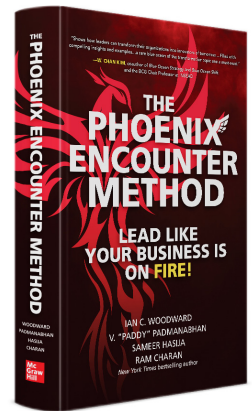


The Phoenix Encounter Method

Lead Like Your Business Is On Fire!

by Ian C. Woodward, V. Padmanabhan,
Sameer Hasija, Ram Charan



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THE SUMMARY IN BRIEF

The business landscape is littered with the wreckage of companies that crashed and burned when an apocalypse came—in the shape of new competitive technologies, upstart entrants, demographic shifts, and new world orders. Who can feel safe in firestorm change?

The authors of *The Phoenix Encounter Method* don't advise safety. In fact, their method of leadership thinking requires you to imagine burning your business to the ground—throwing yourself into a firestorm change—and turning the upheaval to your organization's advantage. It can then rise, phoenix-like, from the ashes, stronger and more powerful than ever.

Written with a sense of urgency and purposefully radical provocation, *The Phoenix Encounter Method* presents a methodology based on extensive research and field testing. Whatever your sector or industry, if you're responsible for your organization's ability to use change as a transformative opportunity, you'll appreciate the dramatic impact *The Phoenix Encounter Method* will have on you, your leadership, and your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- Why the phoenix represents what leaders must become to survive.
- The three phases of the Phoenix Encounter method.
- To adopt the Phoenix Attitude and use Extra Strategic Perception.
- To lead as both a Dreamer and a Doer.

Introduction

If you're smelling smoke, there's a good reason. The business landscape is going up in flames around leaders everywhere. Forces of disturbance and change that sparked small fires in the 20th century have turned into 21st-century wildfires—further inflamed by the COVID-19 pandemic.

Unstoppable trends appear unexpectedly, and unpleasant surprises materialize out of nowhere. These are things that keep business leaders awake at night.

The Phoenix Encounter method cultivates a new leadership thinking—a new attitude and a new kind of strategic debate that seeks out fire and embraces it. The method helps leaders develop their own bespoke script for renewal and transformation. In the post-COVID-19 environment, this is an absolute imperative.

The method is challenging. It involves Radical Ideation, dramatic war-gaming, confrontation, and provocation.

At its soul, the method compels leaders to imagine fully destroying their current organization themselves with unconstrained firepower. It then takes them through the steps needed to generate a wider range of options to defend the organization, fortify the core business, and build solutions for their business model with initiatives they need for renewal.

The method cultivates a bold and farsighted talent called the Phoenix Attitude, a set of mindsets, habits, and behaviors that equip a leader to grasp firestorm disruption as a path to organizational renewal. At the heart of the method is a sense of urgency and a willingness to walk through fire. That's why it's called the Phoenix Encounter method.

Regeneration or Extinction

The phoenix is a mythical, brightly colored, and long-lived creature that can regenerate itself, withstanding the flames of fire to rise from the ashes of its former self. For millennia, the phoenix has been a symbol of rebirth and new life. Ancient Egyptians saw it as the companion of the sun god. The phoenix is the kind of bird that leaders must become to survive the firestorm of disruption that marks our current century.

In contrast, the dodo is perhaps the most famous example of symbolic extinction—it took less than a century to disappear.

Let's take the first step into your Phoenix-like future.

PART I: PHOENIX SEEKING ENCOUNTER GROUNDWORK

Phoenix or Dodo?

You need to become willing to periodically set fire to your own organization so it can rise again. Research and fieldwork suggest that only after you have launched a devastating attack on your own organization can you really understand how to defend it, fortify the core business, and generate a wider set of strategic initiatives that will propel the organization forward to a Phoenix Breakthrough.

Though the experience is very challenging, leaders with the Phoenix Attitude will discover that *you are absolutely your own best enemy*. This is a virtuous cycle of renewal and transformation—an insurance policy against complacency and hubris.

Unfortunately, leaders without the Phoenix Attitude become their own worst enemy, leading to a vicious cycle of stagnation, wholesale disruption—and where the firestorm is—devastation.

The Phoenix Encounter method is powered by a new kind of strategic dialog called the Completely Opposite Viewpoints Debate. This debate is a deliberate engagement with diverse, opposing, and sometimes unwelcome viewpoints that force leaders to see differently, think differently, and act differently than they have in the past, so they can draw up a blueprint for the future.

Just as the phoenix renews itself in a cycle of immolation and rebirth, the Phoenix Encounter method unfolds in a cycle of three phases that take participants from groundwork preparation to battlefield debate and then to a breakthrough action plan.

Phase One: Phoenix Seeking—Encounter Groundwork. Phase One lays the groundwork for a future Phoenix Breakthrough by confronting old mindsets and scanning for new threats and opportunities. The goal of the groundwork phase is to help leaders break loose from legacy thinking; cultivate a constant awareness of new possibilities; and prepare for the Battlefield exercise of Phase Two.

Phase Two: Phoenix Burning—Encounter Battlefield. At the center of the Phoenix Encounter is an intense battlefield engagement that is waged over several days. Its goal is to both test the leader's thinking blind spots and generate a wider set of strategic options for the incumbent organization, including beyond out-of-the-box solutions suggested by Radical Ideation.

The Phoenix Encounter method does not offer solutions; instead, it offers a methodology for leaders and teams to find their own solutions. . .

Phase Three: Phoenix Rising—Encounter Breakthrough. Phase Three builds on the ideas from the Battlefield exercises to chart a new course for the organization. The goal of Phase Three is to transform the organization into its best future self and make the Phoenix Attitude a permanent and central talent that the organization can use to renew itself over and over again.

Participants leave their Phoenix Encounters with a remarkable new capability: They can create a future-ready organization, and, like the phoenix, they can do it again and again. This is because the Phoenix Encounter method does not offer solutions; instead, it offers a methodology for leaders and teams to find their own solutions—solutions that are relevant to their particular situation, time, and place.

As those circumstances change (as they almost certainly will), so will the solutions, but the method remains the same: ever adaptable, ever effective.

Leadership Thinking in Firestorm Disruption

The most important sources of information about the effects of firestorm disruption in the modern business environment come from women and men in the live battlefield—the participants in Encounter sessions.

Research shows 80 percent of these executives fall into one or more of the following four types of strategic leadership thinking (they are not mutually exclusive):

The Complacent. These leaders think disruption can't happen to them because they are in some sort of "exceptional" position. Perhaps they enjoy a monopoly or a favored nation status, or they have legacy government concessions.

The Arrogant. These leaders believe they have all the answers and are dismissive of ideas different from their own. Older leaders in this category often exhibit excessive pride in an iconic brand, best-selling product, or solid previous financial performance, which leads to hubris throughout the organization.

The Cautious. These leaders mistake incremental improvements for dynamic progress. They think periodic introductions of "new and improved" products, an obsession with metrics, and tinkering with the organization chart will keep them safe.

The Overwhelmed. These leaders become paralyzed in the face of uncertainty. They schedule meetings, order reports, call in consultants, urge caution—but do not move forward. They mistake dithering for prudence.

But there is a fifth category, smaller at present but growing fast in numbers:

The Dreamers and Doers. These leaders are explorers and navigators who can both envision dramatic change and execute it. They are forward-thinking, they are on the ball, they connect the imagined big picture to the tasks at hand. They are willing to envision a future where change is a constant and they don't have all the answers. In fact, they find uncertainty stimulating and outside viewpoints exciting. These are Phoenix leaders in the making.

The Phoenix Encounter Method

Let's now explore in more detail the three phases of groundwork, battlefield, and breakthrough.

Phase One

The Encounter's Phase One involves two essential tasks:

Attitude Switch. Participants identify their current mindsets, as well as those of others operating in their business environment, and consider how these might be blocking their organization's ability to deal with firestorm change. They learn about the Phoenix Attitude and make an inventory of the tools and habits of mind that will get them through the coming attack and defense. Then they link these learnings to their personal leadership development agenda.

Battlefield Preparation. In their Encounter Journal, participants prepare a baseline report describing their organization's value proposition and evaluating its current

strengths and weaknesses. This is the first of several strategic reflections they will create throughout the Encounter. Preparing for the Battlefield exercise, they scan new technologies, demographic changes, business model innovations, and other unstoppable trends of firestorm disruption.

After pre-work is done, participants break out into their Encounter teams, called Phoenix Encounter Groups (PEGs), and the Encounter overview briefings take place.

Phase Two

At the center of Phase Two is the Battlefield engagement. Each leader takes a turn in the “hot seat” as the PEG team first attacks with as much unconstrained and disruptive firepower options as possible. Throughout, team participants undertake a series of proactive scans, searching for disruptive firepower weapons.

These weapons include both contemporary firepower (like new technologies and digital business models) and conventional firepower (like mergers and acquisitions and process or asset optimization). How the participants use these weapons—alone or in combination—is entirely up to their imaginations. The more inventive the thinking, the better, for the battle is waged in a series of Completely Opposite Viewpoints Debates designed to elicit radical ideas.

Each participant leaves the exercise with a list of insights and options to think about. In the next phase, this list will be scrutinized, tested, and fine-tuned.

The **Extreme Attack** pits a team of attackers against an incumbent organization. It is a guns-blazing, no-holds-barred firefight designed to be enormously destructive. This is the exciting, stressful, and truly revelatory core of the Encounter experience.

Once all the ideas are on the table, the PEG team goes to work debating them, arguing pros and cons, brainstorming new ideas, and then combining, editing, and finally consolidating the best options into the most destructive campaign they can collectively create.

The **Horizon Defense** unfolds in a series of opposite debates, one for each team member. This time, each participant proposes one or more ways to repel the attackers, outflank them, or leapfrog over them. Three distinct missions come into view: (1) options to counter the immediate attack, (2) options to fortify the core business, and (3) options for business model changes, innovation, transformation, and dominance in the future.

After the Horizon Defense debate, participants record their best prospective strategic options—a kind of “Hot List”—and sequence these across four time horizons for action: immediate, short term, medium term, and long term.

Phase Three

Phase Three builds directly on the ideas that emerge in the Battlefield to chart a new course for the organization—to turn ideas into action. It can take a long time, often months and sometimes years, to work through the two tasks:

Soon after the Battlefield exercise, participants collect and synthesize all the most promising ideas that bubbled up into a new high-level plan for their organization, using the Encounter Journal’s template for a **Future-Facing Blueprint**.

Strengths are recalibrated to those needed for the future. Participants determine actions to be taken to realize the new strategic shifts and to fortify their core—to play out over four time horizons: immediate, short term, medium term, and long term.

In **Embedding Phoenix DNA**, participants take their Future-Facing Blueprint back to their organizations to test (including deeper rigorous analysis), revise, and implement the best initiatives identified. At the same time, they work to embed the Phoenix Attitude, tools and habits, the Battlefield exercise, and other elements of the Phoenix Encounter method into each of their organizations so it can transform itself again and again.

The Phoenix Attitude

In business, as in life, everything starts with your attitude. What is a Phoenix Attitude? In essence, it is a set of personal attributes—mindsets, habits, and behaviors—that allows a leader to embrace firestorm disruption as the essential pathway to organizational renewal. It is the mental embodiment of Phoenix DNA.

Four underlying characteristics are the enablers of all the Phoenix Attitude attributes: emotional intelligence, business acumen, talent development capabilities, and effective communication. The mental attributes of leaders with a Phoenix Attitude include curiosity, foresight, imagination, Radical Ideation, and decisiveness. Their habits include embracing the opposites debate and searching, scanning, questioning, and adopting multiple perspectives as an imaginer, with focused prioritization.

A Phoenix Flies Across Distinctive Leadership Altitudes

These leaders have mental agility to operate at three leadership altitudes simultaneously: 50,000 feet, 50 feet, and 5 feet. These altitudes correspond, respectively, to strategic, operational, and personal levels of leadership engagement.

Being stuck at any one leadership altitude is Altitude Sickness—dangerous to leaders, their teams, and their organizations.

The **50,000-foot view** lets us see what's coming across a wide horizon. In the context of the external landscape, it can reveal the sweeping changes of unstoppable trends in the outside world, from technological advances to demographic shifts. Its big-picture vantage point promotes Proactive Scanning and Radical Ideation.

Making that vision real requires an understanding of tactical and operational matters best viewed from **50 feet**. This is, after all, where things happen most of the time. It's where day-to-day and month-to-month actions are executed and where quarterly results get reported.

The **5-foot leadership altitude** is the level of self-awareness. Only when leaders understand who they are and why they do what they do can they govern themselves and engage others.

Being stuck at any one leadership altitude is Altitude Sickness—dangerous to leaders, their teams, and their organizations. Altitude Sickness at 50,000 feet is over-dreaming; at 50 feet, it's change resistance; at 5 feet, it's micro-obsession and navel-gazing.

Phoenix Tools and Habits: Extra Strategic Perception

There are three Extra Strategic Perception tools and habits of mind that should be learned and practiced to develop a leader's Phoenix Attitude:

1. Proactive Scanning that supports the “seeing” sense for the Phoenix leader. Develop the habit of continual “scanning” for insights, trends, ideas, and dangers while learning to think and inquire in new ways to better recognize future threats and opportunities. This combines scanning with perceptual acuity and strategic inquiry.

2. Debate Rituals that support the “speaking and listening” sense for the Phoenix leader. A Completely Opposite Viewpoints Debate requires a psychologically safe and collaborative environment to discuss far-reaching, different, and opposing perspectives. Two fundamental rules enable the team to create the farsighted discussion that enables discovery of a diversity of perspectives on attack and defense, namely:

- **Radical Ideation:** Embracing unconstrained thinking to generate as wide an option set as possible.
- **The Separation Imperative:** Focusing debate and discussion separately on ideation, synthesis, analysis, and decision-making and appreciating them as distinct and discrete phases of strategic dialogue.

3. Encounter Journal that supports the “writing” sense for the Phoenix leader. It documents and tracks ideas, analysis, and actions throughout the entire Phoenix Encounter to ultimately generate the Future-Facing Blueprint for the organization and its breakthrough changes.

PART II: PHOENIX BURNING ENCOUNTER BATTLEFIELD

Scanning Firepower for Extreme Attack and Horizon Defense

In Part II, in the Encounter Battlefield phase, leaders go through a range of scans, debates, and ideation. This is essential for generating a wide range of radical ideas—the firepower of Extreme Attack and Horizon Defense.

Leaders look carefully at the external environment of firestorm disruptive trends, from technology to demographics; from digital and social platforms to emerging markets; from talent, sustainability, and activism to reimagining traditional business levers.

Sources of Firepower

Proactive Scanning allows leaders to identify “firepower” for Extreme Attack and Horizon Defense. The firepower sources are the arsenals to deploy for future organizational success or change, and they shape businesses, industries, and markets.

Two different types of firepower are contemporary firepower of the new world and conventional firepower of the old world.

Options for contemporary firepower that are often less familiar to leaders in the legacy world can include technology drivers such as digitization, algorithms and analytics; new technologies such as artificial intelligence (AI) and cloud computing; business model transformation; dynamic innovation; and macro levers allowing firms to understand and take advantage of unstoppable future trends in talent diversity, demographic shifts, sustainability imperatives, activism, and so forth.

Options for conventional firepower that are very familiar to leaders in the legacy world, and sometimes overlooked by disrupters, can include competitive positioning, operational strategy, organizational culture, and macro levers, including traditional regulation and policy management; identifying important corporate social responsibility initiatives; and understanding the implications of economic and market forces.

A leadership team with the Phoenix Attitude uses both conventional and contemporary firepower to create a Future-Facing Blueprint. The challenge is choosing carefully while building creatively because the elements can be combined in different ways for different purposes.

Let's now look at an example of contemporary firepower.

All Digital Firepower, All the Time

Digitalization has set the world on fire. It is fuel for the phoenix. By early 2020, more than 4.5 billion people had access to the internet. That represents a more than 1,000 percent increase since 2000. Even with that kind of growth, just over half of the global population is online.

One of the largest changes that internet digitalization brings is unlocking the flow of information and knowledge across the world. That flow, according to a 2017 article in *McKinsey Quarterly*, is growing in a convex fashion even while the other major global flows of trade and finance remain relatively flat.

Unlocking information flows has significant consequences. One of the most profound is the quantum shift in the power balance from sellers to buyers, a phenomenon that is not limited to first-world commerce—it underpins the arsenal of customer power.

It's also important to recognize that something beyond

affordability and access is driving the growth of the new breed of digital upstarts; it's called "network externality effects." We see it clearly in the evolution of WhatsApp.

In 2009, Jan Koum and Brian Acton released WhatsApp, a smartphone application that let users send text messages via the phone's data network, as distinguished from an SMS message that goes over the telecom operator's cellular network.

The economic significance of such externality can be seen in the \$19 billion that Facebook paid to acquire WhatsApp in 2014, at a time when WhatsApp had all of 55 employees on its payroll. The company's small size masked its impact on the telecom world.

The growth of WhatsApp also shows the disruption a single technology can wreak on legacy companies that are unprepared for the digital, globally networked world. The London-based research and analytics firm Ovum estimated that WhatsApp and similar over-the-top voice and messaging companies (e.g., Skype, Link) would cost global telecom operators about \$386 billion in revenue between 2012 and 2018.

All this should remind readers how important it is that an organization's senior leadership have a clear sense of their tasks:

- Scan technology trends in the marketplace across industries and geographies.
- Leverage the power of the digital revolution to make their firm future-ready.
- Build the capabilities essential for digital innovation.
- Cultivate the digital transformation needed in every area of the firm.

Firepower From Combinatorial Innovation

Amid all the hype about the disruptive influence of the forces of digital, social, platforms, and technology, it's easy to think that the future could be a place where legacy firms are no longer relevant. That would be a serious mistake. Legacy incumbents have assets that can help them harness the forces of disruption in their favor, such as trust, reputation, and balance sheets.

Successful companies make it a habit to think about innovation as a multidimensional construct, one that involves

Successful companies make it a habit to think about innovation as a multidimensional construct. . .

choreographing a bespoke set of forces across conventional and contemporary firepower. This is “combinatorial innovation” in its most potent form.

IKEA is a great illustration of the combinatorial approach. As a disruptor in the furniture world starting in 1948, it changed the way consumers bought furniture. IKEA co-opted consumers to become co-producers—driving to the stores and picking and assembling in return for affordable design—and went on to become a global giant in the furniture retail business.

However, the growth of e-commerce and changes in consumer shopping habits meant that the erstwhile disruptor was in danger of getting disrupted. IKEA’s response to this threat has been to create a Phoenix-like defense built on a combinatorial portfolio of business model tilts leveraging contemporary and conventional firepower.

In 2017, IKEA acquired the Silicon Valley startup Task-Rabbit, a platform website that connects consumers with freelancers who perform many household tasks, such as assembling IKEA furniture. At one level, the move reflects the understanding that IKEA’s traditional model, based on co-production, would need to evolve.

It also reflects IKEA’s ability to combine multiple insights: (1) a growing number of younger customers are not willing to build their own furniture, and (2) the gig economy lets customers and retailers leverage a new labor force that performs assembly cheaper, faster, or more conveniently than the customer can manage.

PART III: PHOENIX RISING ENCOUNTER BREAKTHROUGH

Blueprint for Breakthrough

The final phase of the Encounter method, the Encounter Breakthrough, focuses on taking the implications of insights from the Extreme Attack and Horizon Defense and using them to set the organization on a renewed course. It is about turning the Radical Ideation of attack and defense into a Future-Facing Blueprint for realistic actions.

First, participants distill the Horizon Defense conversation into a series of action items for investigation across short-, medium-, and long-term time horizons. They also sketch their expectations of high-level outcomes, if these action items are successfully implemented.

Participants update their Encounter Journal with a Future-Facing Blueprint that incorporates insights and their implications for strategic leadership and organizational priorities that work across all the altitudes—50,000 feet, 50 feet, and 5 feet.

The Future-Facing Blueprint will include a fully revised future value proposition for stakeholders, an updated SWOT that emphasizes the strengths needed for the future (set against growth, cost, and risk criteria) and the gaps in the present, and a description of the transformed business model and the ways value will be created and captured.

Next, participants identify the actions they must take (e.g., pilots, further analysis, and resource mapping) to make the priorities realities.

Phoenix Leaders: Dreamers and Doers

Walt Disney, remembered as one of the most creative leaders of the 20th century, was also admired for his ability to make things happen. “The way to get started,” he famously said, “is to quit talking and begin doing.”

Creative imagination like Disney’s is film producers’ stock in trade. It is not quite so common in operational executives, who are generally very good at getting things done. The ideal leader, of course, possesses both imagination and the ability to execute.

For that reason, these two attributes play critical roles in the Phoenix Encounter method, which elicits a Completely Opposite Viewpoints Debate that focuses on dreaming and doing.

Dreamer and Doer capabilities are not mutually exclusive, and they co-exist to some extent in every leader.

Phoenix leaders, unburdened by Altitude Sickness, more easily find the “sweet spot” that balances both capabilities. They apply both their leadership art and management skills. They do not engage in the kind of shallow dreaming that leads companies to change their names to “Blockchain Inc.”; they do not bury their heads in the existing business. They are bigger than that.

As Jim Hackett, CEO of Ford Motor Company, said, “Corporations tend to reward actions over thinking, but the truth is, you’ll find the companies that didn’t do the deep thinking and acted quickly have to redo things.”

Dreamers and Doers Across the Altitudes

The capabilities of a Dreamer and Doer happen to map very neatly into the leadership altitudes discussed above. The 50,000-foot thinkers are the Dreamers and explorers. The 50-foot thinkers are the Doers and exploiters.

Both Dreamers and Doers need the profound self-awareness of 5-foot thinking, and they need a personal leadership development agenda to match.

Leaders with a Phoenix Attitude build organizations that encourage Doers and Dreamers to focus on what they do best while continually exchanging ideas (the opposite debate).

This is one reason why involving both Dreamers and Doers in the Encounter Battlefield exercise produces tangible results. Each type has an opportunity to practice the other’s style of thinking throughout the Encounter process.

Are you role-modeling the Phoenix leader—dreaming and doing? Where are you focusing in personal leadership development to strengthen this and hone your Phoenix Attitude?

Have you consciously worked to create an environment, structure, and systems where Doers and Dreamers can co-exist and leverage one another’s talents and complements?

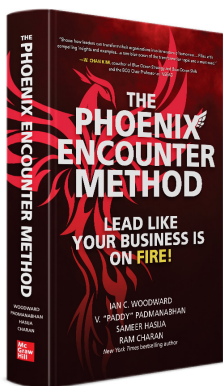
The Phoenix Encounter method starts with a question: How might someone destroy your business? The best person to think about the firestorm is you. It ends with a clarion call to arms: The time is now! This means leading like your business is on fire.

The key is to focus on reimagining your Phoenix rebirth and surge towards the future. There is no choice. Quite simply, there has never been a more important time to be your own best (imaginary) enemy.

For leaders with the Phoenix Attitude this implies a virtuous cycle of renewal and transformation.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- *The Disruption Mindset: Why Some Organizations Transform While Others Fail* by Charlene Li
- *Bringing Strategy Back: How Strategic Shock Absorbers Make Planning Relevant in a World of Constant Change* by Jeffrey Sampler



Ian C. Woodward is a Professor of Management Practice at INSEAD, where he specializes in strategic thinking, leadership, and communication, as well as personal leadership transformation. V. Padmanabhan is the Unilever Chaired Professor of Marketing at INSEAD, where he is also the Academic Director of the Emerging Markets Institute. Sameer Hasija is a Professor of Technology and Operations Management at INSEAD. Ram Charan is a world-renowned business advisor and the author of more than 25 major business books.

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