



## What Really Matters for Your Business Is Forwardship

**Leadership failures are often characterised by a lack of action or a knee-jerk reaction to disruptions.**

In an era of volcanic Twitter accounts, devastating disruptions, seismic shifts towards de-globalisation and widespread corporate uncertainty, is your organisation trapped in fear or are you pulling the future towards you? In short, are you "forwarding" your business?

Against the current backdrop, what can businesses learn from the spectrum of successes and failures that resulted from disruptive dynamics in the recent past?

### **Is your business on the edge of the cliff?**

The comparison of Kodak with Fujifilm is worth examining.

The advent of digital cameras had crushed the core revenue engines of both businesses, whose historical success rested on selling camera film. How the two firms reacted was distinctly different.

Fujifilm addressed the existential threat by creating and unlocking new markets. It did this initially by reviewing and adapting its core capabilities in chemistry and materials science. This, in turn, led to its entry into the medical equipment, cosmetics, pharmaceuticals and bio-materials sectors.

Kodak appeared to suffer from "incumbent myopia" and didn't pursue other avenues of opportunity.

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With that fateful inaction, its business, the "Kodak moment" and the company itself all vanished.

### **Re-examining leadership**

In instances of spectacular failure, forensic inquiries typically spotlight shortcomings in governance, leadership and decision making.

In the case of Kodak (and many other struggling businesses), the market signals had been visibly worsening over time. Some of the "surprises" shouldn't have been surprises. They could have been anticipated, predicted and, most importantly, dealt with.

For many, the word "leadership" has lost its edge. Every day we hear people say that this or that situation "lacked leadership". When a concept becomes a cliché, it loses its power and potency.

Every day we observe leaders posturing, pushing their personal agendas, concentrating on their next bonus and using social media in a self-serving way. All these things fuel a high degree of scepticism. This is further compounded by the impotence and immobility shown by many in positions of authority, especially in critical situations that require smart thinking and urgent action to shift the performance trajectory.

## **Forwardship: A masterclass in stepping out of survival mode**

Examples of a lack of forwardship are abundant in business and civilian life.

Hurricane-ripped Puerto Rico serves as a good example: As the devastated U.S. territory struggles to restore access to fresh water and electricity, the plight of its population has been overshadowed by political posturing and barbed social media comments made by the leadership. None of this makes any material difference to the situation; rather, it highlights the leaders' impotence in the face of a natural disaster.

The presence of forwardship at Fujifilm and its absence at Kodak ultimately shaped the outcomes of the two competing businesses.

### **Five key capacities for forwardship**

Our direct experience and extensive analysis of leadership catalysing exceptional shifts in corporate performance has revealed the development of five key interlocking capacities, pivotal to future success:

- 1. Creating a meaningful purpose and committing to it** – *backing the purpose with allocation of sufficient resources and demonstrated proactive behaviours.*
- 2. Transcending the fear impulse** – *building an awareness and ability to subdue the automatic knee-jerk reflex and to operate beyond survival mode.*
- 3. Winning tomorrow, today** – *igniting new patterns of thinking and embedding high-performance practices that forward the enterprise purpose.*
- 4. Building collective advantage** – *designing and facilitating a diversity of organisational dialogues that reveal and leverage high-potential insights and market opportunities.*
- 5. Ensuring performance resilience** – *regrouping self and teams with velocity, after setbacks and “failures”.*

Forwardship can be thought of as leadership in action. Forwardship squarely addresses the challenge many organisations face in translating the organisation's tacit knowledge into material action.

### **The reality check**

Many other factors, including market structures, supply-demand dynamics and balance-sheet topography, clearly impact corporate performance and net earnings.

What is more interesting, however, is the question of why some firms operating in uncertain environments become slow, stodgy and frozen, while others

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become focused, intentional and nimble, leading to stellar returns.

Forwardship is what makes Amazon's market value greater than the combined value of all its rivals (Walmart, Target, Macy's, Best Buy and others). At the heart of Amazon's performance is its forwardship of an organisational DNA that activates and sustains innovation, in the face of the uncertainty associated with designing new markets. Company founder Jeff Bezos describes this as “**Day 1**” thinking, which means he wants Amazon always to feel and behave like a start-up. As Bezos puts it: “Day 2 is stasis. Followed by irrelevance.”

Amazon's relentless forwardship in twisting and challenging existing business models enables it to stay relevant in highly fickle markets, many of them markets in which its competitors are struggling. Its strong business portfolio includes Amazon Web Services (AWS), a completely distinct set of cloud services that is projected to generate **US\$17 billion** in 2017, with a **25 percent** operating margin.

### **Effectively embedding forwardship within the organisation**

As an executive operating in chaotic, constantly disrupted markets, where could you implement forwardship to radically improve the prospects of your business?

On the demand side, could it reside in transforming client experience using the combined potential of big data, artificial intelligence (AI), the internet of things (IoT), robotics and other emerging technologies? Or on the supply side, could you look at rethinking process patterns and interfaces?

Underpinning new gadgets and business model reconfiguration, are these key questions: How could forwardship confer your firm a cultural performance advantage that others would find impossible to emulate? How could your agility become a defining competitive factor, as is the case at Amazon?

Equally important is considering where your conventional and disruptive competitors are focusing their forwardship efforts.

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