



Like charisma, leadership comes naturally to some people and eludes others. Fortunately, it is a teachable skill, and Seth Kahan has developed some great strategies for learning how to lead through changes and business innovation.

SETH KAHAN, THE AUTHOR OF OUR COVER ARTICLE ON CIRQUE du Soleil, is an American leadership expert, trusted advisor to 60 CEOs, and writer who specializes in business innovation. For more than 15 years, he has worked hand-in-hand with CEOs to drive change.

His bestseller on organizational transformation, Getting Change Right: How Leaders Transform Organizations from the Inside Out, presents a model of communications, involving a shift from a transactional view of information exchange to a collaborative construction of shared understanding. He also writes for Fast Company magazine and the Washington Post.

We spoke to him recently about his interest in business innovation:

Certified: How and why did you become interested in innovation in business?

Seth Kahan: When the economy dropped in 2008, a number of my CEO clients began struggling with business. I knew from my experience in change work that every downturn is an opportunity to pivot from traditional value generation and toward customers, serving them in their time of need. This attitude and action is often the differentiator between those who slide down in a difficult market and those who move up.

I began working with these leaders, helping them to find

latent value that could be tapped, to expand and improve existing offerings and even break new ground. Innovation was a skill that not all possessed, and yet it was the very thing that was needed most. I took an interest in laying out the frameworks that make innovation successful; i.e., succeed in the market.

The two primary assets most important to surviving tough economic times and growing in good times are customers and talent. Strategic talent development and recruitment are the very levers you can pull to bring yourself out of a downward slide, and the same levers that can be used to put on speed when you are headed in the right direction.

C: What are the benefits a company can gain from focusing on and supporting innovation?

SK: Market fluctuations are a part of life. Change can happen fast, and it hurts sometimes. Count yourself lucky if you see it coming. You can get slammed by a market downturn, a new competitor, advances in technology or customer expectations. Wouldn't it be great to turn the power of these forces to your advantage?

You can and you must become an expert in exploiting change. Judo is a martial art that achieves its goal when the artist does not fight the oncoming force, but uses its power and energy

Change can happen fast, and it hurts sometimes. Count yourself lucky if you see it coming. You can get slammed by a market downturn, a new competitor, advances in technology or customer expectations. Wouldn't it be great to turn the power of these forces to your advantage?

to maneuver, neutralize the opponent and maintain a superior position safe from harm. Leaders today must become judo masters. That's what innovation is all about.

Innovation is intentional evolution. It is the deliberate and successful adaptation to circumstance that generates more than enough value enough to justify the investment.

C: Are there certain types or sizes of companies, or even entire industries, that are more likely to be innovative than others?

SK: Yes, but this is changing. Traditionally information technology has been willing to reinvent itself continuously, and you can see the fruits of their labors today. Companies like Apple, Google, Intel and Cisco are leading the market with exceptional products and services that are bringing the future to us today.

Now many companies are being forced to innovate. Two industries that come immediately to mind are printers and healthcare. After years of incremental change, both are being forced to innovate or die. The top 10 percent are succeeding and setting the pace for the others. But it's been a bitter pill. There's a lot of consolidation, because many are not making it.

C: What are some good examples of how an HR person or business leader can start shifting a company toward more innovation, or is it just something that some companies do and others don't?

SK: When I go into work for an organization and I see the vice president of HR working hand-in-hand with the CEO, I know I am in a fortunate circumstance. Strategic talent development and acquisition are primary contributions an HR person can make to helping a company succeed.

Any organization that is helping its people to think in new ways, stay ahead of the curve, keep abreast of and master new technologies will need to keep its staff in continuous development as well as bring on people who deeply understand the new business models and frameworks that are emerging.

Shifting toward innovation is all about mindset. HR can help an organization by staying connected to the mission and business needs, then making sure that the talent can lead in that direction.

C: In addition to strategic talent development and recruitment, and a focus on mission and business needs, are there other top things that an HR person should focus on when trying to

encourage innovation?

SK: To master innovation, there are eight critical competencies to develop. These skills create the foundation for successful operation in a difficult, tumultuous world.

These eight competencies enable proficiencies that at first glance are contradictory: flexibility and strength, rigor and improvisation, agility and force.

You need both the flexibility to be limber, responsive and quick. And you need the power to execute forcefully. Adaptable resilience is fortified when undergirded by vigorous might. Without the competencies listed below, you are likely to be one but not the other.

You need systems in place to undergird your efforts. They should give you the foundation and comprehensive capacity that makes it possible to both change in real time and meet needs in flux—all without compromising quality.

Meticulous exactitude and precision are created with rigor yet often compromised by sudden change. With the competencies I list here, you can cultivate both, get the best of both worlds while sidestepping the weaknesses of each.

The ability to quickly change direction, agility, often comes at the cost of sheer power. It's hard to be muscular and light-footed. But these skills bring both of these qualities to the foreground and improve them in combination.

The eight competencies are:

1. **Exploiting Change**—Because change is constant and now prevalent, you must learn to use its force to your advantage.
2. **Changing the Game**—There is no better way to control your destiny than to forge it.
3. **Gathering Intelligence**—Being well informed regarding your customers, your competition, the market and yourself is the knowledge you need to make skillful decisions.
4. **Hitting the Bullseye**—You must be absolutely clear what you are aiming at—value that drives behavior.
5. **Creating Value**—Get to know how to find, expand, intensify and grow value.
6. **Driving Traction**—Success means uptake, buy-in and engagement.
7. **Getting Execution Right**—Learn to get the right things done, and do them right.
8. **Mainlining Innovation**—The time is now for innovation to become a core capability, a relied upon function that is wielded with adroit dexterity and prowess. Every organization that is serious about innovation should take the steps to integrate and build systematic capacity—this is what I mean by mainlining innovation. ■