

Learning from Young Leaders

Millennials, young executives and start-up founders are driving the economy at a breath-taking pace. Traditional firms can learn a lot from them and succeed with their help.

With digital core competencies, an incredibly high pace and a nose for innovation, millennials – the generation born between 1985 and 2000 – are driving new business, sales, marketing, organisational, financing, communication and purchasing models forward. They live differently, work differently and learn differently. And in doing so, they have long since created a parallel world completely unmoored from traditional methods that, if at all, is only partly connected to the old economy. This younger generation is increasingly defining our future – as well as the scope of influence that traditional businesses will have in it. Whoever wants to succeed in the future needs to be ready for and appealing to this generation's world, because it's their world that we will be fitting into. So instead of complaining about young people

being submissive and conjuring up generational conflict, the economy should seize the opportunity. The process of digitalisation is shifting to turbo. How will businesses handle this change? By using the talents of the same people who own the future: the millennials, digital natives born into the internet age.

20% Digital – 80% Transformation

It is already abundantly apparent that changes are necessary in this new, cast-changing business world. Yet unfortunately, the omnipresent discussions about the digital world tend to overlook one thing: every transformational process also represents a challenge for corporate culture. The technologies themselves will not be the solution. Anyone who does not manage to take the people along is doom-

ed to failure. The digital element makes up about 20 per cent, while the remaining 80 per cent is pure transformation. This pressure to transform necessarily affects the organisational structures and leadership processes as well. This is where the millennial generation enters the plan. It is the best-educated and most creative generation ever. They do not want to control, but to shape. The change that they have already technologically and culturally set in motion will be recognised as the greatest of all time. They will be setting the frontiers of the future and turning science fiction into reality before our very eyes.

Foundation for Viability in the Future

As a generation of people who are digitally savvy, interested in many different things and marked by globalisation, millennials can recognise potentials at lightning speed, identify market differences and put together solutions in completely novel ways. They are already skilled in dealing with constant change, and have already mastered complexity. They have acute emotional intelligence – and are always ready with plan B in the jungle of various options. They are team players, ready for dialogue and perfectly networked. In a nutshell, they are the foundation for an enterprise's viability in the future. Millennials do not



The Culture of Innovative Start-Ups

The culture of innovative start-ups is based on continuous development and customer focus. One of the basic start-up principles is "Delivery is better than perfection". The executives often exhibit humility and willpower. They know that poor leadership is one of the main reasons that high potentials drop out. They also create a learning environment that supports mentoring, constructive feedback and a culture accepting of mistakes. Trial and error leads to continuous improvement. Adjustments are made very quickly when needed. Innovative start-ups have self-reflective teams. They practice continuous benchmarking in order to keep on improving and to never miss the boat. The latter can happen very easily in our digital world. Adaptability, customer focus and the utilisation of employee potential are now essential for market survival. The first step is to take an outside perspective. The emphasis here is on customer needs, employee expectations and the competitors. Adaptability means being able to respond rapidly to changes within these groups. Studies have shown a direct correlation between high performing firms – the so-called "digital winners" – and their ability to react in real time to changes. This is part of start-up DNA. This is why, together with digital competency, they are pretty much the perfect companion on the path to the future. Here is what classical businesses in particular can learn from the lean start-up approach:

PIVOTING: Originally planned procedures are discarded immediately if they do not prove to be viable on the market. Fast changes in course are taken if the winds turn suddenly.



In traditional firms, ongoing projects or annual planning are still followed even if their non-viability has become apparent. There, cautious waiting and sticking to protocols is standard practice.

AVOIDING WASTE: This is the basic principle in start-ups because resources in the form of time, money and staff, are always scarce. Arduous reporting, unnecessary meetings and the entire self-busying bureaucracy of traditional businesses are therefore taboo.

VALIDATED LEARNING: The business idea per se as well as all of the development steps are optimised iteratively using customer opinions. The best ideas frequently come from outside the business. Continuous feedback loops of testing – learning – improving – testing – learning – improving make it possible to

correct the course rapidly. For this, usable, minimum viable products (MVPs), are launched quickly and then successively tested by users in their real environment. This enables ongoing improvement, and superfluous elements are eliminated immediately.

TAKING THE CUSTOMER'S PERSPECTIVE: Taking to the street, observing users in action and speaking with (potential) customers is a basic technique in the lean start-up system. In traditional businesses, on the other hand, what engineers and developers consider to be the ideal solution is thrown onto the market and then validated retrospectively based on extensive customer satisfaction surveys using pre-determined questionnaires. Representativeness is important though? Nonsense! 20 out of 20 testers saying that a product feature is terrible is a lot to go on.

rebel against the old ways of doing things – and that makes up the biggest difference between them and the change generation of the late 60s. They simply and casually go about the business of remaking things. Digital transformation? They simply rub their eyes in surprise. What do they need to transform? They have long since been living in a digitally transformed universe. And when they create work environments, they are already adapted. Domains which traditional firms have had to arduously think their way into are already familiar territory to them. Their basic needs are food, drink and Wi-Fi. And they are in constant motion in hives that are at home in the vast regions of the web. Using that for your own ends and finding inspiration from new thoughts and fresh ideas is pre-

cisely what separates future business high-fliers from the rest of the pack.

The Best of Both Worlds

Of course, the experience of the older generation is still valuable. And doubtless, younger people can benefit greatly from the knowledge of their seniors. But from now on, a traditional firm can only really succeed if it first learns from the approach of young entrepreneurs and start-ups, the drivers of economic change, and then also actively involves their young employees in leadership roles. More than ever before, young people can help established market players to prepare for the increasingly rapid business cycles of the future, that is to become more agile, think more digitally, collaborate more and risk dis-

ruptive processes. These are precisely the parameters of success in the next economy. ■



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