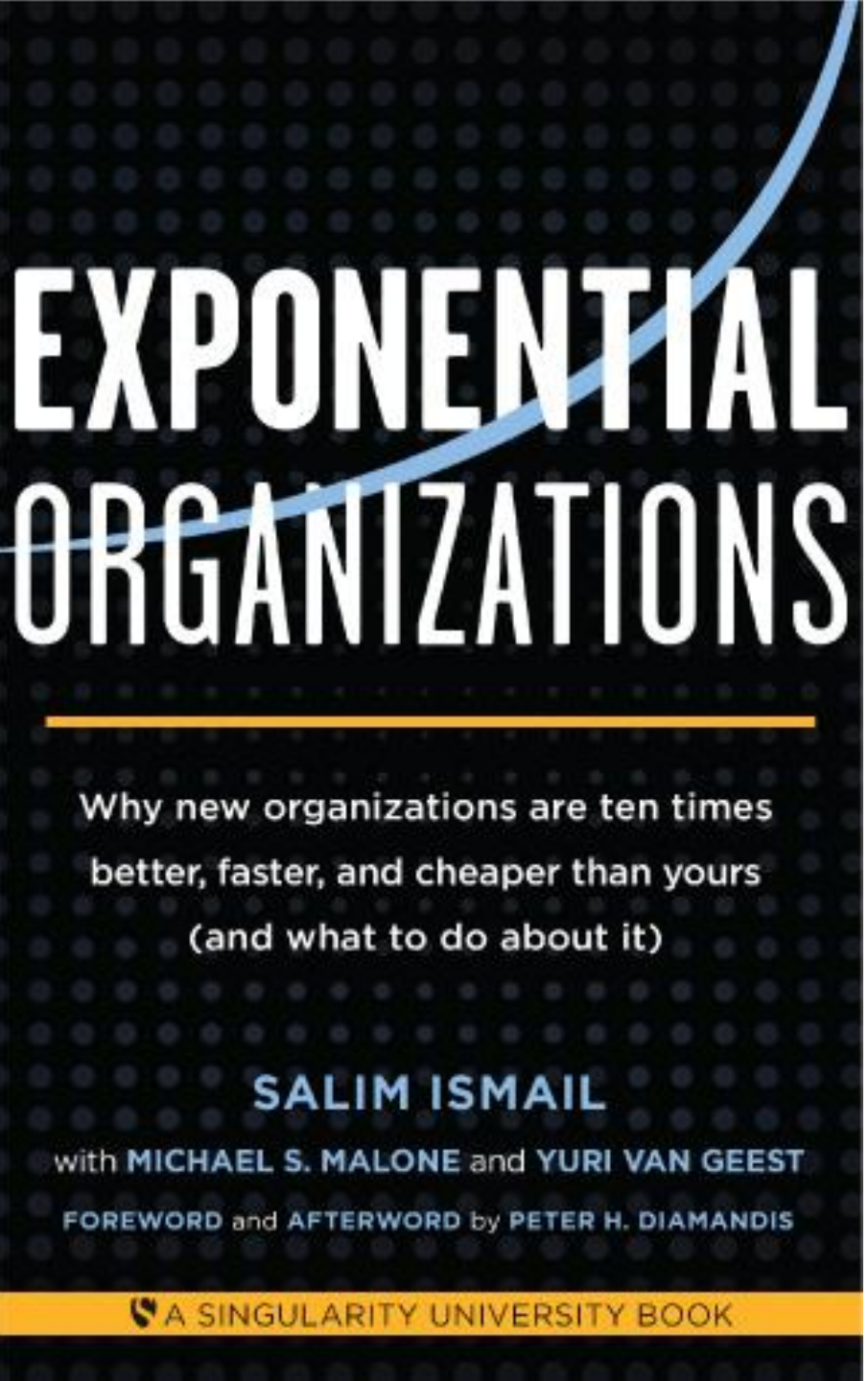
Old profit driver: selling scarcity

New profit driver: leveraging abundance



Accessing and managing abundance

Google

airbnb

TESLA

VALVE

NETFLIX

GitHub

UBER

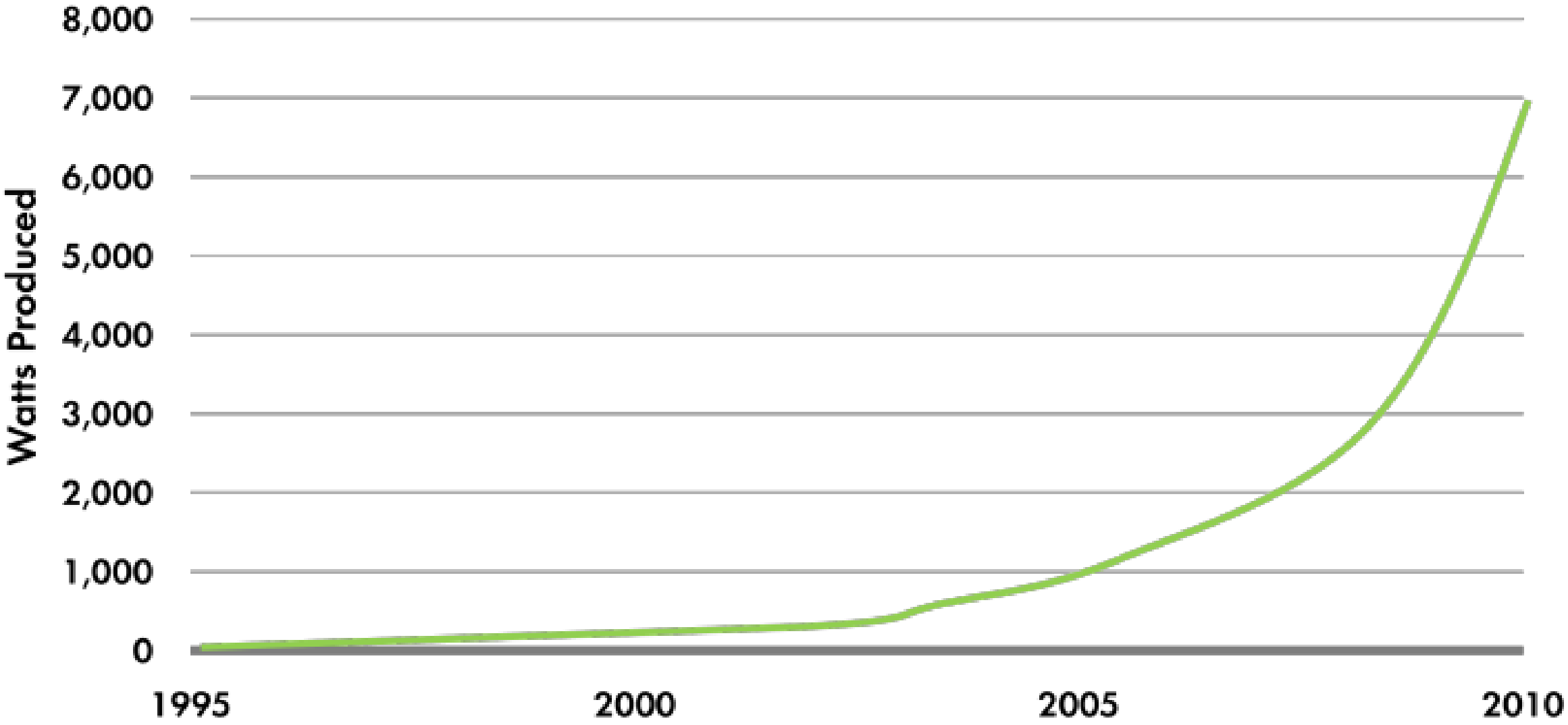
waze

TED

exoworks

How does it look like?
The 6 Ds of Exponential Organizations

Annual photovoltaic production



Source: GTM Research

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SCI-TECH

Coal museum switches to solar to save money

A Kentucky museum devoted to the history of coal is abandoning its namesake for a simple reason: coal's too expensive.

BY **LISA BRACKMANN** / APRIL 11, 2017 7:05 PM PDT

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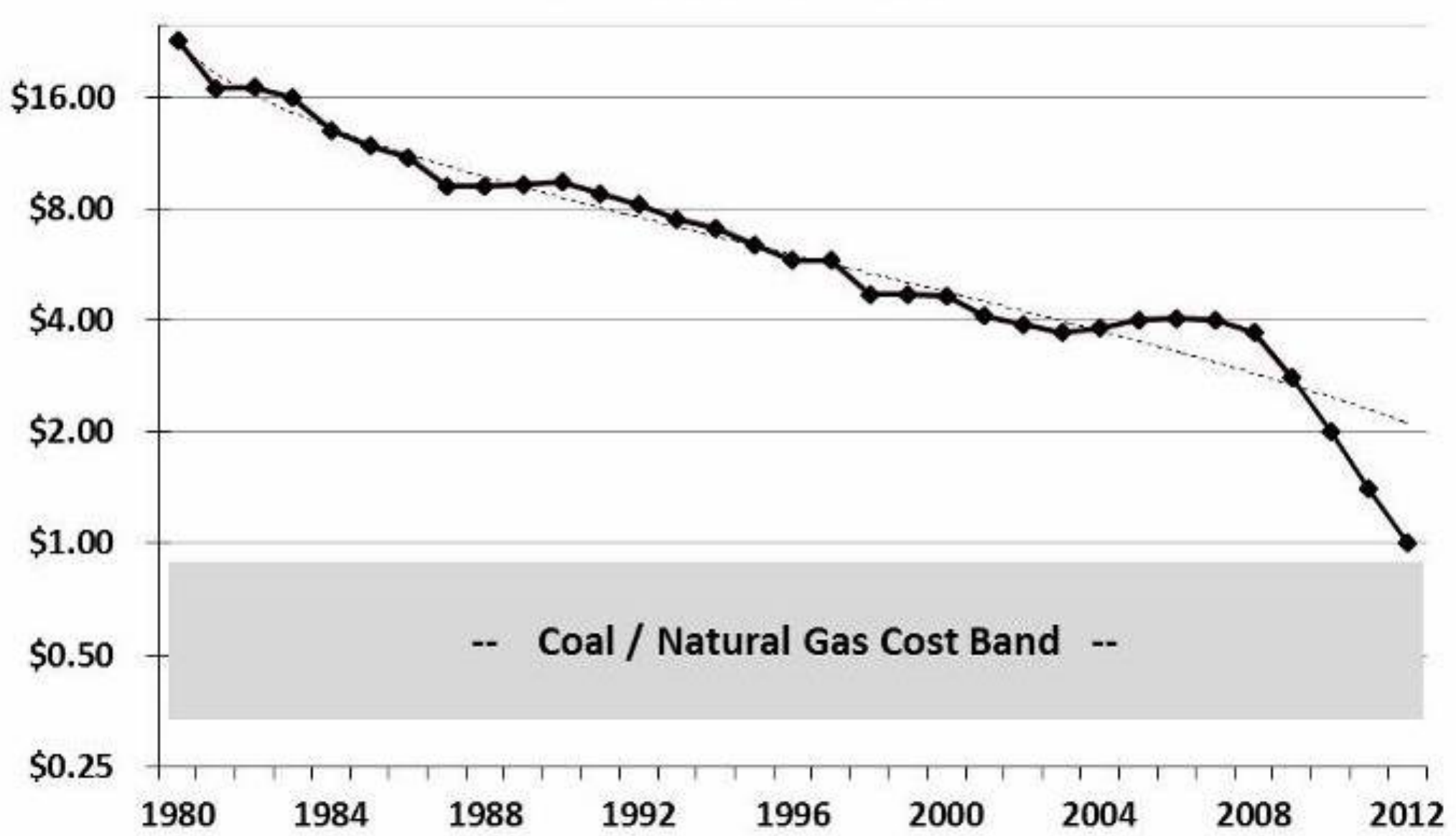
Plummeting cost of solar modules ($/W)

TOP Solar Expert in 2003: cost of all components (polycrystalline silicon ingots, protective glass & silver in wiring) will never drop below $1/watt



Source: DOE NREL Solar Market Report, 2012

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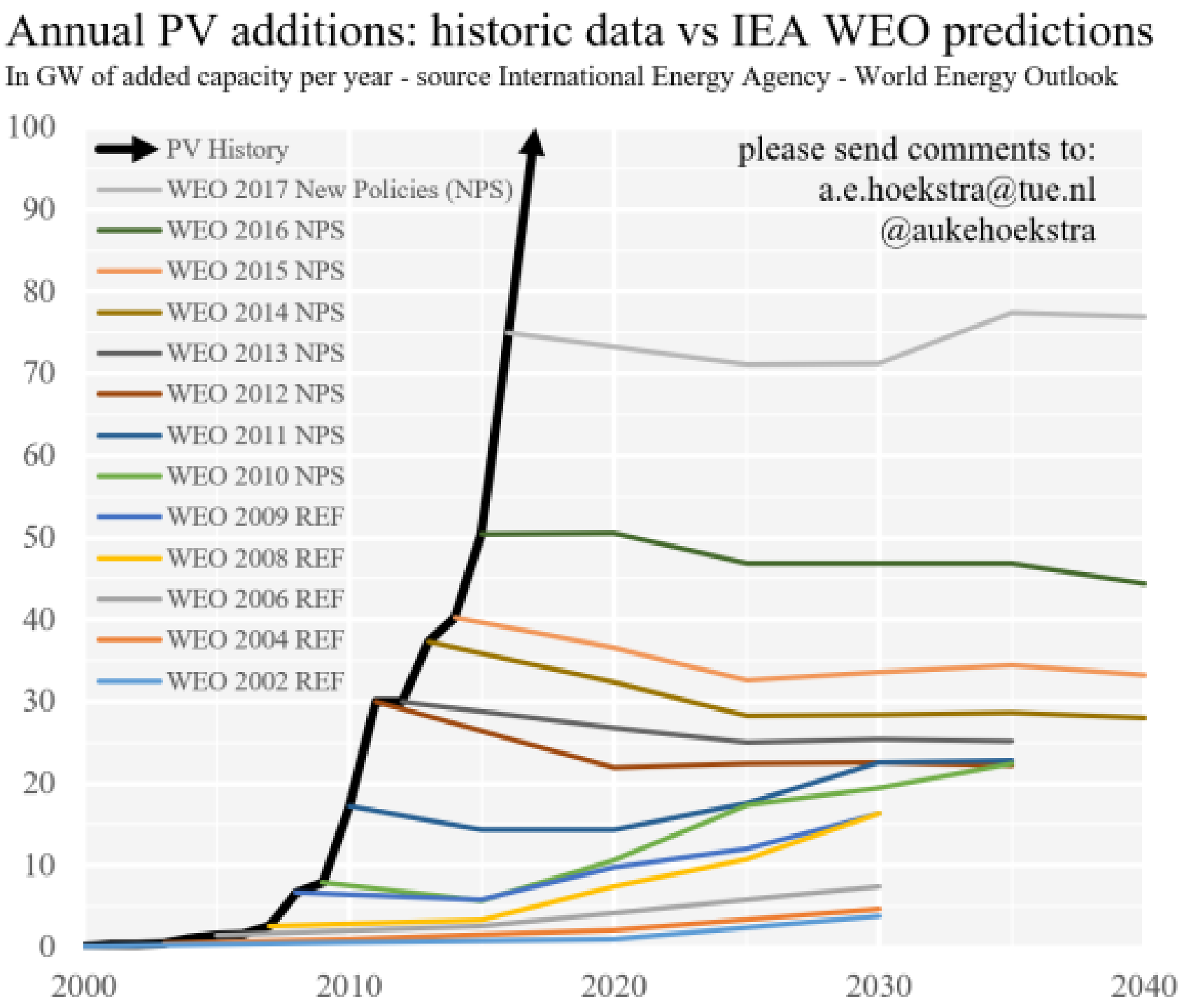
Solar capacity



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Cost of starting an internet business fell by 1000x

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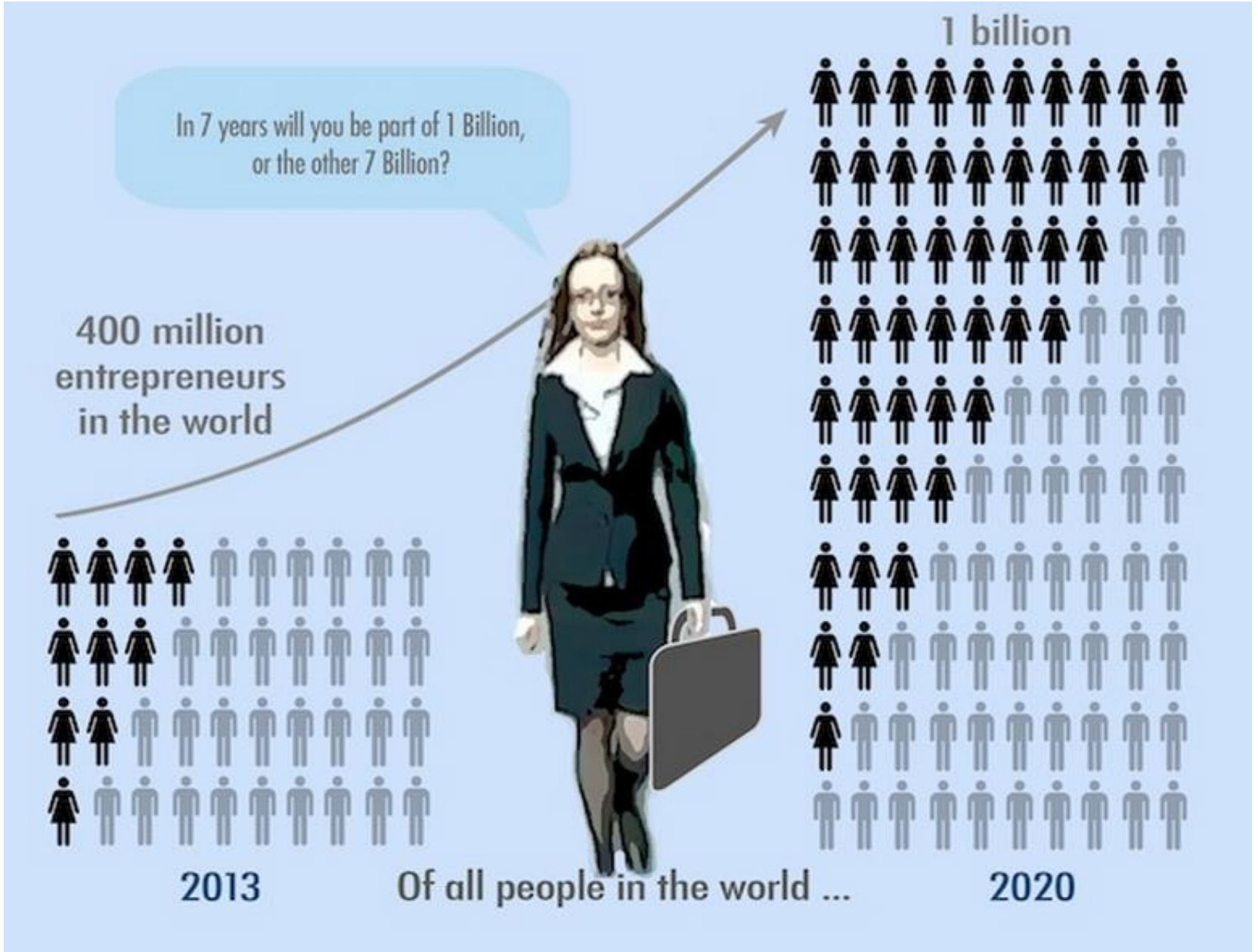
By 2020: 1 billion entrepreneurs



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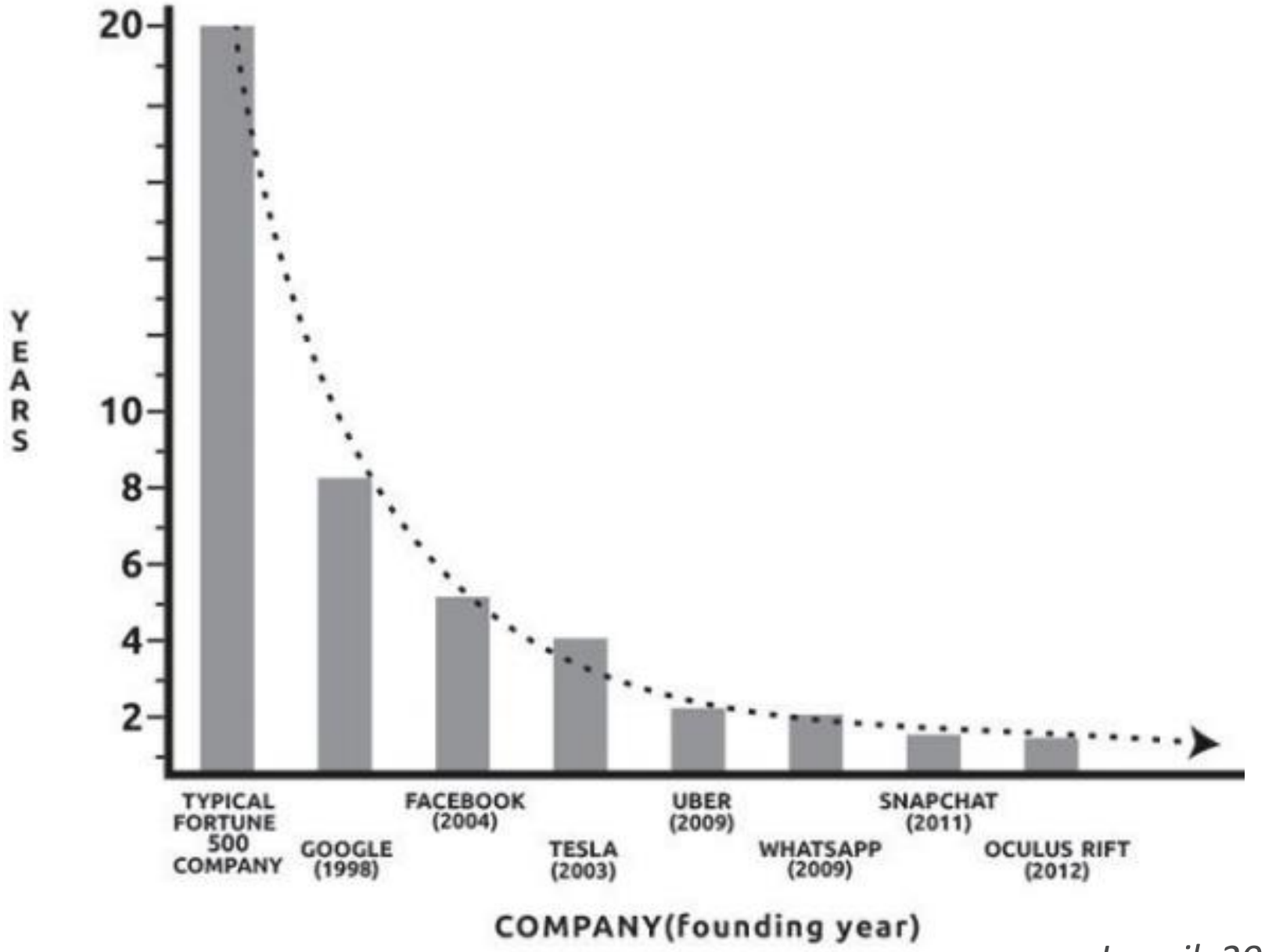
Time to reach $1 billion market cap



source: Ismail, 2014

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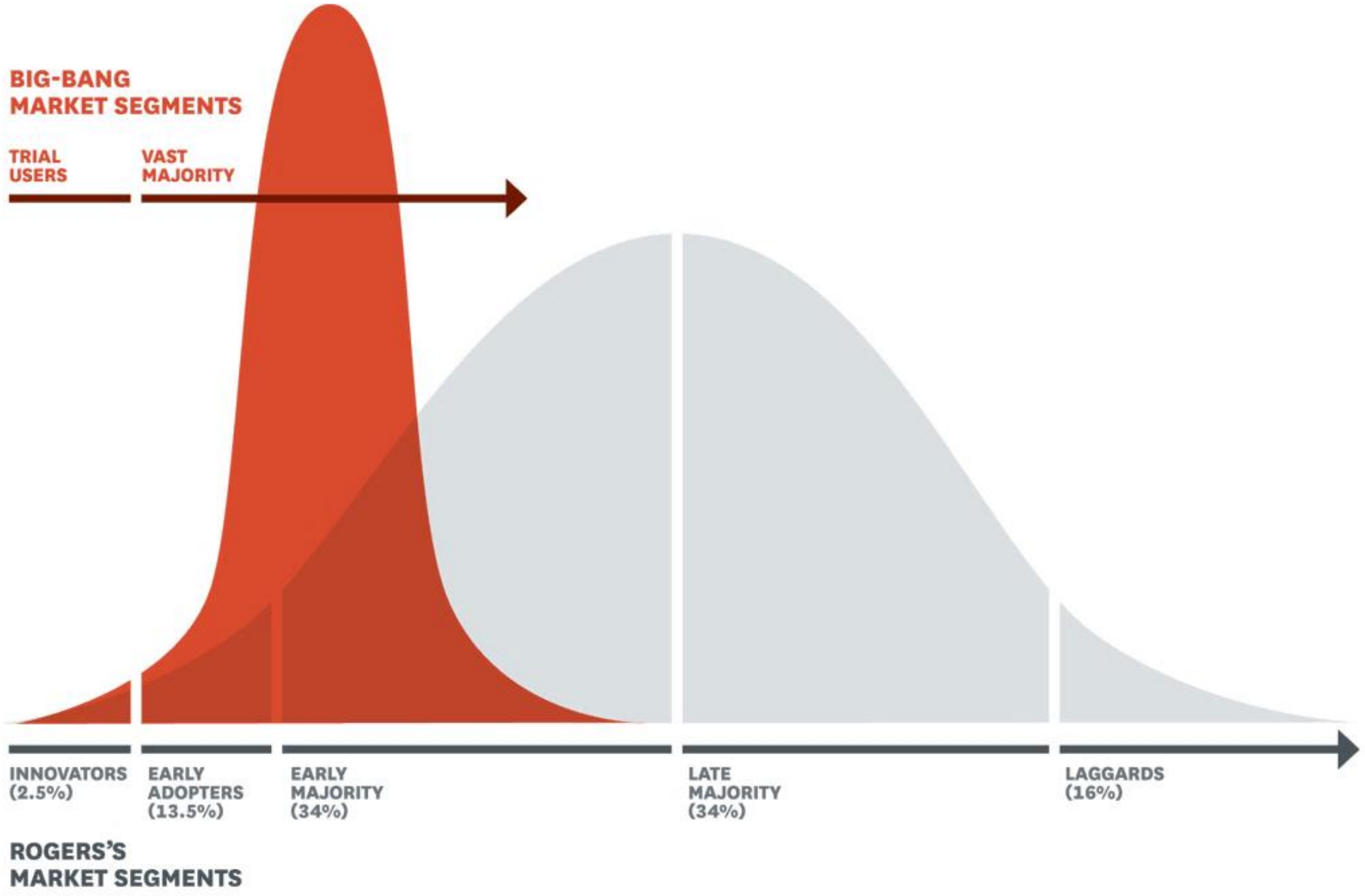
Big bang innovations



source: Downes – Nunes, 2014

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GLOBAL UNICORN CLUB: 260 PRIVATE COMPANIES VALUED AT $1B+ MARKET MAP (as of 8/13/2018)

AUTOTECH

YOUXIA MOTORS · 大搜车 · NIO · pony.ai · ZOOX · QUANERGY · 途虎养车 TUHU.CN · 小鹏汽车

TRAVELTECH

Lime · KLOOK客路 · traveloka · JETSMARTER · BIRD · 哈罗单车

MEDIA

BuzzFeed · SoundHound Inc. · VICE · 一点资讯 · VOX MEDIA · ByteDance · STX ENTERTAINMENT

CYBERSECURITY

CYLANCE · CROWDSTRIKE · Lookout · TANIUM · DUO · 同盾科技 · CLOUDFLARE · illumio

SOCIAL

hike · 蘑菇街 · 快手 · DISCORD

ON-DEMAND

滴滴 · 曹操专车 · OLA · deliveroo · NewDada 新达达 · Gett · taxi · ofo · SWIGGY

INTERNET SOFTWARE & SERVICES

Quora · docker · Face++ 旷视 · TEN-X · rubrik · 沪江 · AppNexus · INMOBI · APTTUS · 猿辅导 · PANSHI 盘石 · MEDALLIA · Preferred Networks · NETEASE 网易 · MediaMath · APPLOVIN · ABCmouse.com · AppDirect · afiniti · 斗鱼 · freshworks · VIPKID · infor · 知乎 · AUTOMATTIC · sprinklr · snowflake · legalzoom · SQUARESPACE · DRAFTKINGS · SMS ASSIST

DATA & ANALYTICS

Dataminr · UPTAKE · INSIDESALES.COM · OVH.com · MarkLogic · actifio · qualtrics

HEALTHCARE

GRAIL · Clover · HUMAN LONGEVITY, INC. · Zocdoc · HeartFlow · ottobock

E-COMMERCE

AUTO1 GROUP · THG · Quikr · 贝贝 · coupang · 小猪 · 大众点评 · 找钢网 · Thumbtack · wish · tujia · 微票儿 · SHOPCLUES · 小红书 · houzz · airbnb · 蜜芽 · ABOUT YOU · WARBY PARKER · letgo · OfferUp · 链家 · Fanatics · VANCL 凡客诚品 · 返利 · 猫眼电影 · JollyChic · TechStyle · snapdeal · 口袋购物 · 3FG · JUMIA · 闲鱼 · Eventbrite · FARFETCH · 瓜子

FINTECH

avaloq · 拉卡拉 · coinbase · SoFi · 团贷网 · Kabbage · OakNorth · AVANT · Revolut · 老虎证券 · credit karma · nubank · LifeMiles · BITMAIN · Funding Circle · policybazaar · avidxchange · GUSTO · stripe · TransferWise · 陆金所LU.com · ZENEFITS · Atom · one97 · robinhood · SYMPHONY · affirm · Klarna · CIRCLE

OTHER

yello mobile · IMPROBABLE · ROCKET LAB · PROCORE · SENSETIME · JUUL · Opendoor · GINKGO BIOWORKS · KATERRA · Mofang · NUCOM GROUP · L&P Cosmetic · ReNew POWER · ironSource · 依图 | YITU · 美菜 · TRADESHIFT · 罗辑思维 · RUBICON · COMPASS · iTutorGroup · KENDRA SCOTT · UCOMMUNE · 居然之家 Easyhome · APUS · IoT · AUTOMATION ANYWHERE · SPACEX · PROMASIDOR · wework · CELLC · 满帮集团 · BREWDOG · unity · mindmaze · YH Global · ESR · toast · luckin coffee · TGI · Supreme

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CBINSIGHTS

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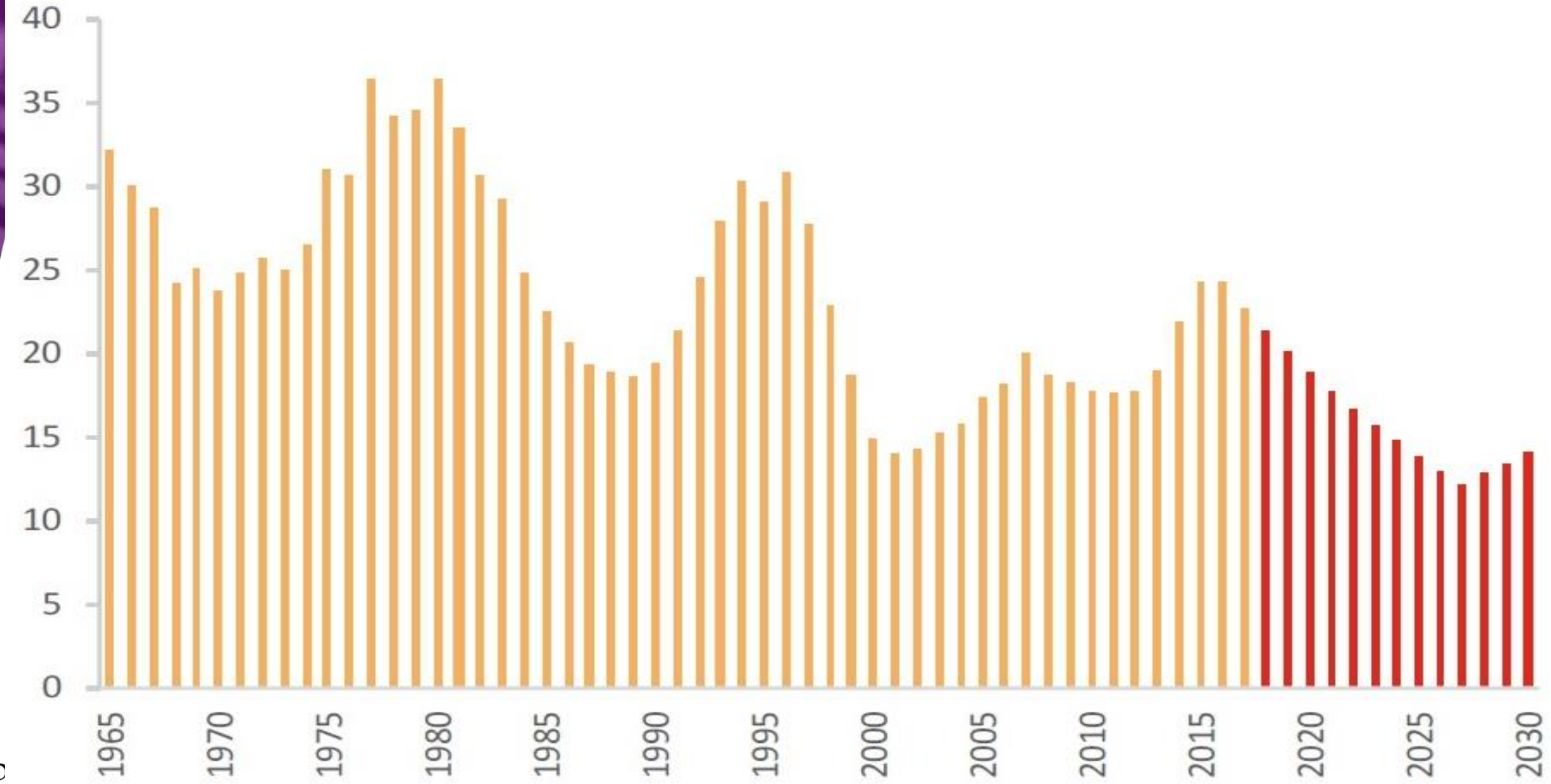
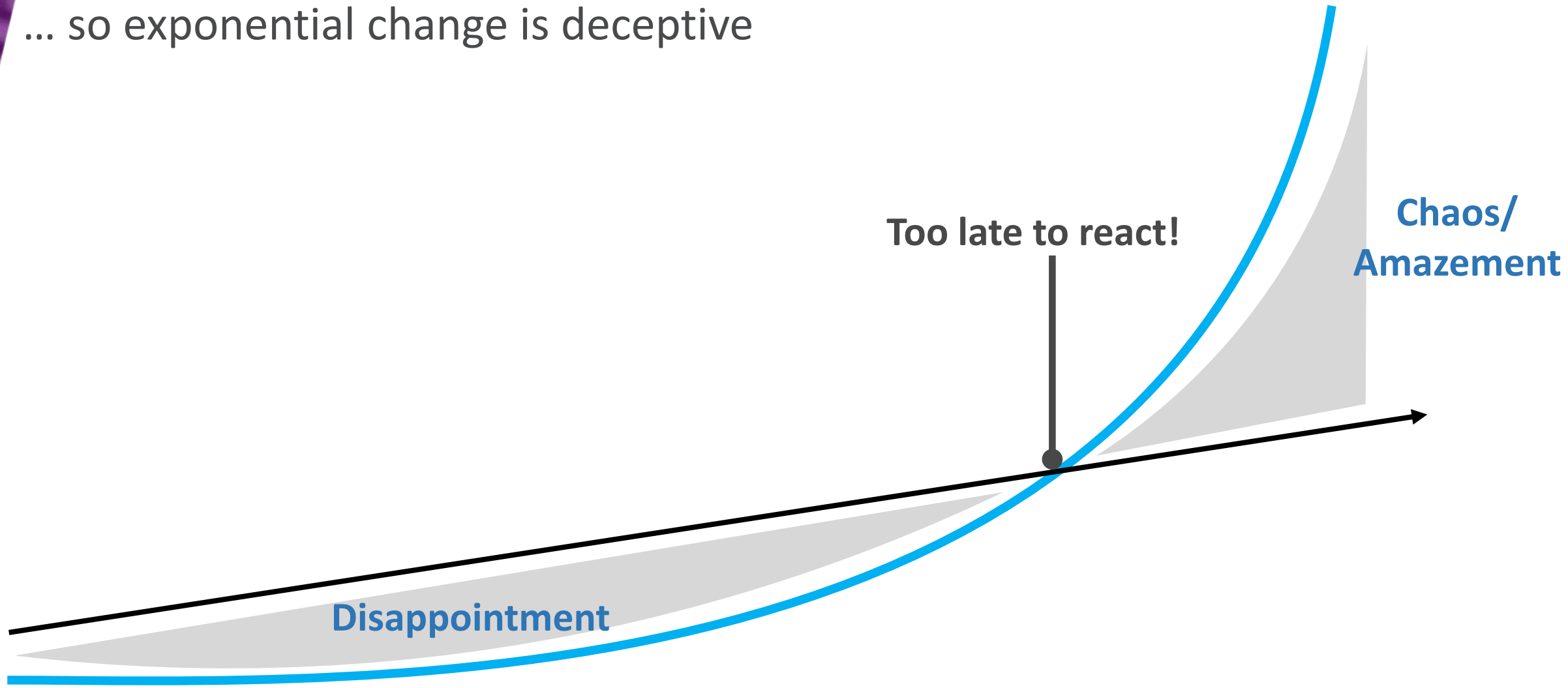
In 10 years 40% of companies in the S&P index will be gone



source: Innosight, 2018

Our brains prefer linear thinking…

… so exponential change is deceptive



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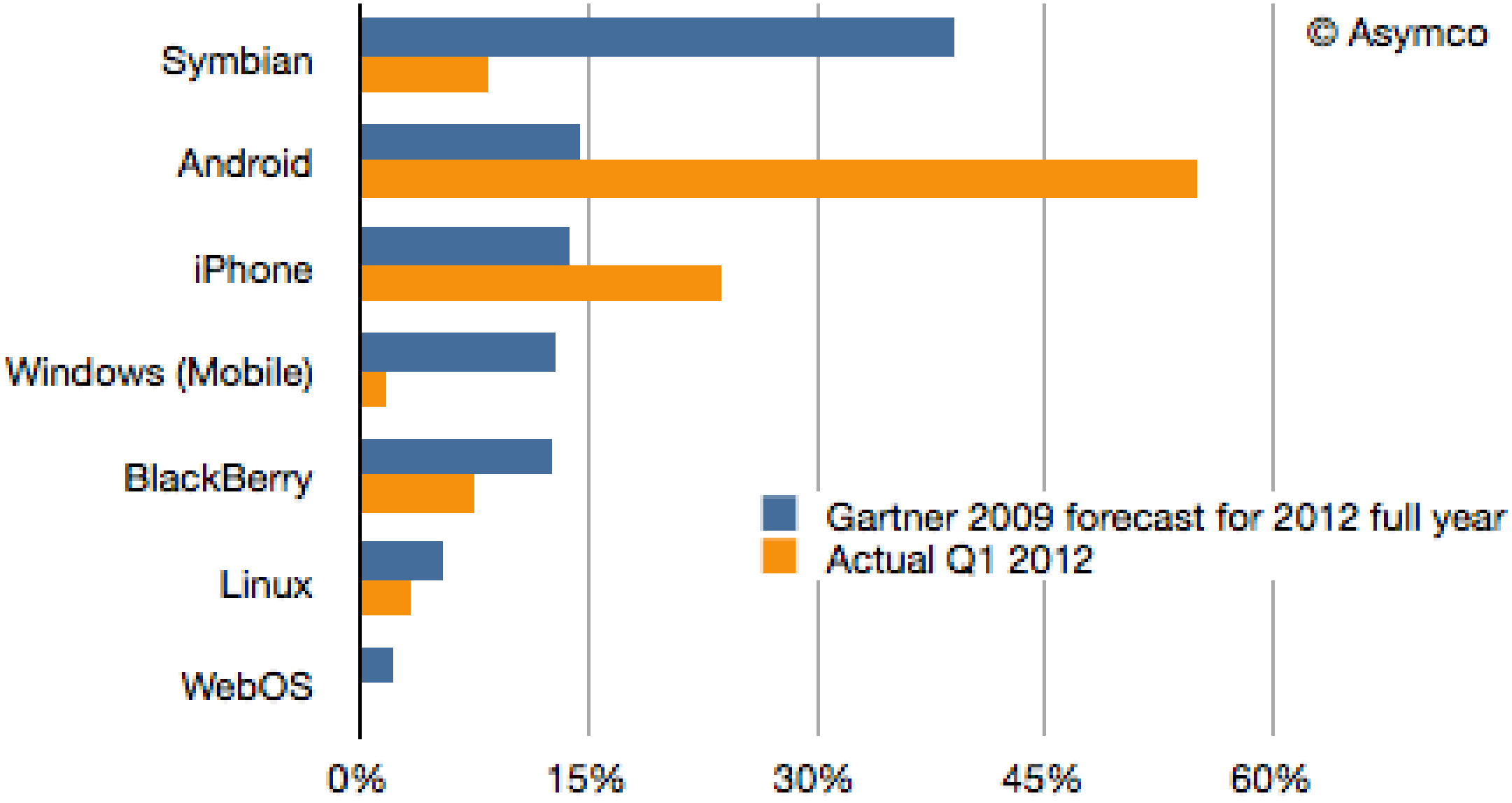
Gartner prediction (2009) vs. actual (2012) mobile shares



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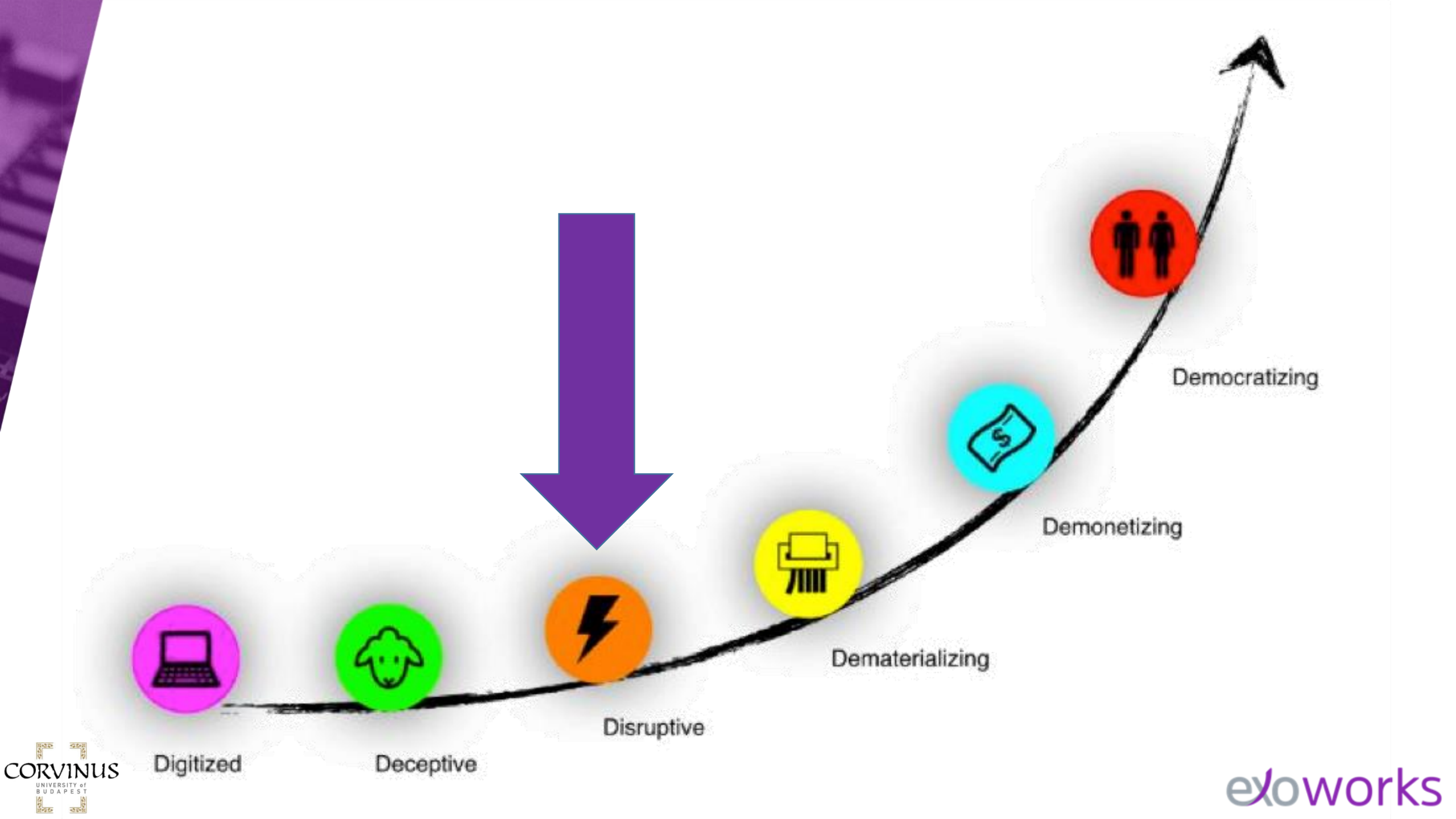
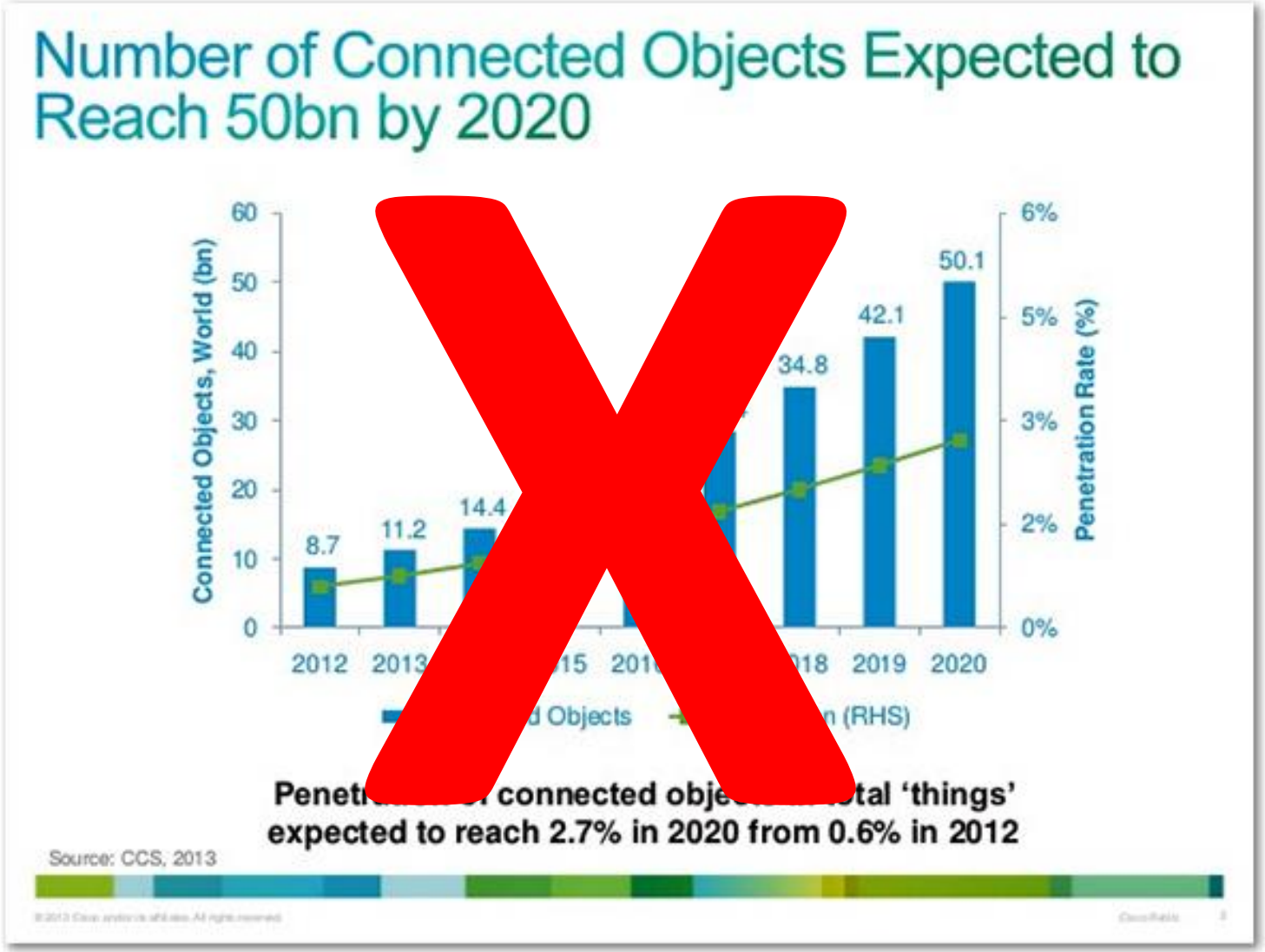

Digitized
Deceptive
Disruptive
Dematerializing
Demonetizing
Democratizing

IoT devices by 2020

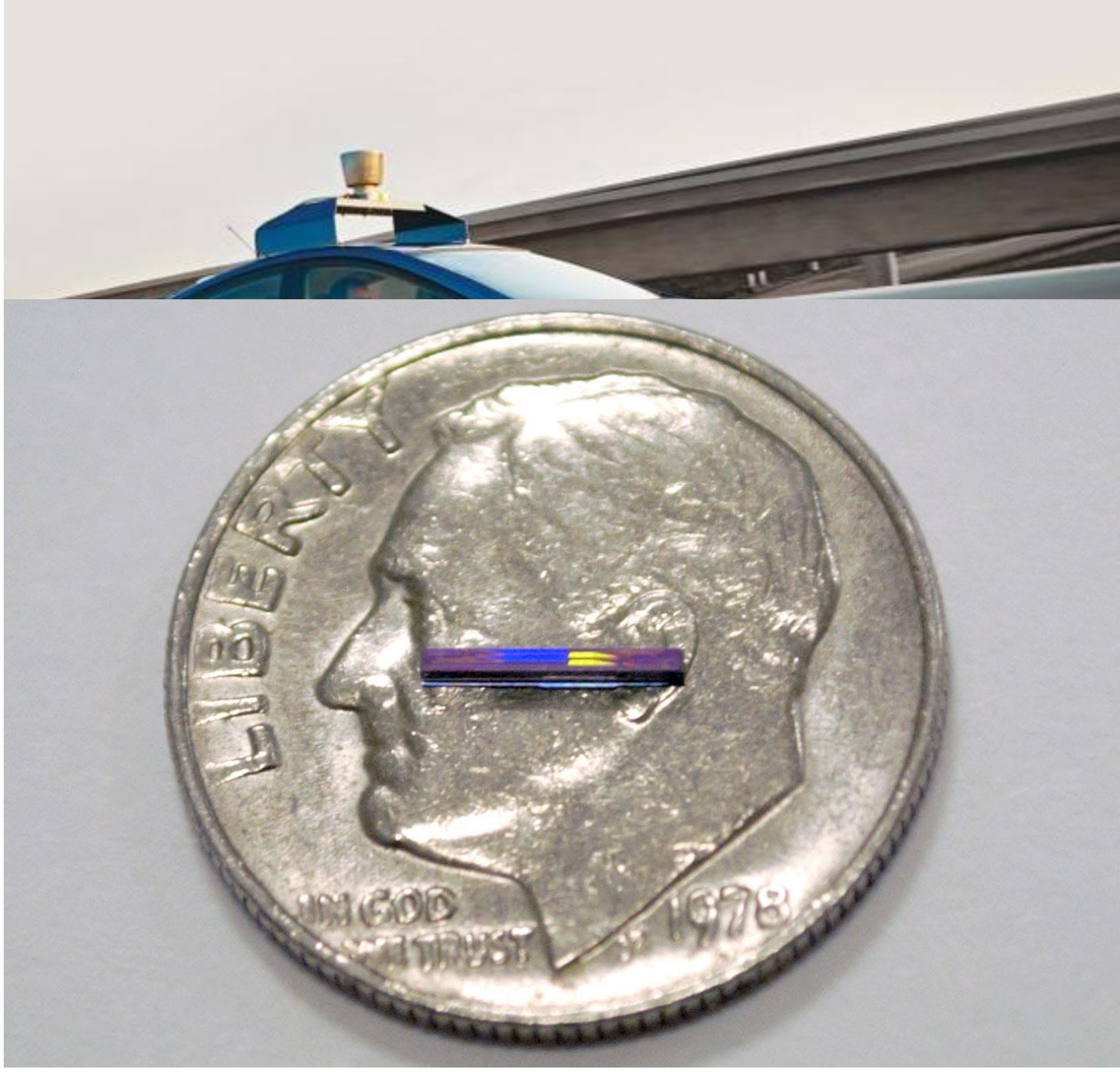
- 2012 forecast: 50 billion
- 2016 forecast: 500 billion!



Car wash in Buenos Aires

Cost of LIDAR

- 2012: $75,000
- 2017: $50
- 2022: $10 (+1000x faster, 40 Gb/s)



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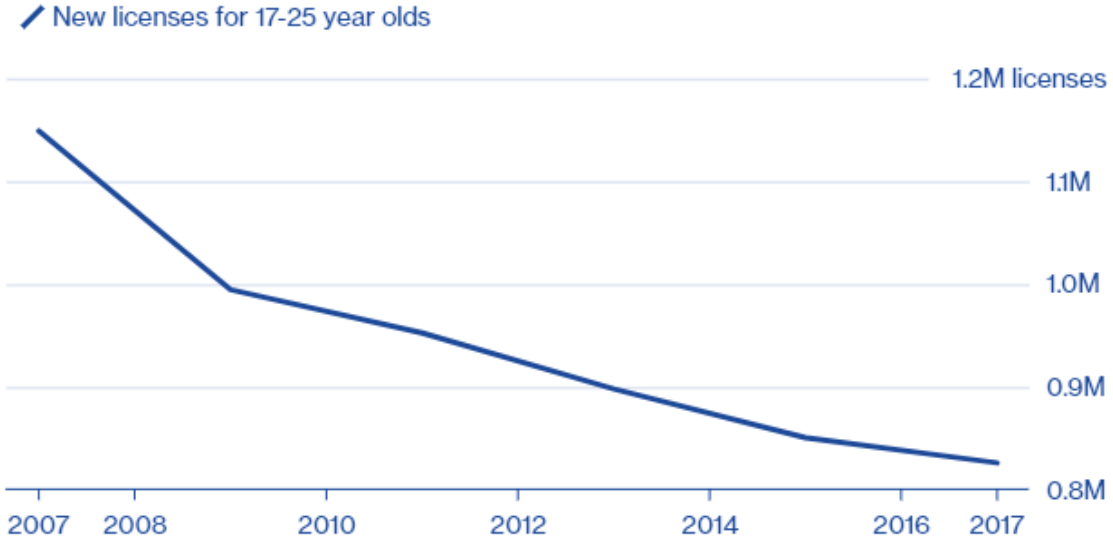
Nein Danke

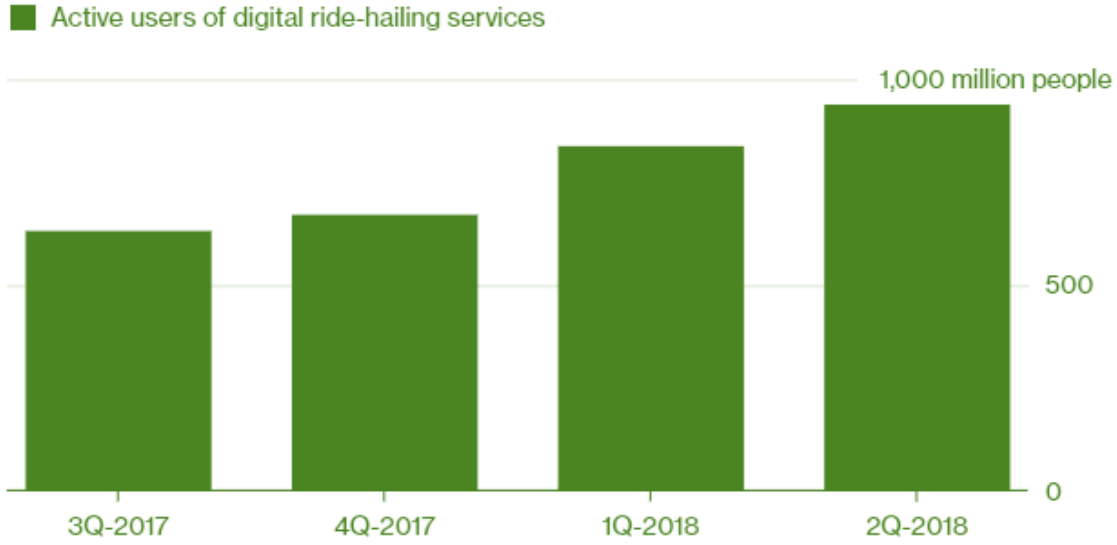
Fewer young Germans are starting to drive



Source: Germany's Motor Transport Authority

Uber Calling

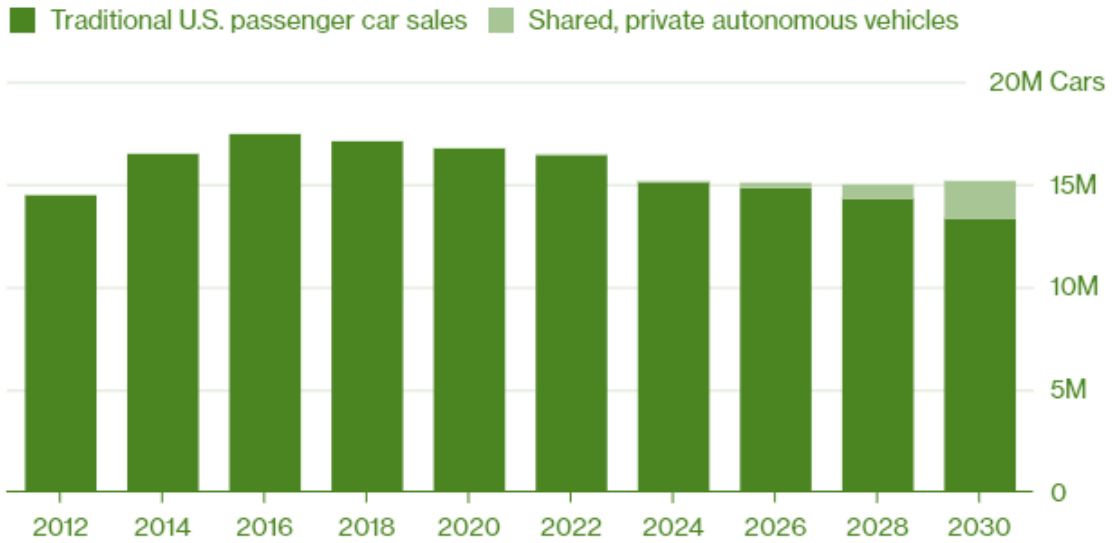
Nearly a billion people worldwide are using their smartphones to catch a ride



Source: Bloomberg New Energy Finance

Peak Car

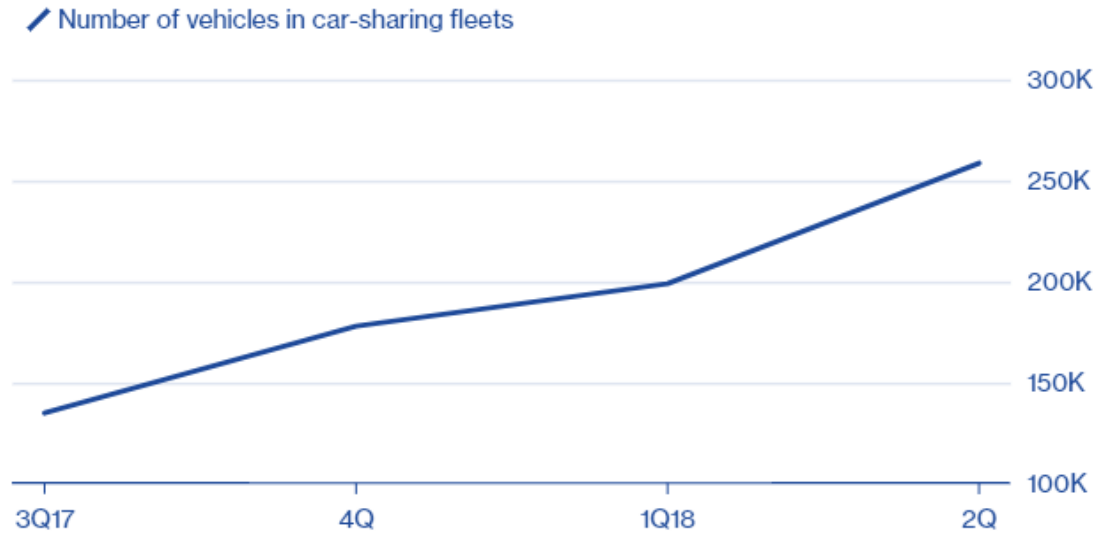
With all the mobility alternatives, fewer Americans will buy their own cars



Source: Berylls Strategy Advisors, Statista

More Mobile

Global car sharing fleets surge in size to improve availability

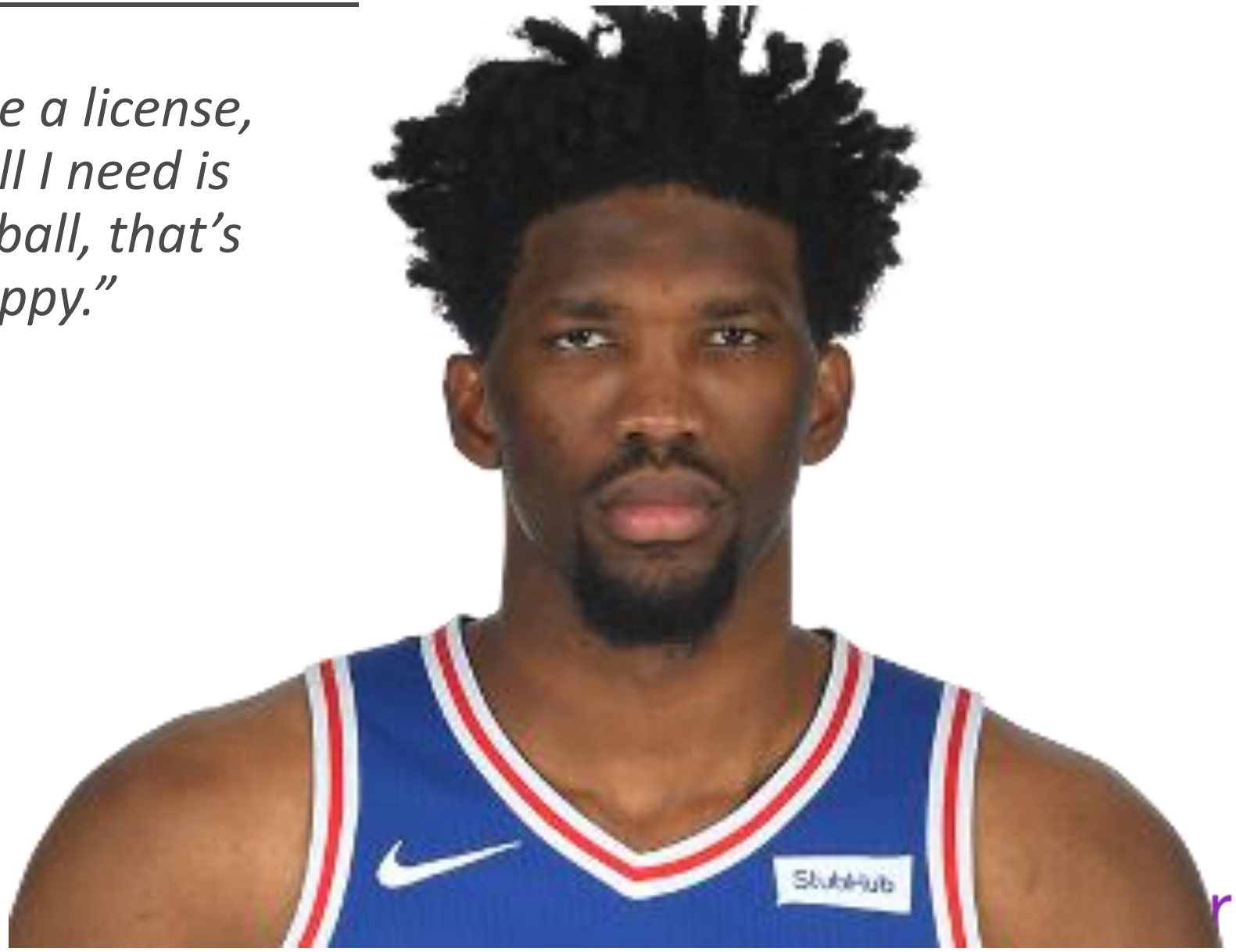


Source: Bloomberg New Energy Finance

What would you do after signing a five-year, $148 million contract?

“I don’t drive, I don’t have a license, so no cars, no houses. All I need is video games and basketball, that’s what makes me happy.”

Joel Embiid



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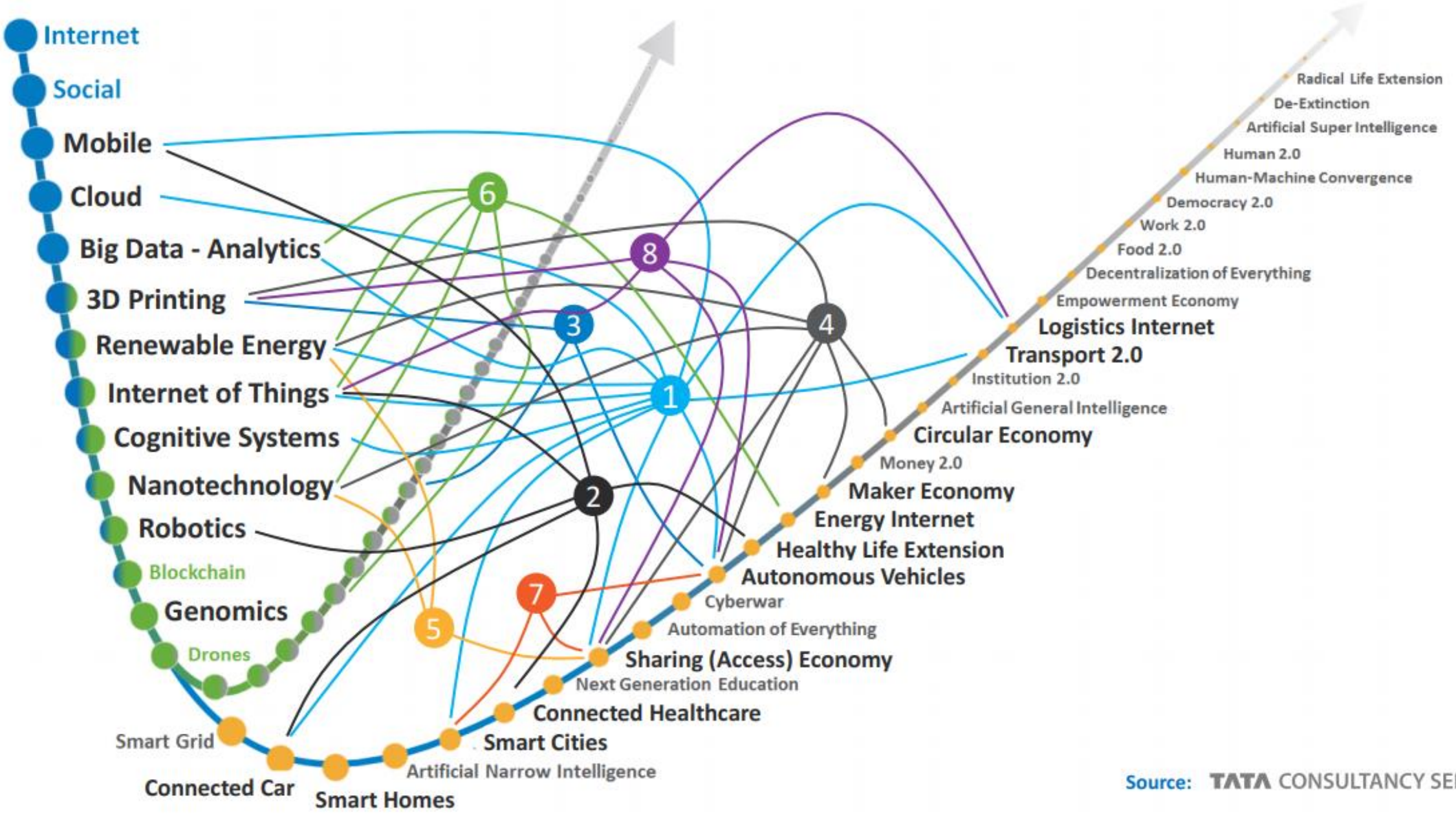
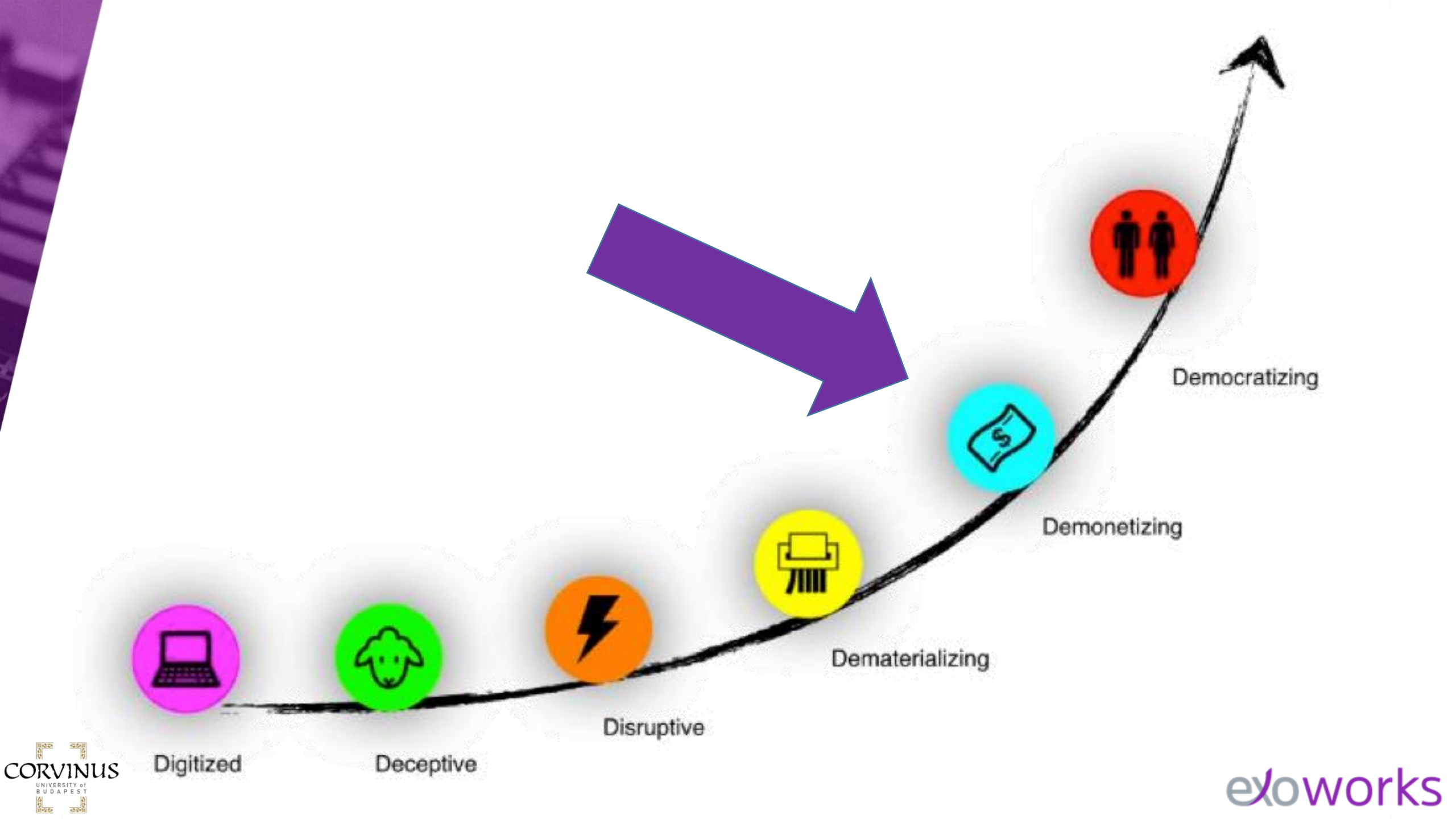
rks

Intersecting technologies – Parallel Gutenberg moments



Source: TATA CONSULTANCY SERVICES



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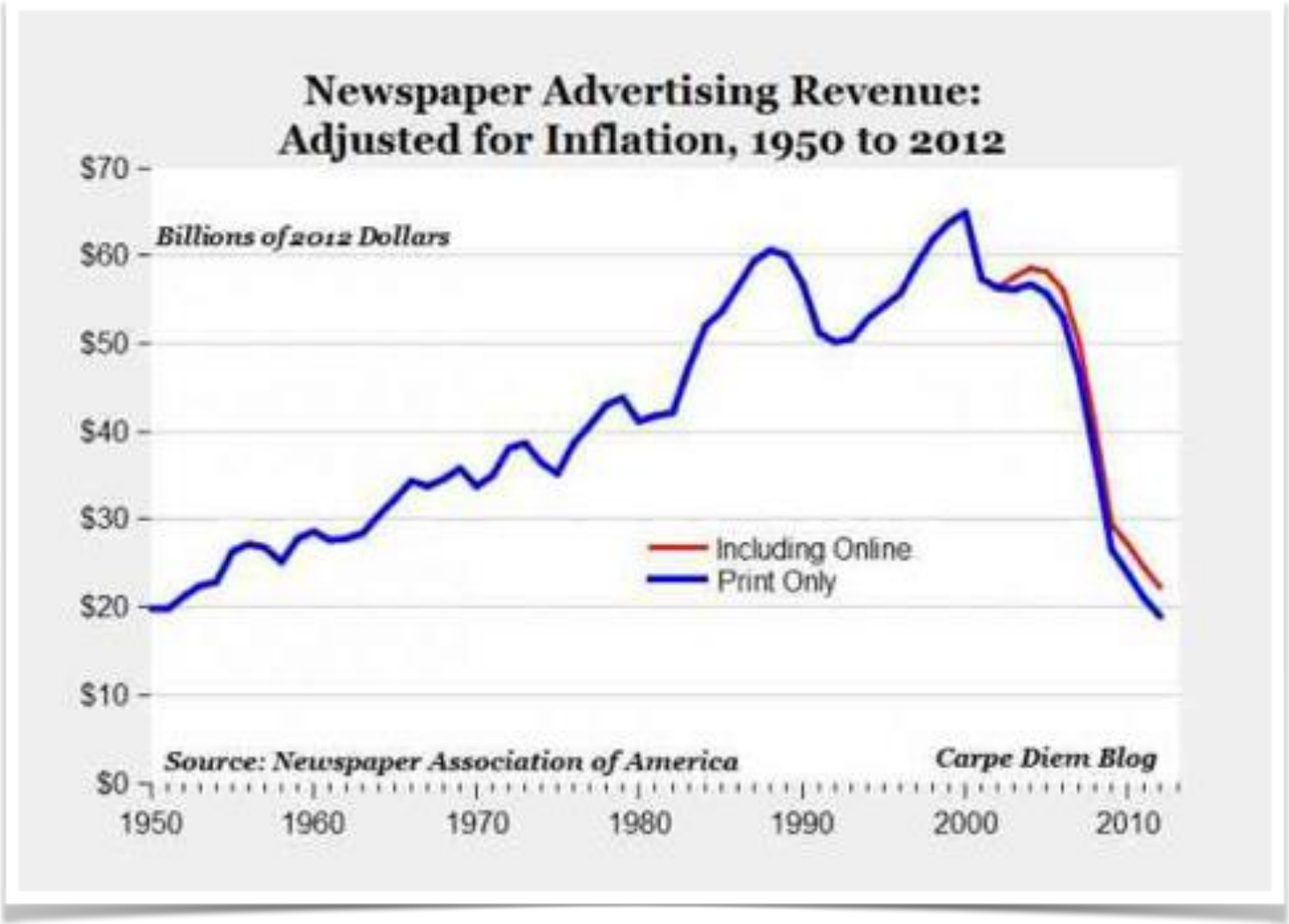
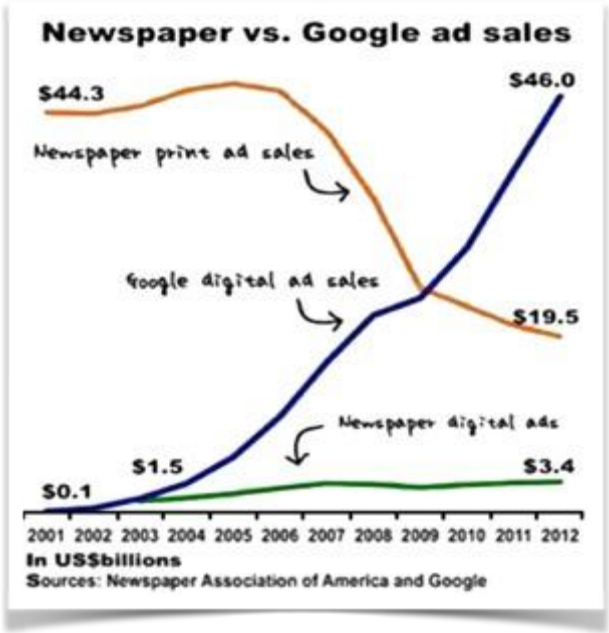
Newspapers





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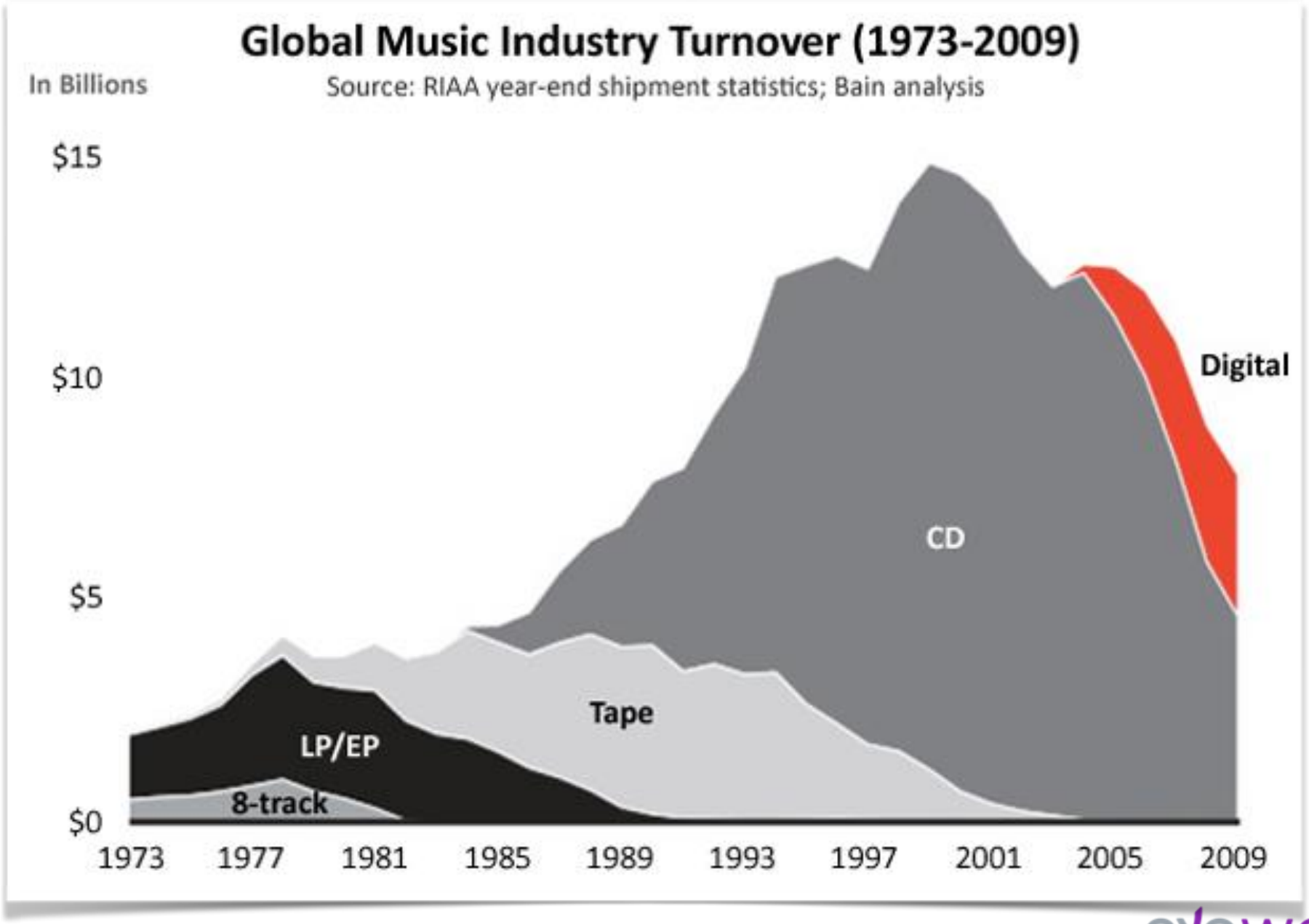
Music



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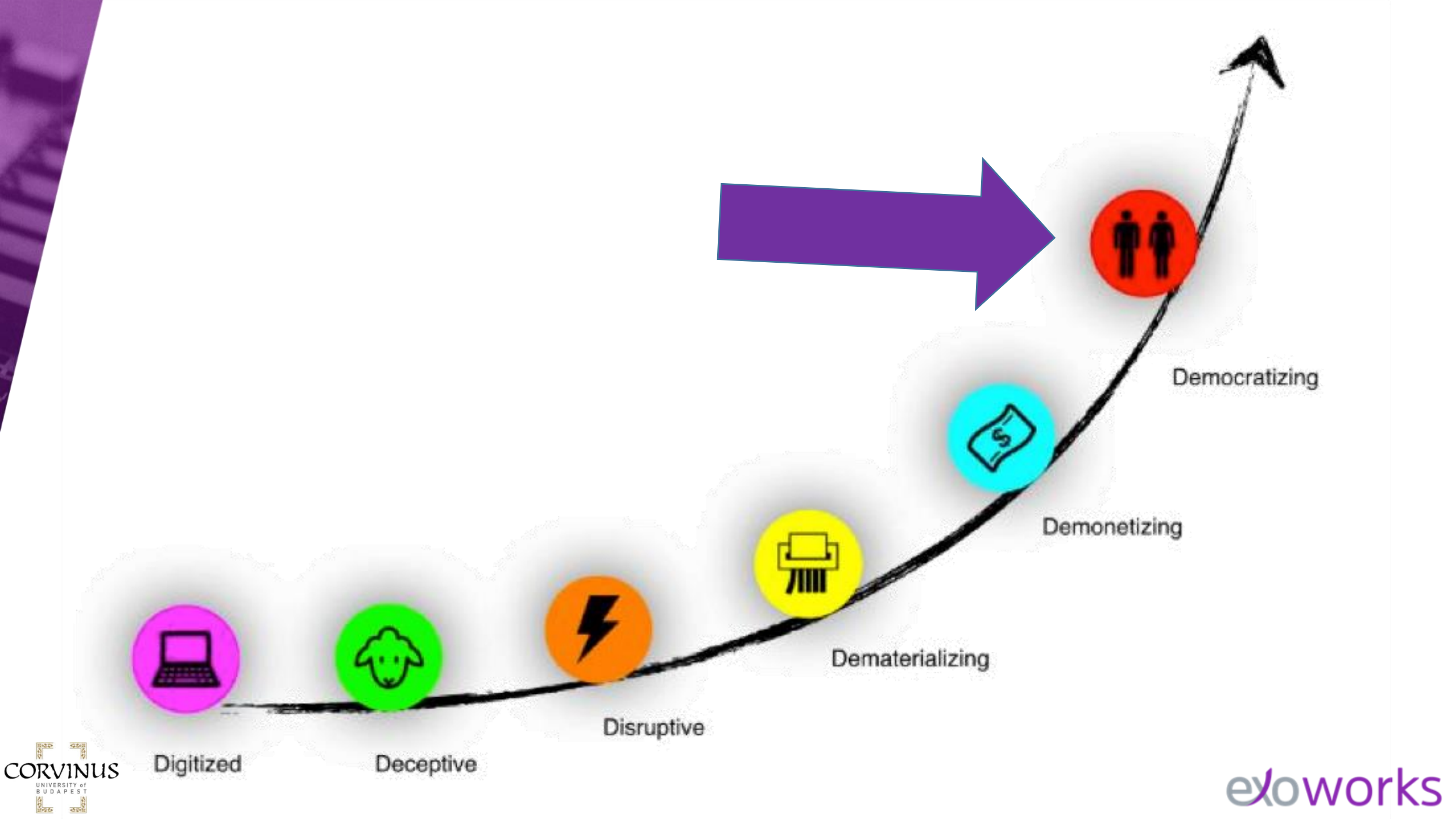
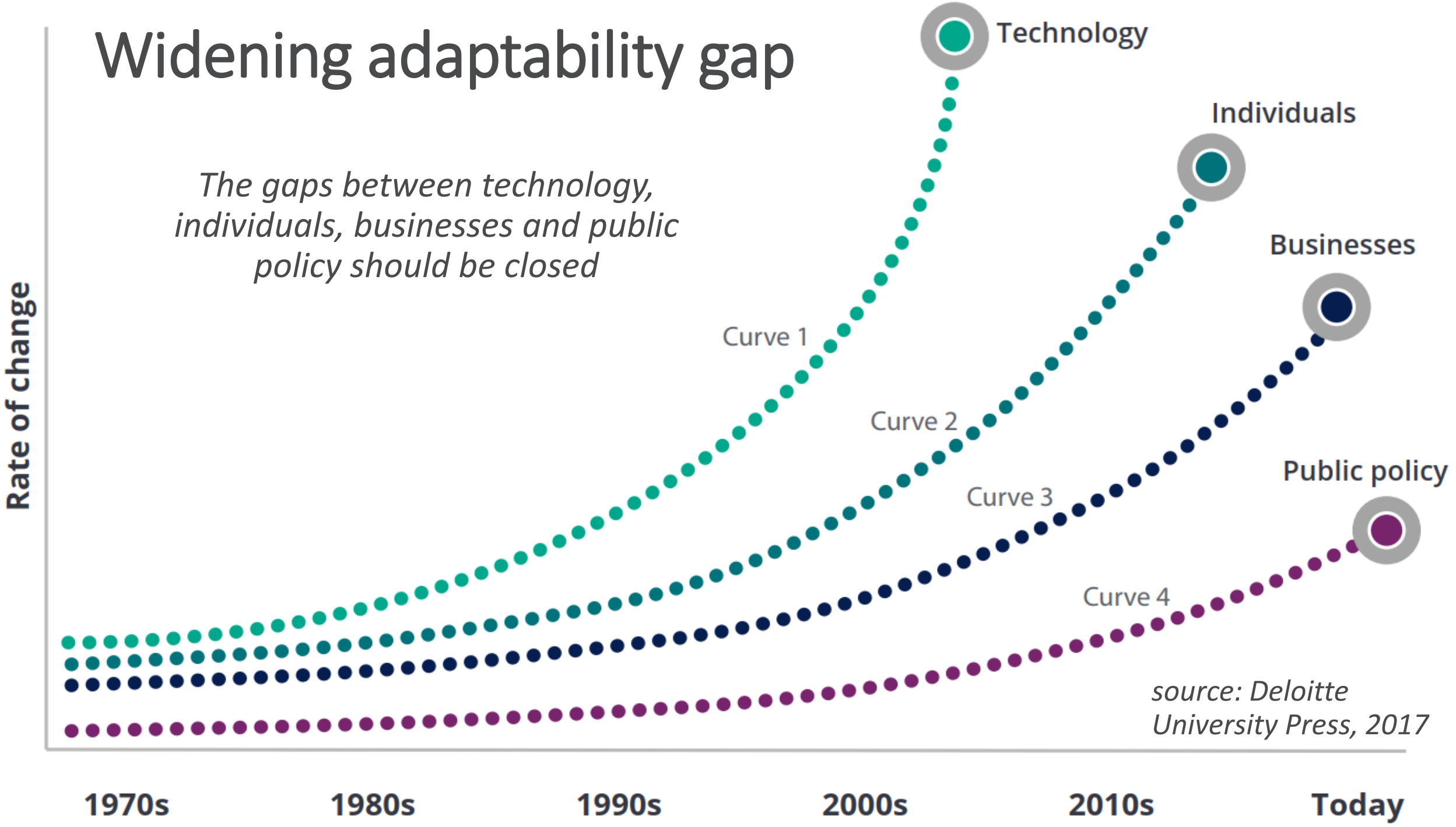

Democratizing
Demonetizing
Dematerializing
Disruptive
Deceptive
Digitized

Widening adaptability gap

The gaps between technology, individuals, businesses and public policy should be closed



source: Deloitte University Press, 2017

Q&A

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Create teams of 4-6

Exponential thinking exercise

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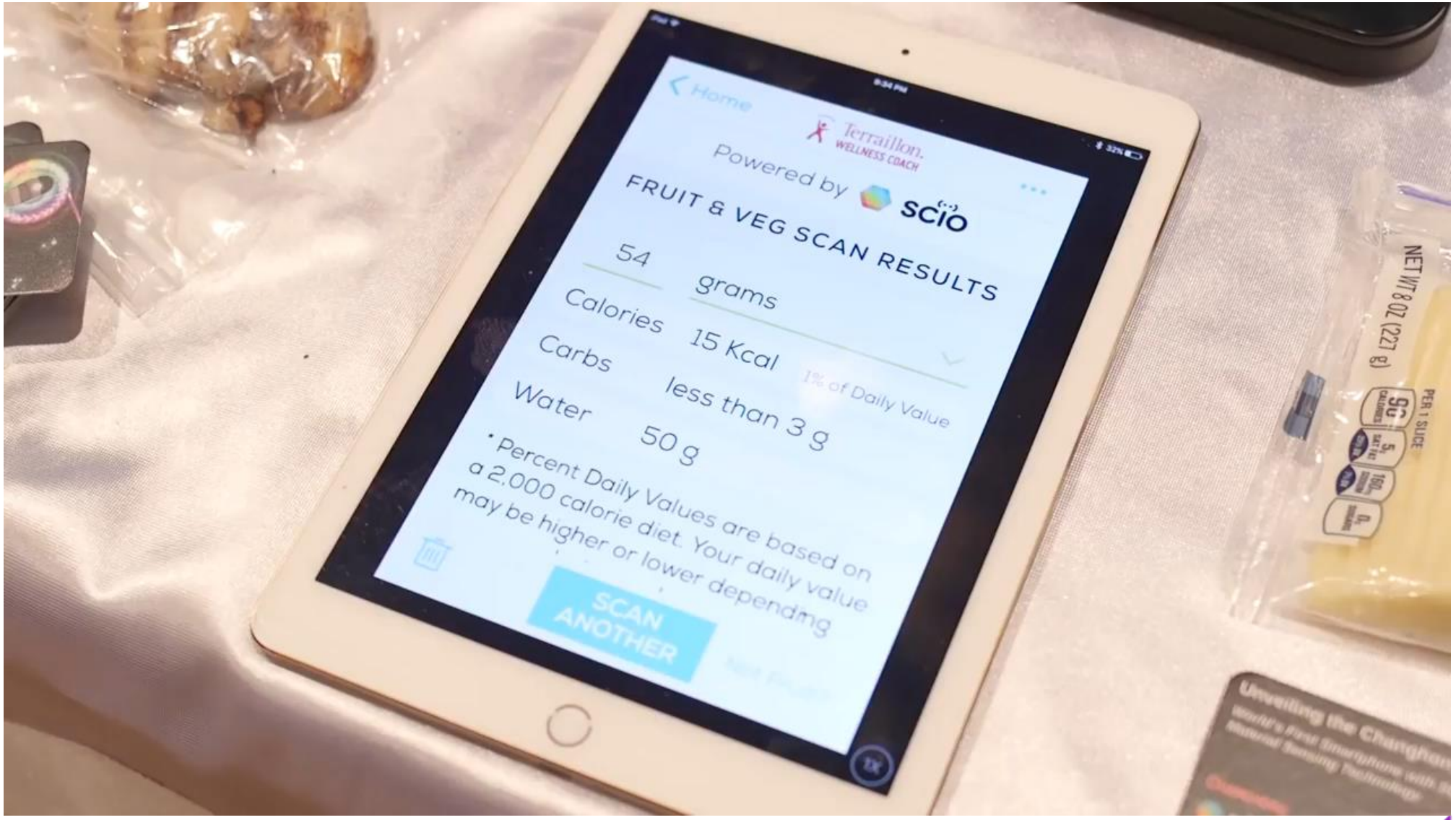
Example organization

- **Industry**: Food & Beverage
- **Founded:** 1962
- **Business Model:** Retail stores
- **Locations:** 6,200 stores in the world
- **Number of Employees:** 2,200,000
- **Revenue:** $485.651B USD
- **Profit:** $26.6B USD

SCIO



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Exercise: Linear vs. Exponential thinking

1. **Pick 3 technologies or startups** that could significantly impact your organization

2. Think both about the **opportunities and threats** that represent these technologies, and on what time horizon (20 minutes)

3. **Share** your results! (1 minutes / team)

Exponential technology or startup	Opportunity	Threat	Timing
1.			
2.			
3.			

The ExO formula

ExO

=

MTP + SCALE + IDEAS

ExO Canvas explained

OUTSIDE OF THE ORGANIZATION

How to reach ABUNDANCE?

INSIDE OF THE ORGANIZATION

How to manage ABUNDANCE?

ExO Canvas

MASSIVE TRANSFORMATIVE PURPOSE (MTP)			
INFORMATION	STAFF ON DEMAND	INTERFACES	IMPLEMENTATION
	COMMUNITY	DASHBOARDS	
	ALGORITHIMS	EXPERIMENTS	
	LEVERAGED ASSETS	AUTONOMY	
	ENGAGEMENT	SOCIAL	

ABUNDANCE →

→ **ExO**

Massive Transformative Purpose (MTP)

The higher, aspirational purpose of the organization.

The MTP serves as a guiding principle when key decisions need to be made.

an MTP is:

- Emotional: reaches hearts and minds
- Credible: stakeholders need to be confident in their daily work
- Simple: clear and easy to understand
- Guide people: from the inside and outside
- Guide scale: when needed
- **About passion**

An MTP is NOT:

- Just about the organization: not a vision statement
- Only about the „How To”: not a mission statement
- A marketing slogan for customers
- A sentence for us („we”): not about business
- The value proposition: not the literal promise

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Massive Transformative Purpose (MTP)

"If the dreams of your company don't scare you, they are too small." – Richard Branson

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MTP examples

“Organize the World’s Information.”

GOOGLE

“Make the world healthier.”

PHILIPS

“Create a better everyday life for people.”

IKEA

“Changing business for good.”

VIRGIN GROUP

”Ideas worth spreading.”

TED

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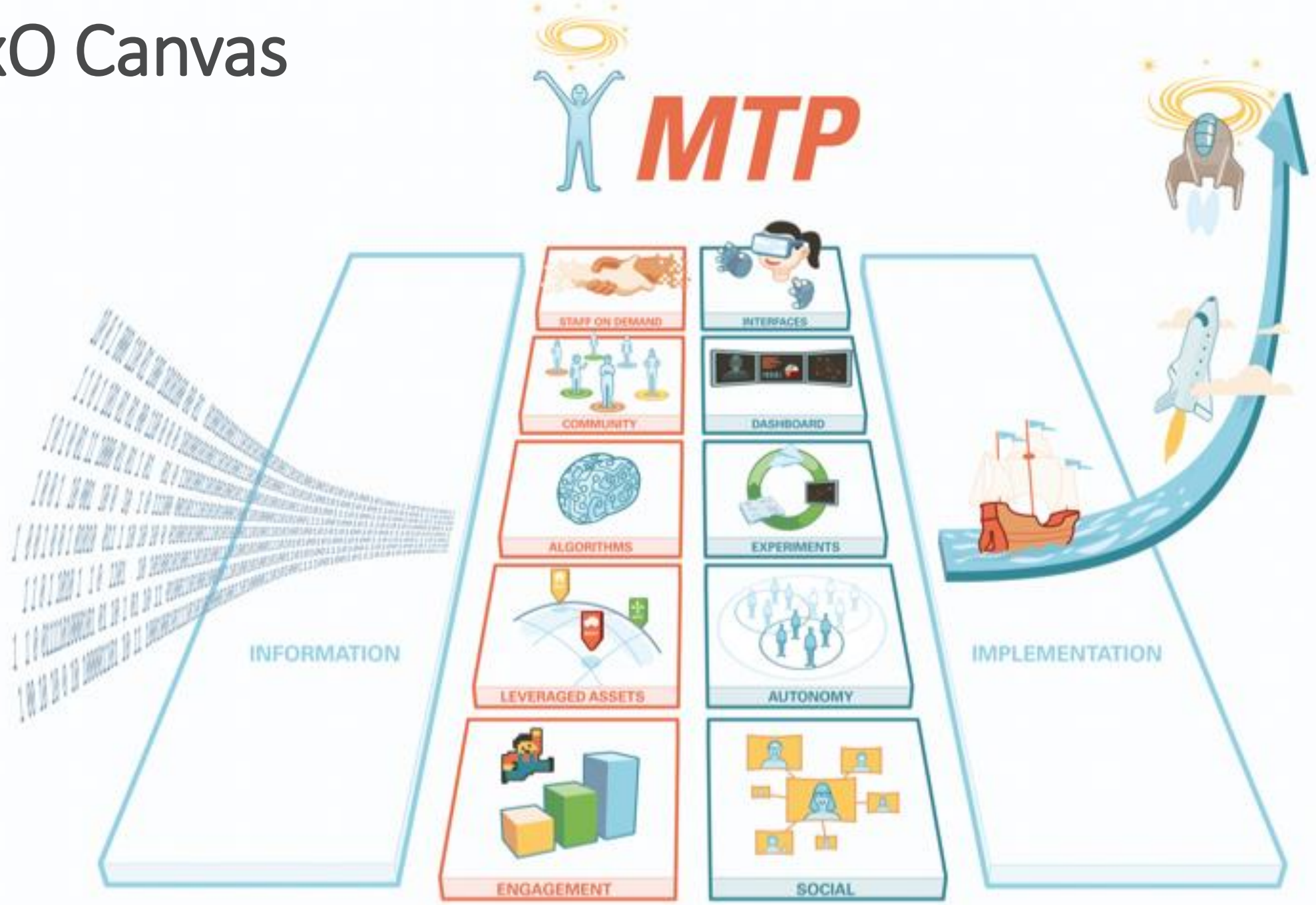
The ExO formula

ExO

=

MTP + SCALE + IDEAS

ExO Canvas



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works

Staff on Demand

Rather than ‘owning’ employees, ExOs leverage external people for simple to complex work – even for mission critical processes

TaskRabbit

Uber

kaggle

Gigwalk

Upwork™ formerly oDesk

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Staff on Demand

Community & Crowd

Communities are groups of people passionate about a cause and devoted to collaborate on solving the grand challenges surrounding that cause. ExOs are leveraging their community or the general public to scale.

TEDx

DIY DRONES

KICKSTARTER

小米
xiaomi.com

Algorithms

As the world turns into data and information, ExOs are leveraging Algorithms – including Machine Learning and Deep Learning – to get new insights about their customers and products. Self learning software recognizing patterns in text, images, videos, languages etc.

Google

UBER

ups

airbnb

NETFLIX

Algorithms

Leveraged Assets

Rather than trying to own assets, ExOs access, rent or share assets to stay nimble – outsourcing even mission critical assets. Leveraged assets are comprised of Cloud computing, Hackerspaces and assets from customers as input for business.

airbnb

amazon web services™

TechShop™ BUILD YOUR DREAMS HERE

UBER

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Leveraged Assets

Engagement

Engagement is comprised of digital reputation systems, games and incentive prizes, and provides the opportunity for virtuous, positive feedback loops, which in turn allows for faster growth due to more innovative ideas and customer and community loyalty.

Interfaces

Matching and filtering processes that allows an organization to select, filter and manage the outputs of all external attributes of ExOs (SCALE) as inputs into the internal organization in an effective, targeted and seamless manner.

Google airbnb

UBER

Interfaces

airbnb

Sign Up Log In Help List Your Space

WELCOME HOME

Rent unique places to stay from local hosts in 190 countries.

How It Works

Where do you want to go? | Check In | Check Out | 1 Guest | Search

Dashboards

Matching and filtering processes that allows an organization to select, filter and manage the outputs of all external attributes of ExOs (SCALE) as inputs into the internal organization in an effective, targeted and seamless manner.

Google facebook ORACLE twitter LinkedIn

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Experimentation

Matching and filtering processes that allows an organization to select, filter and manage the outputs of all external attributes of ExOs (SCALE) as inputs into the internal organization in an effective, targeted and seamless manner.

Dropbox

Adobe

TATA

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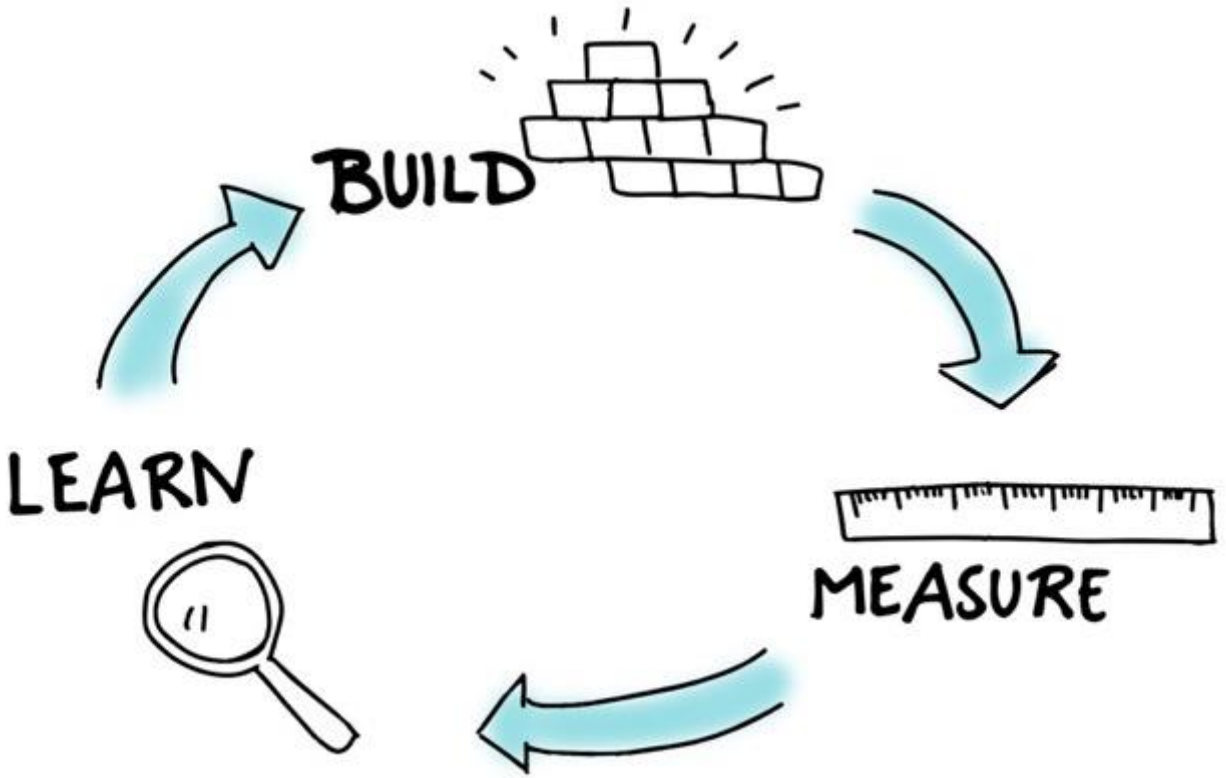
Experimentation

Matching and filtering processes that allows an organization to select, filter and manage the outputs of all external attributes of ExOs (SCALE) as inputs into the internal organization in an effective, targeted and seamless manner.



Autonomy

ExOs have a flat organization, allowing self-organizing, multidisciplinary teams and / or individual employees to operate with decentralized authority.

airbnb

Zappos.com

VALVE®

ING DIRECT

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Social

ExOs leverage collaborative tools to manage real time, zero latency conversations. When implemented these tools create transparency and connectedness and lower an organization's information latency.

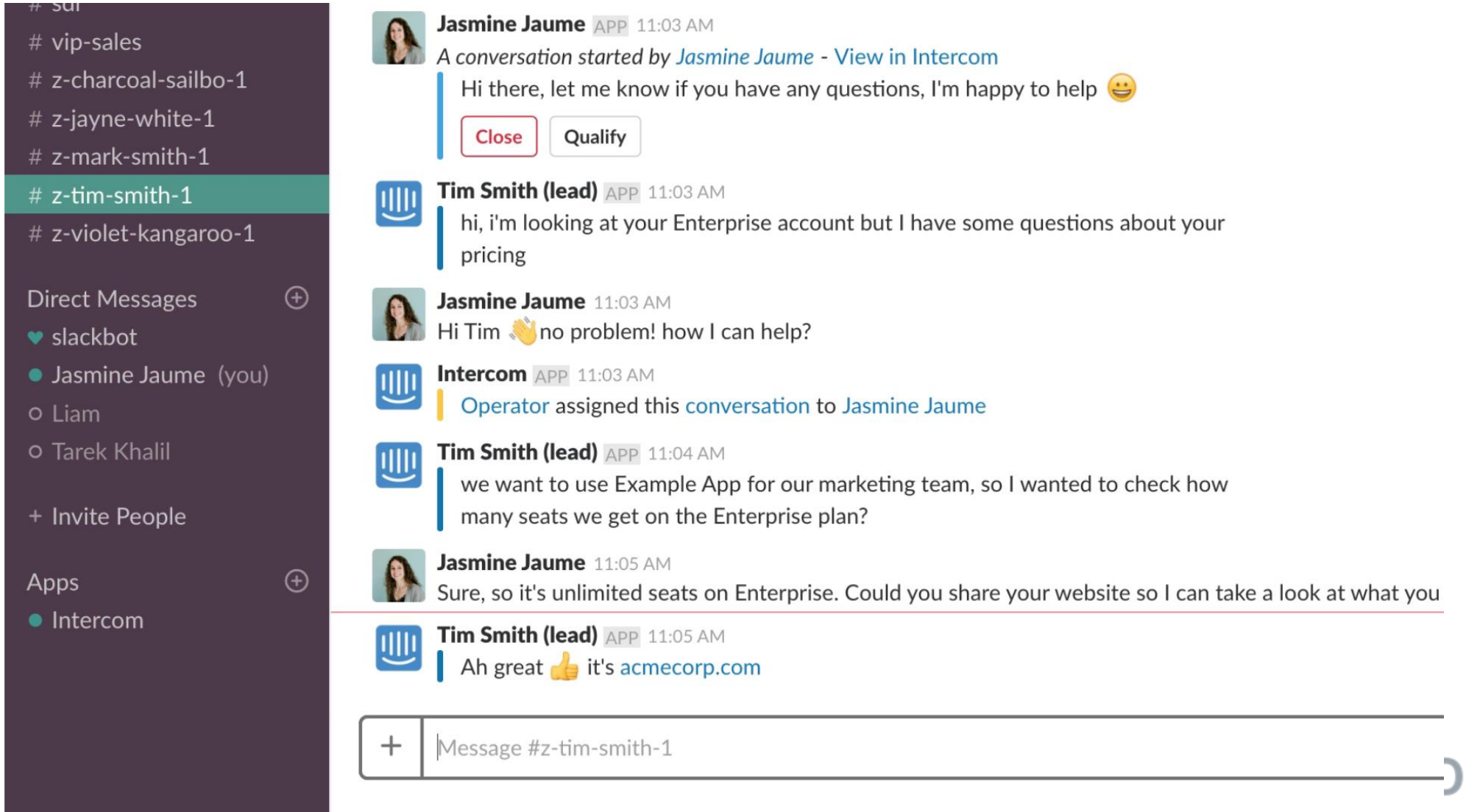
Trello

asana

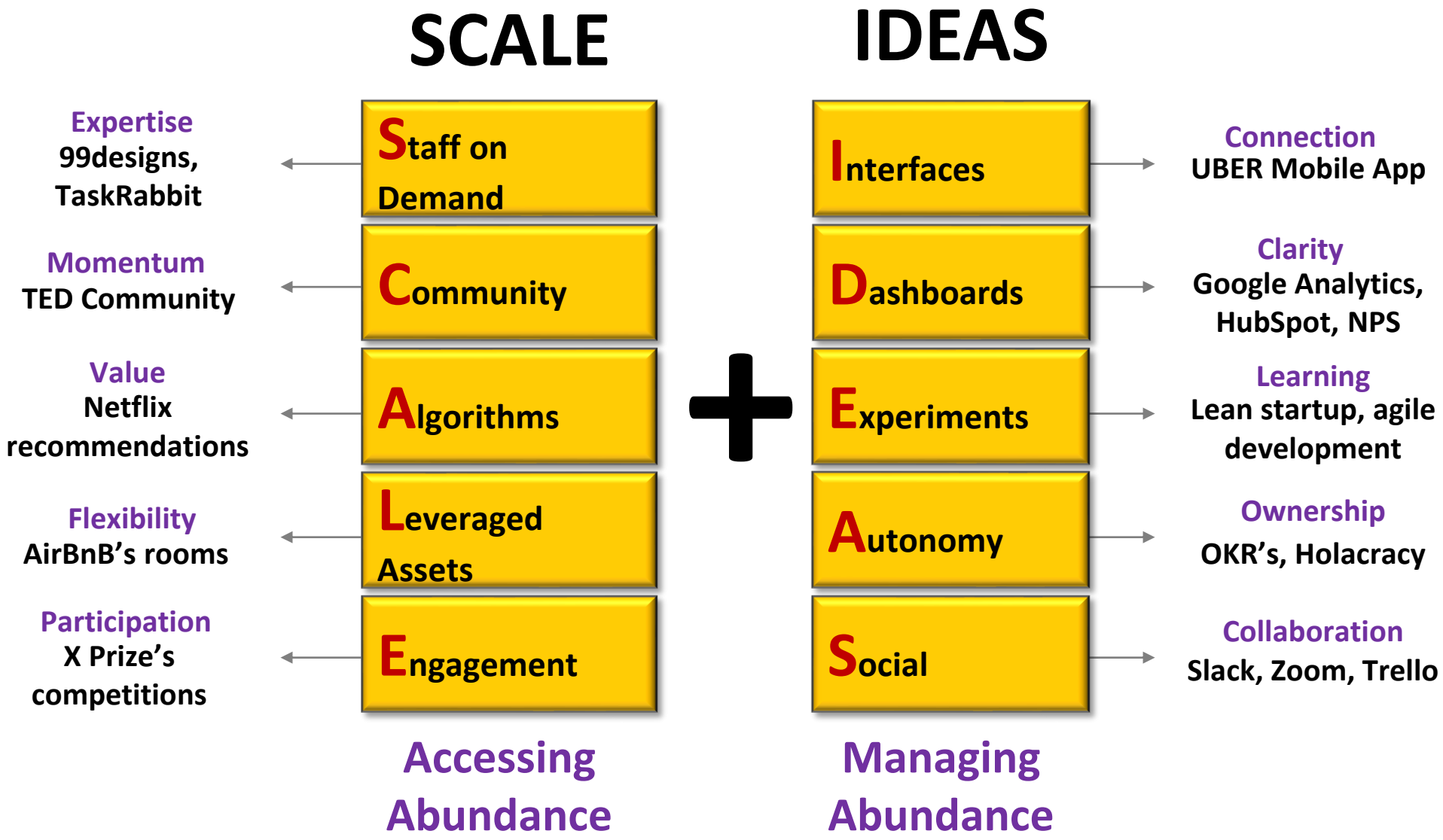
slack

Dropbox

Social


vip-sales
z-charcoal-sailbo-1
z-jayne-white-1
z-mark-smith-1
z-tim-smith-1
z-violet-kangaroo-1
Direct Messages
slackbot
Jasmine Jaume (you)
Liam
Tarek Khalil
+ Invite People
Apps
Intercom
Jasmine Jaume APP 11:03 AM
A conversation started by Jasmine Jaume - View in Intercom
Hi there, let me know if you have any questions, I'm happy to help
Close
Qualify
Tim Smith (lead) APP 11:03 AM
hi, i'm looking at your Enterprise account but I have some questions about your pricing
Jasmine Jaume 11:03 AM
Hi Tim no problem! how I can help?
Intercom APP 11:03 AM
Operator assigned this conversation to Jasmine Jaume
Tim Smith (lead) APP 11:04 AM
we want to use Example App for our marketing team, so I wanted to check how many seats we get on the Enterprise plan?
Jasmine Jaume 11:05 AM
Sure, so it's unlimited seats on Enterprise. Could you share your website so I can take a look at what you
Tim Smith (lead) APP 11:05 AM
Ah great it's acmecorp.com
Message #z-tim-smith-1

The ExO attributes



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Global impact – stock market effect

In a partnership with Hult School of Business, we tracked and scored the Fortune 100, from 2014 to 2016 on how exponential the organization, and paired that against their returns.

Top 10

Fortune 100 Company	ExQ
Google	**72.9**
Amazon	**66.2**
Apple	**62.6**
International Business Machines (IBM)	**61.0**
Verizon Communications	**58.8**
General Electric	**56.6**
Microsoft	**55.9**
Cisco Systems, Inc.	**55.8**
The Walt Disney Company	**54.8**
Oracle Corporation	**54.0**

Bottom 10

Fortune 100 Company	ExQ
Costco Wholesale	32.0
Phillip Morris International Inc.	31.6
Hess Corporation	31.3
HCA Holdings, Inc.	31.0
Phillips 66	30.7
Tesoro Corporation	30.0
Valero Energy	29.8
Plains GP Holdings, L.P.	27.5
Energy Transfer Equity, L.P.	26.5
Enterprise Products Partners L.P.	23.0

+26.7% **S&P +9.9%** **-1.7%**

*ExQ is an automated scoring algorithm based on ExO attributes.

https://exqsurvey.com

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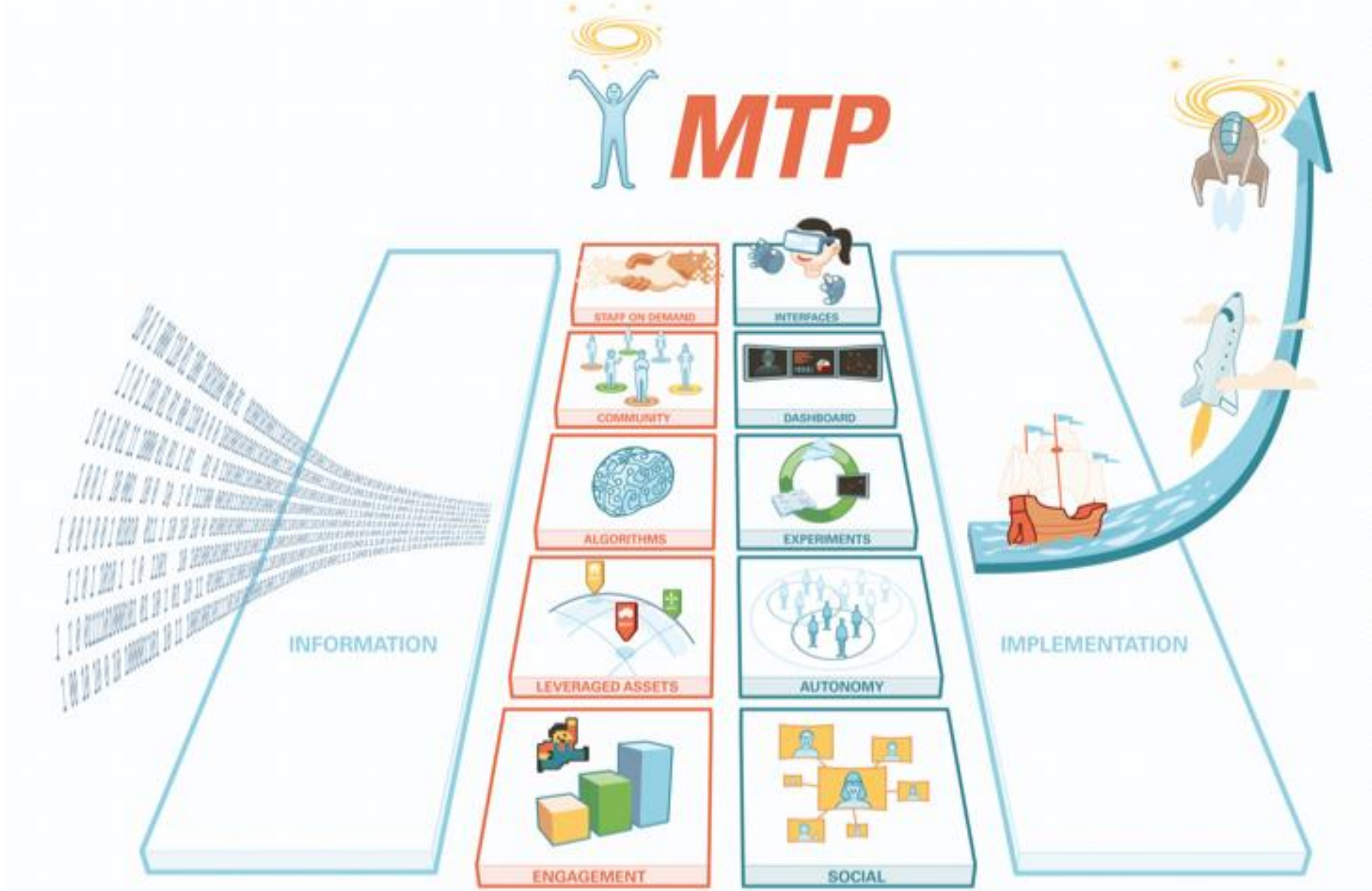
Implement 4 out of 10 attributes to become an ExO



ExO Canvas

MTP + SCALE + IDEAS

MASSIVE TRANSFORMATIVE PURPOSE (MTP)			
Create a world where you can belong anywhere			
INFORMATION	**STAFF ON DEMAND**	**INTERFACES**	**IMPLEMENTATION**
Available places	Owners	Search engine	Agile development
Demand for renting	**COMMUNITY & CROWD** Travelers	**DASHBOARDS** Real-time metrics	Startup culture
	ALGORITHMS Recommendations	**EXPERIMENTATION** Lean Startup	
	LEVERAGED ASSETS Private places	**AUTONOMY** Freedom for owners	
	ENGAGEMENT Reputation system	**SOCIAL TECHNOLOGIES** Owners-traveler com.	

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Q&A

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Example organization

- **Industry**: Food & Beverage
- **Founded:** 1962
- **Business Model:** Retail stores
- **Locations:** 6,200 stores in the world
- **Number of Employees:** 2,200,000
- **Revenue:** $485.651B USD
- **Profit:** $26.6B USD

Youtube - FarmBot.io
Futurism & alert
FarmBot
Seeder

Exercise: ExO Attributes

1. **Fill in the ExO Canvas** for your organization
2. At least, pick/define the **MTP and 4 more ExO Attributes** (30 minutes)
3. **Share** your results! (2 minutes / team)

MASSIVE TRANSFORMATIVE PURPOSE (MTP)			
INFORMATION	STAFF ON DEMAND	INTERFACES	IMPLEMENTATION
	COMMUNITY & CROWD	DASHBOARDS	
	ALGORITHMS	EXPERIMENTATION	
	LEVERAGED ASSETS	AUTONOMY	
	ENGAGEMENT	SOCIAL TECHNOLOGIES	

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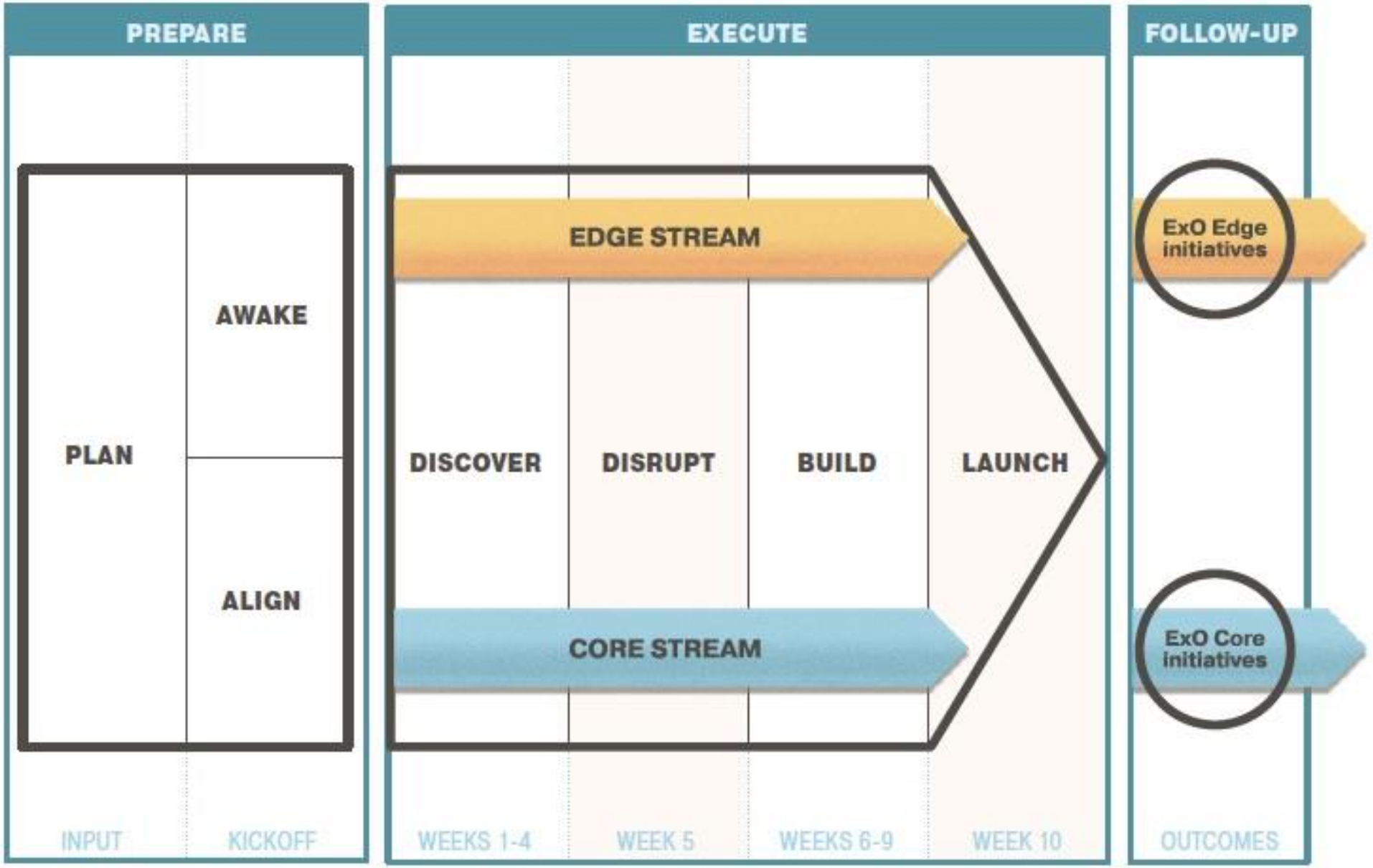
How to become an ExO? The ExO Sprint



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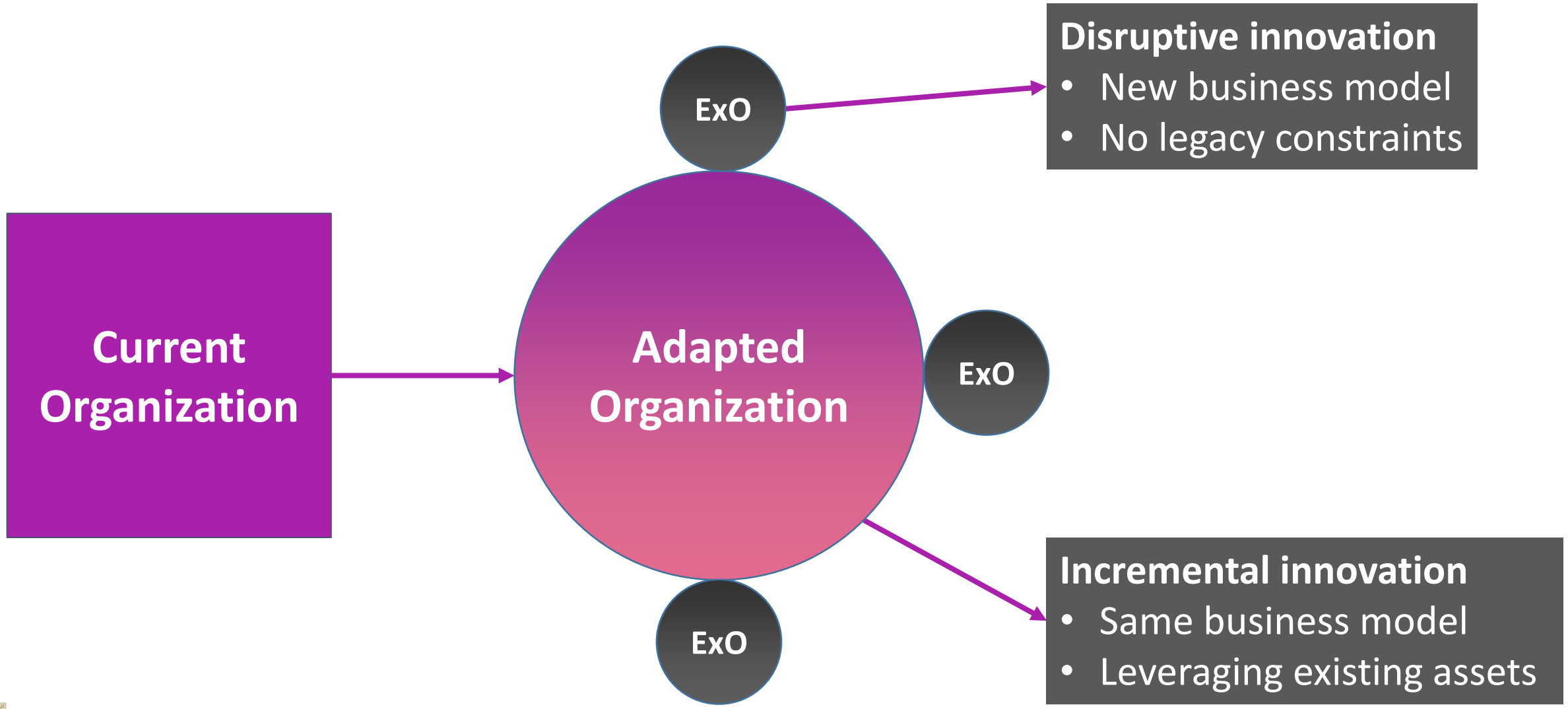
Exponential transformation



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Cross-functional teams

Coach-based approach

Handling the immune system

Align innovation

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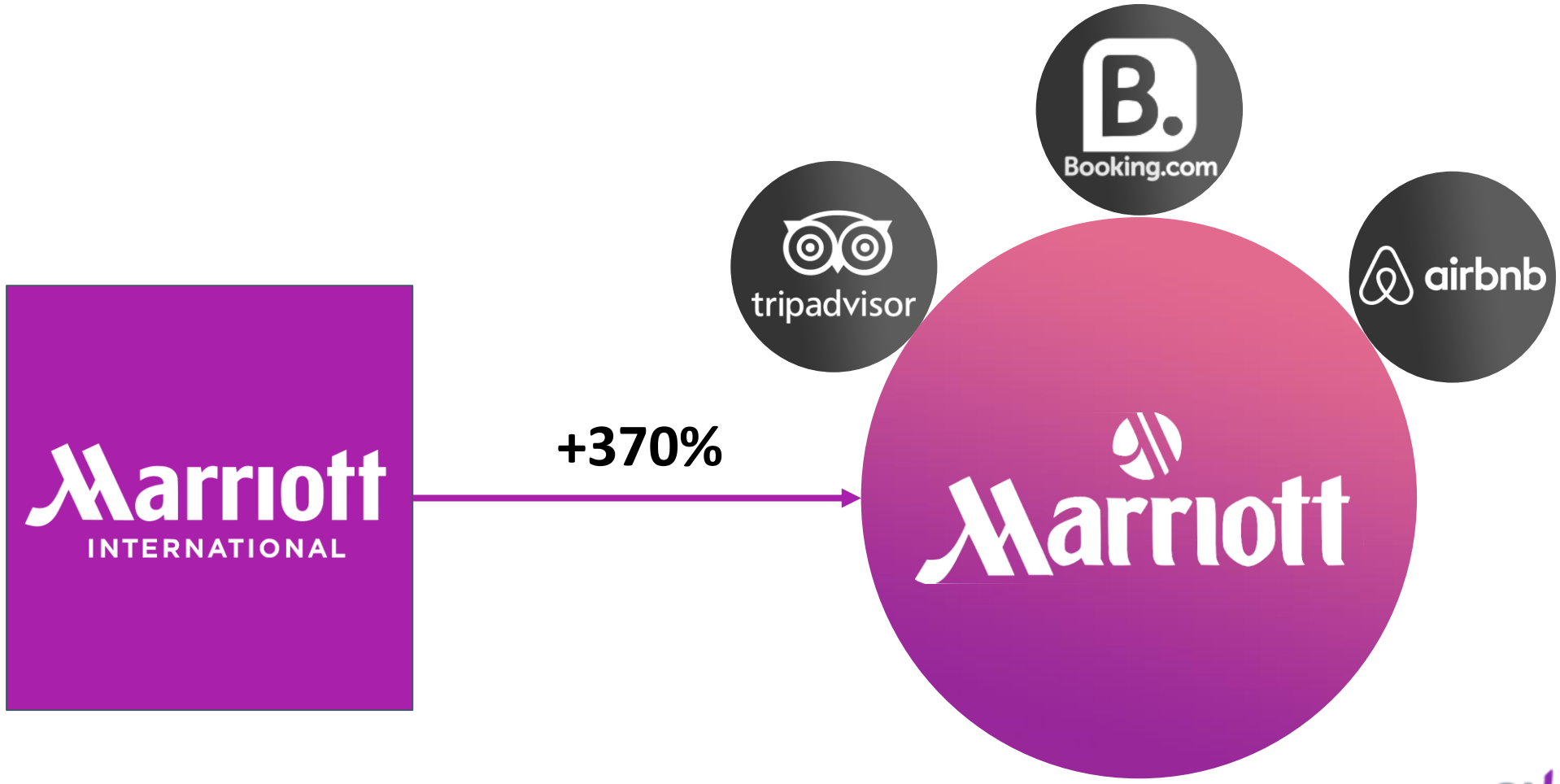
Transforming Marriott?

$45 billion

$165 billion



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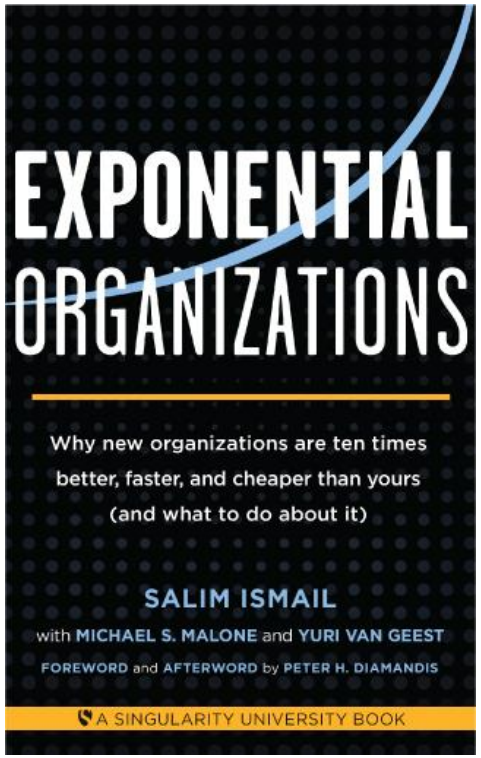
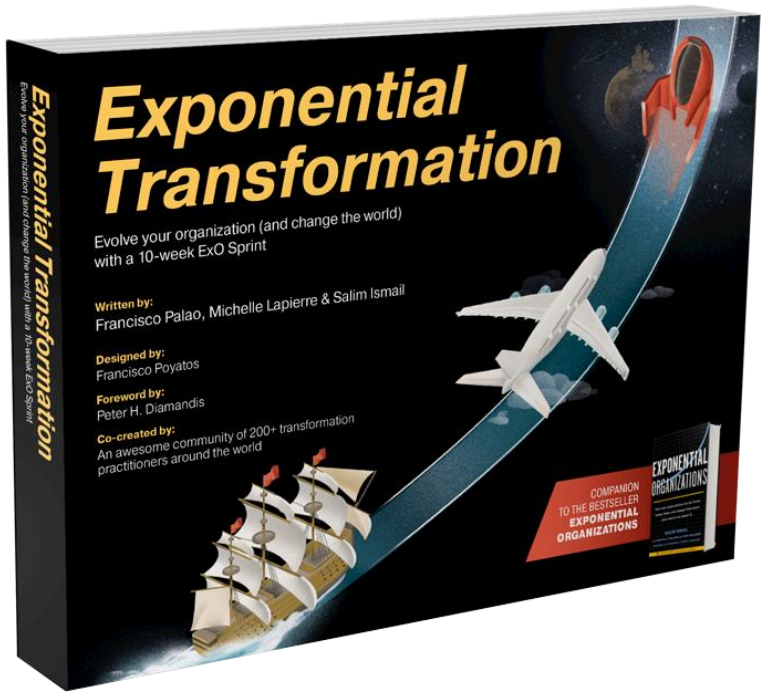
The future of edge initatives in 5-8 years

Ingredients



ExO
Canvas

Recipe



ExO
Sprint

Kitchen

openexo

ExO
Ecosystem

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The ExO master business course

https://info.growthinstitute.com/exponential-organizations-master-business-course

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"Today, if you're not disrupting yourself someone else is; your fate is to be either the disrupter or the disrupted. There is no middle ground."

Salim Ismail (co-founder of ExO Works)

Peter Kristof PhD
peter@exo.works
+36.20.4916.607