



KEVIN NUTTALL

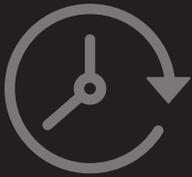
THE FUTURE IS COMING - ARE YOU READY?

LEADERSHIP MOMENTS PODCAST TRANSCRIPT



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EPISODE 27



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MURRAY: Welcome to my podcast. I'm Murray Wright and this is Leadership Moments, real people stories about the people and the moments that have influenced and shaped their leadership.

We go into the world of strategy today with Kevin Nuttall from Waterfield Consulting. Business has been challenged by digital transformation. I wanted to talk with Kevin to draw on his expertise and experience to find out about his approach to strategy and his view on how companies can make sure they stay relevant and not only survive but thrive in the future. We had a great discussion so no matter how good you believe your strategy is, this is a must listen episode. I hope you enjoy.

Kevin, welcome.

KEVIN: (00:54) Thank you.

MURRAY: (00:55) Great to have you with us. I'm really looking forward to our discussion. Your work is about helping organizations, as you say, survive and thrive through change. Why is that so important for you and what underpins your work?

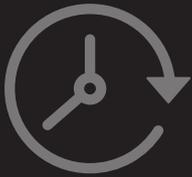
KEVIN: (01:10) I guess what underpins that work is that organizations have to continually anticipate the future and adapt to that future otherwise they're going to be sitting completely blindsided by the business model that's out of date and if you look at this, there's a long history of companies that have... You know, Nokia, Kodak, Blockbuster, who sat and sat and then finally gone out of business because they just didn't adapt. They weren't focusing on the future.

MURRAY: (01:37) And are you finding this work is becoming more important as we're in a much faster paced world?

KEVIN: (01:42) I think that the pace of change... The digital change that's coming through now is probably the most significant change we've seen in our work in the last 25 years.

MURRAY: (01:51) Yeah.

KEVIN: (01:52) So we're going analogue to digital. There's not a business that's not impacted by it.



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MURRAY: (01:57) Yeah.

KEVIN: (01:58) And so what that means is... And when you sit down with boards and senior teams and you talk about the digital aspects of AI and machine learning or any of these, they have no idea and let me blindside them.

MURRAY: (02:10) Yeah, and let's get clear. What you're talking about is really building strategy.

KEVIN: (02:15) That's it.

MURRAY: (02:15) That's right. Yeah.

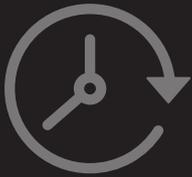
KEVIN: (02:16) So it's how do you get senior teams to sit there and consciously understand and anticipate the future and then work back from that future and go, "How is our that business model? Is that future-ready?" Invariably the answer is no, "Then what do we need to do to be future-ready?"

MURRAY: (02:35) Yeah.

KEVIN: (02:35) And if you look at organizations that have continued to survive, they're the ones who are consciously always experimenting with new models, new ways of thinking. So why is the work important? Because great companies go out of business in what's surprisingly a short space of time if they're not continually evolving and so, you know, good people lose their jobs, customers lose good service providers, etc. So we're just saying it's a fundamental part of surviving and thriving.

MURRAY: (03:06) I think there's a piece in this about evolution as well. People have to evolve. It's not the biggest or the strongest who are going to necessarily survive. It's the ones who can actually evolve and change their circumstances.

KEVIN: (03:18) Absolutely. It's the organizations that can adapt rapidly, learn rapidly and adapt rapidly. I get frustrated with some of these big organizations who suddenly then toss all their workers out because they're being complicit in not allowing those people to evolve, keeping them isolated from the real world. Ford, in July for example... Awful lot of people out in the workforce with no skills beyond doing what they did for the last 25 years and to me those companies are quite... They're not actually serving their staff well by doing that.



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MURRAY: (03:57) Yeah. Yeah, I got you.

So your background is finance, IT, sales, marketing, General Manager of software, CEO of software companies. Who would you say has influenced you the most in your career, Kevin?

KEVIN: (04:10) It's not one individual. I look closely at people I'm working with and going, "I really admire that." Or conversely, probably one of the most influential managers I ever had was the worst manager I ever had.

MURRAY: (04:25) Yeah. This comes up a lot actually.

KEVIN: (04:28) And this guy was atrocious and he destroyed people around him and I vowed – this was when I was in my 20's – and I vowed that I would never ever treat people like that or ever be like that and the contrast of that... Because up until that point I'd had two or three excellent managers who saw what I could do and allowed me to do it and then didn't let me get into too much trouble. Pulled me in, talked to me about what's working, what's not working completely and openly and honestly and allowed me to grow. So it's sort of this top quality of different managers that I've learned from, borrowed from and vowed never to do and some of them...

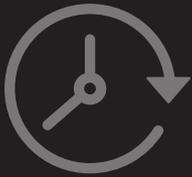
MURRAY: (05:11) You succeed always in never doing them?

KEVIN: (05:14) No.

MURRAY: (05:15) No.

KEVIN: (05:16) No. Not always. Not remotely. But I recognize it when I've done it poorly. One of the things... Where I work, I work with groups in rooms and I work at the front as a facilitator and I have a lady who works with me at the back of the room. So we're sort of bookends for how senior teams have conversations. If the leader comes in and completely ignores the lady I'm working with, doesn't know her name, doesn't thank her, doesn't talk to her, it tells me everything I need to know about that leader. And the leaders who have come in and they're... Some of these, you know, they run some of the biggest companies in this country, will come in, get her name, remember her name, talk to her and acknowledge her at the end and I'm going, "You're a leader. You're somebody who is in concert and brings people with you."

MURRAY: (06:09) I would imagine that reflects in the room.



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KEVIN: (06:11) Absolutely.

MURRAY: (06:12) A whole culture sits underneath.

KEVIN: (06:14) Yes.

MURRAY: (06:15) Yeah. That's a really

KEVIN: (06:16) It's a very, just a very simple... It's just a... I've noticed it and it's a very simple test.

MURRAY: (06:21) Yeah.

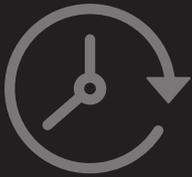
KEVIN: (06:21) That if they consider some people worth talking to and others not, they're probably not the sort of leader I want to emulate.

MURRAY: (06:31) Going back to your work and what you're doing, you talk about the fact that the, or you say, the external environment is the biggest determinant of an organization's success. What do you mean by that?

KEVIN: (06:44) I think we all sit in a solution that what we do inside our firms and the conversations we have internally are the ones that matter. A change in the external environment can completely blow a company away. I mean we've got Harley-Davidson now sitting there. Trump's gone. We're slapping the import duties on and they're going, "We're not going to be able to sell our machines manufactured in the US into other markets." That probably wasn't even on their radar.

MURRAY: (07:14) Yeah.

KEVIN: (07:15) And so they... It doesn't matter how effective or how efficient their manufacturing is in America. The fact that Trump's come along and said, "Okay. We're going to have these trade embargos. So in tariffs... We're going to put tariffs on these things." Other countries are retaliating with those tariffs. It now completely compromises it. So it doesn't matter how good they were. The external environment has impacted them dramatically. So we're saying that organizations should spend two-thirds of their time anticipating the future, learning about it, running scenarios, trying to think about how that's going to change and what the impacts will be on their business because if you're talking to yourself, you're probably bad counsel. You really



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need to get out and look externally. The comment on Nokia, for example, was that they were 33,000 engineers talking to themselves and in the early days of iPhone coming into the market, there was no customer line that people could ring up and actually talk to and make complaints about Nokia because Nokia knew everything.

MURRAY: (08:22) Yeah.

KEVIN: (08:23) And Nokia was talking to itself and the consequences were pretty ugly.

MURRAY: (08:28) You also worked with collective intelligence. Maybe explain that to the audience and how did you get onto this? Because it's actually very powerful and common sense in a way.

KEVIN: (08:40) When you're working inside a business, you have a lot of specialists, people who have deep knowledge in manufacturing, marketing, finance, PR, HR, all of these specialists. But they tend to have one lens. They tend to be looking at the world through one aspect. They know the marketing side or the production side or whatever and we're saying, "If you're trying to understand your business and how it sits in a market, it's not just one lens." It's all of those and so how do you bring that... How do you surface that collective knowledge? Then how do you bring the collective intelligence again of that whole group to actually look at it from a complete point of view and then make decisions about what is the best way for us to deliver value to our customers, look after our staff, secure the value for the business over time? So the collective intelligence is that we believe will create better information and better decisions if they're engaged effectively and well.

MURRAY: (09:42) Yeah, and decisions and strategies that people are committed to because they've actually been part of creating it.

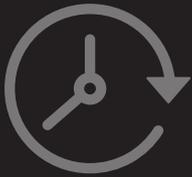
KEVIN: (09:49) Yes.

MURRAY: (09:49) As opposed to being told and instructed.

KEVIN: (09:51) What is it? Our motto is that the... People own what they help create.

MURRAY: (09:57) Yeah.

KEVIN: (09:58) So if they're in the process and understanding how value is created in the business, they're now going to make better decisions.



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MURRAY: (10:06) Yeah. That's great. Let's get to the second question.

KEVIN: (10:09) Yes.

MURRAY: (10:10) What was your 'aha' moment around leadership when you suddenly understood what it was all about?

KEVIN: (10:16) I think it was watching good leaders being able to put together teams where people were... Getting the right mix of skills and acting along those... Whoever those people were to be brought to bear on... and if we're pretending to be someone else, they were... their passion in the business. So it's finding the passion, finding the thing, the unique capability that person has and allowing them to work effectively, but in a team. So watching good leaders do that where they're utilizing all the talents in that team is probably what was the 'aha' moment for me, when I'm looking and going, "Why is this leader and this team working more effectively than this one?" That seemed to be the quality to me – the ability to intuitively understand what made that person unique and capable and allowing them to bring their whole person to that role rather than trying to constrain everybody.

MURRAY: (11:19) Yeah. So getting them doing what their passionate about.

KEVIN: (11:21) Yes. Finding out...

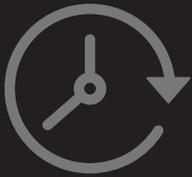
MURRAY: (11:22) And finding that.

KEVIN: (11:23) Finding their passion, allowing them to exercise with that and then bringing that together into a coordination of the team.

MURRAY: (11:30) That's great. That's great.

Let's just take a break from our guest for a moment. I wanted to talk to you about questions. You may have noticed that I'm collecting questions from my guests, the questions that they use to get people thinking and bring insight. Well, I'd love to hear what your favorite questions are, the ones that worked for you. Go to murraywright.com.au/yourleadershipquestions or use the link in the Show Notes. Once you're there, you'll be able to share your question or questions and see all the questions we've collected so far.

And now back to our guest.



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We've got the final question. I want to get on to that. We'll keep moving. It's about this question of failure. What would you say was your, has been your biggest failure and how does that inform your leadership today?

KEVIN: (12:18) I think that that's sort of hitting in the other... I read this... I watched a video and I thought, "Well that's true for me." And that is waiting to... And that was around this issue of waiting to be rescued.

MURRAY: (12:32) Right.

KEVIN: (12:33) That somebody is going to come along and sort it out for you.

MURRAY: (12:37) Yes.

KEVIN: (12:38) And probably my biggest failure has been, "Someone's going to sort this out." And the realization going, "No. Nobody is going to sort this out." There's only one person that's going to sort it out and that's yourself. I thought it was interesting that in the guy's comment... This bloke was in the middle of the global financial crisis. The guy who was advising him said, "Where did you get this notion that there's going to be a guardian angel or the white knight on this day that comes in? You're it."

MURRAY: (13:11) You're it.

KEVIN: (13:13) And I went, "Wow!" If I look back at where I haven't been effective or I haven't pushed through, it's probably that sort of aspect of going, "I'll be rescued."

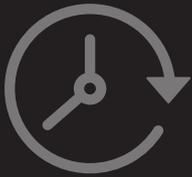
MURRAY: (13:25) Yeah.

KEVIN: (13:25) Someone's going to come and help me.

MURRAY: (13:26) Yes. Sort of not taking ownership.

KEVIN: (13:28) Yeah.

MURRAY: (13:29) The situation.



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KEVIN: (13:30) So if I failed it would be along those lines. That's a pretty harsh realization.

MURRAY: (13:37) Was it one particular thing you think back to or was it a sort of...?

KEVIN: (13:42) Some of the more difficult things we try to do in the business in the software side, delegating and hoping.

MURRAY: (13:49) Right.

KEVIN: (13:50) Rather than going, "I really just got to manage this." This is... It's not... "Nobody is going to do this well at the level we need unless I'm directly involved and playing and actually engaged," than just going, "Here it is. Please build this and please make it look I want it to be," isn't necessarily... Has not produced the result.

MURRAY: (14:11) Right. Yeah. There's a piece in there I wonder also. With other leaders we talk about creating the conditions for success, of really being clear about what you want. Is that part of it?

KEVIN: (14:24) I think my father used to describe it as delegate and pull the blinds down.

MURRAY: (14:29) Right.

KEVIN: (14:30) And I think you've clearly got to delegate because you don't have all the expertise.

MURRAY: (14:32) That's right.

KEVIN: (14:33) You don't have the expertise.

MURRAY: (14:33) Yeah.

KEVIN: (14:34) You don't know everything, but you can't just go, "There we are. Please make it work."



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MURRAY: (14:40) Yeah.

KEVIN: (14:40) You still have to have your attention to it, the detail to it, the energy to it

MURRAY: (14:47) Yeah.

KEVIN: (14:47) And I think probably where I failed is going... I lift up the blind and I go, far out that was not what I was expecting?" And there's nobody to blame.

MURRAY: (14:59) Right. Yeah.

KEVIN: (14:59) But me.

MURRAY: (14:59) Just close the blind again.

KEVIN: (15:00) If I can close it and walk away.

MURRAY: (15:02) Yeah.

KEVIN: (15:04) So one of the things we built into the way that we help clients execute is this agile approach where you're surfacing stuff on a regular rhythm. So every two weeks, every month you're bringing it up and you're having a look at it in the cold light of day. We have a hypothesis. We said we're going to work on this, what's actually happening and what's not happening and do we need to change it? So we're starting to build far faster learning and adaption in our clients so that they're not going six months and going, "Oh, that didn't work."

MURRAY: (15:38) Yeah.

KEVIN: (15:38) We just lost six months.

MURRAY: (15:41) And 'agile' seems to be the buzz word now. Everyone is talking, "Agile." How do you define it? How do you see 'agile'?

KEVIN: (15:49) Adjust to... It's about... Everything... You can only... You can't predict the future. You can only anticipate it and therefore it's a hypothesis. I have a hypothesis. It's if we do this type of work for these clients with this price point it will... They will go, "That's fantastic. That's amazing. We'd love to buy it and yes, it's brilliant for our market, fitting for us." That's your hypothesis. What 'agile' says... And rather than let's



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spend 12 months building the perfect product and service and then going out and then finding customers going, “Oh, that’s not quite what I thought you meant” or “No. We’ve moved on” or whatever. In a very much shorter space of time, maybe less than 90 days, you go to market with something that’s what they call a minimum viable product, something that works but it’s not completely fleshed out. It gives the core of what you’re doing, but it invokes the learning you need and so what you’re doing it’s the lowest risk, the shortest space of time and the lowest cost to test an idea. So if the customer says, “Amazing! I don’t care what shape it is. I’ll take it now.” You know you’re on a winner. If they look at it and go, “Seriously? What is that?” or “Where did that come from?” or “Why would I pay that price point when I’ve got one of those over there?” You’ve only burnt 90 days.

MURRAY: (17:11) Yeah.

KEVIN: (17:12) And not a lot of money and not a lot of thinking.

MURRAY: (17:15) Do organizations have to change their structure? Because I’ve been reading a bit how you have to... you know the dynamic structure, the agile structure, are you seeing that... Do you have to change that or not?

KEVIN: (17:28) I don’t think the structure has to change. It’s the way you actually operate. So rather than... While I’m contradicting myself here, you do need ad hoc teams. You need teams to come together from cross functionally and come together and go, “Okay. What would the legals look like?” “What are the product dimensions?” “What is the marketing package, etc.?” And proformas of that have to come together very quickly. So you don’t send it off to legal and spend three months over there and you are getting to do something over there, yes. But you can form ad hoc teams around something quite quickly and they don’t have... But core work clearly has to sit in functional areas so your marketing people will continue with products and services and stuff. We’re doing legal. We’re doing... There’s production over there and there’s etc. But for these sort of experiments, which is what they are – what agile is, is a set of experiments – you’re allowing that group to form quickly, come up with ideas and test stuff.

MURRAY: (18:28) That’s good. Thinking back you talked about the disruption with technology. Are there any other major trends that you are seeing, now you’re coming across challenges that organizations are facing?

KEVIN: (18:41) Going back to my original comments, digital is probably by far the biggest one that we’re seeing. The other one is this gig economy where organizations



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are going, we're trying to get down to a lean team and then we'll virtualize [?] the rest of the work or we'll outsource it or whatever. That creates really interesting dynamics and there are quite broad social implications of that. If somebody has a portfolio of work, they're both... They're at risk at one level and then well protected in another.

MURRAY: (19:19) Yeah.

KEVIN: (19:19) They're not going to get fired one day and lose their income, but they're at the whim of...

MURRAY: (19:25) That's another pitfall.

KEVIN: (19:26) With these... Yeah.

MURRAY: (19:27) Yeah.

KEVIN: (19:28) So that is a trend where they reckon 70% of work into the future, the future of work will probably sit in that area. Sit with a very small lean team at the core with lots of work sitting out in the virtualized world. I think that brings enormous challenges to organizations and to people in that gig economy. So I think that's one of the other big challenges.

MURRAY: (19:54) I think we're starting to see some of that now. You know, the delivery drivers or whoever they're challenging, they're status with the company and Uber, all that stuff that's happening now, isn't it?

KEVIN: (20:06) Yes. So those models are getting challenged, but equally... One of the steps I liked is in San Francisco apparently taxi demand has gone down 60%. Total transport demand has gone up 150%.

MURRAY: (20:26) Wow! So taxi drivers are probably where they were anyway

KEVIN: (20:30) Yes. However, people are going... The market has expanded because of the convenience of Uber and the likes of that sheer economy.

MURRAY: (20:41) Yeah.



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KEVIN: (20:42) Which is all gig economy, that is all virtualized [?] workforce based.

MURRAY: (20:45) That's right.

KEVIN: (20:47) But the demand is always there. But the taxi industry was servicing it so badly in a very constrained way. So you got this funny dichotomy where if you constrain it, it doesn't deliver. If it's massive and flexible like Uber has done, you probably have to come back from that if you don't want to go all the way to the point where it's a protected business or a cartel.

MURRAY: (21:10) Yes. Big questions. And talking of questions, I'm doing a little bit on questions now for people in these interviews and trying to give them some questions to help them and you've quoted an African proverb, "The one who asks the right questions does not lose their way." Wonderful. Wonderful statement. So if you think of a leader now in an organization today, what are a couple of questions that you would get them to ask that you would say, "Ask these questions to really help yourself stay on track."

KEVIN: (21:47) I think to me the key question for a leader is, how is the world changing around us and how are our customer's expectations going to change and how do we continue to meet those? How do we continue to deliver value to our customers in the changes that they're experiencing and the changes that we're experiencing? So it's that future focus. We basically contend that if you do a proper analysis of the future and you sit there and go, "We think it's going to change in these ways." Your business model today will probably not be functional in three to five years. You'll probably be out of business if you continue to do exactly what you did today. So the leader's role is to continually help people... continually ask that question about how do these changes impact us? How do we continue to add value to our customers during the changes that they're going to experience? So if you have... To us, you know, if it's got a ten times factor, ten times better, ten times cheaper or ten times faster, your clients will desert you en masse immediately.

MURRAY: (22:54) Yeah.



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KEVIN: (22:55) Nothing moves... No loyalty... The fact that they've been dealing with you for 20 years is irrelevant. They're sitting there going, "It's ten times better." And you look at Uber, it's ten times better. You look at practically all of the things that have been disrupted, they've got a factor of ten times faster, smarter or cheaper.

MURRAY: (23:14) Yeah.

KEVIN: (23:15) And if you're not sitting there going, "What's the ten times disruptor that's going to impact us?" And you're not actually investing in it or you're not understanding it or you're not exiting a market because of it, then you're probably not going to be in business.

MURRAY: (23:31) There's a lot of people listening right now, Kevin, that's just got a bit of a fright. If they want to reach out and contact you, what's the best way? How will they find you?

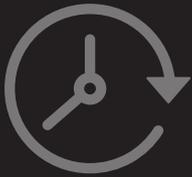
KEVIN: (23:41) Just waterfield.com.au would get us or Kevin Nuttall on LinkedIn would give you a terrible photo and a bit of my background.

MURRAY: (23:50) But it's a way to connect.

Great discussion. Great insights about strategy and keeping your organization going and alive for the future. Thank you.

KEVIN: (23:59) Murray, you're very welcome.

MURRAY: (24:01) Well, I hope you enjoyed that as much as I did. Some difficult but important questions from Kevin really challenging us to spend time thinking about the future and how it will shape our business. So after all of that how ready are you for the future? The Show Notes summarize the key points phrased and as always I would encourage you to share the podcast with your team and colleagues and remember, share your leadership questions at murraywright.com.au/yourleadershipquestions or follow the link in the Show Notes.



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