

CHRISTOPH BURKHARDT

DON'T BE A ROBOT

Seven Survival Strategies in the Age of
Artificial Intelligence



MIDAS

DON'T BE A ROBOT

**SEVEN SURVIVAL STRATEGIES
IN THE AGE OF ARTIFICIAL INTELLIGENCE**

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CHAPTER 6

SEVEN SURVIVAL STRATEGIES IN THE AGE OF ARTIFICIAL INTELLIGENCE

IDENTITY

*Be who you are and say what you feel,
because those who mind don't matter,
and those who matter don't mind.*

Bernard M. Baruch

Shift from Being Normal to Being Unique

Isn't competition a great driver for people to give their best? Why would competition be a bad strategy ever? Does it not push everybody to become better at what they do? These are the questions I get from people with whom I have shared my ideas about competition. When I was fifteen years old I made a discovery that shaped everything I am today. I was never a very athletic kid. In fact, when I had to transfer schools from one state to another in the middle of sixth grade and I had to leave all my friends behind while being thrown into a new group of sixth-graders, all of whom had established friendships already, and were not thrilled to meet anyone new. I learned many very good life lessons. But one lesson definitely stood out. At the time, my coping mechanism with being lonely and homesick was to eat my feelings. And, of course, that resulted in my not being athletic at all. I hated it and I did care a lot about it. But I did not have the strength to change it at the time. Fast-forward, I am a healthy and active grown-up now, and stay in shape. But the lesson I learned had to do with competition. When you are great at sports you are competing. There is not a single sport I know that is not about some form of competition, at least not after you get really good at it. But as already outlined in the first chapters of this book, sports offers a unique opportunity for competition because of their well defined rules and clearly defined winner in the end.

I did not have much fun competing because, well, frankly, because I would not be able to win. So I went on to do other things: I became really good at playing the piano, for example. But after a few months I noticed that there was a competitive element to playing the piano too. Even though it was much harder for people to tell who was the winner, class recitals in public were often quite similar to sports events. To me, the sad moment of realization came at a competition for young jazz musicians. I had picked up an intense love for jazz music early on and so it was not very surprising that I would become pretty good at it. So for a statewide competition I prepared a few pieces. I would also play with a band that I had never played with before. The jury at the competition was filled with very experienced jazz musicians. I was entering the first meaningful competition in my life.

Things went well, it was a lot of fun and I was not only able to play with, but also listen to, some amazing young talents, which, as you can imagine made a huge impact on a beginner. Seeing children a few years older than I was at the time, with amazing skills made me want to practice right away and become as good as they were. So, you might argue, the competitive event did good things for my ambition and actually fostered my wish to become better. But hold on.

In the end, I received a silver medal as the youngest participant in the competition. There was just one problem; I did not have any competitor. In my state, there happened to be nobody in my age group who qualified in the first place. I went home with two questions: one, where were the other children doing what I did? There was never a shortage of children competing in soccer or the swim team. And secondly, if I was the only kid competing in my age range why did I not receive the gold medal? Isn't that how competitions work?

The lesson learned that day and the weeks after had profound impact on everything I do today. Indeed, my hobby was quite exceptional. Not many children would join jazz bands at this age. Turns out, though, that my jury that day thought I still had a long

way to go. I was good—silver-medal good. But I could become a lot better still. Nothing better could have ever happened to me.

What I learned was the absolutely essential difference between competition and comparison. They were not the same. They are not for my clients or anyone else today. I decided that day, and until now have stayed true to that promise, that I would not enter any competitions for comparison with others. I avoid competition with others and I do it systematically.

What about healthy competition? Isn't that something to strive for? Wouldn't that be a good thing? The answer is that there is no such thing as healthy competition outside a very small and well-defined area of life and business. And this small, defined area is not responsible for much of the success of an individual or a company. Real success stems from stepping out of competition, by entering what some business strategists refer to as the blue ocean, an ocean in which there is nobody else fighting for resources and food yet. In other words, the blue ocean is still blue because there is no competition. In contrast, the red ocean is full of competitors fighting a bloody fight for survival and market share. I do like the strategic thinking behind the metaphor of the ocean but I want to add some context I feel is missing as to why this kind of competition is so bloody, and how we get to find a blue ocean instead.

The basis of most competitive environments is a platform for comparison with others. Whether we look at the way we are being evaluated in education systems around the world, or how companies compete in oversaturated markets for their market share, there is always a platform for comparison that defines the dimensions on which to compare yourself to others. So the first problem we encounter with competition is that you are in no position to choose which dimensions you want to be evaluated on. These parameters are given to you. You can not go to school and demand extra points for the hip hop moves you are able to perform or the song lyrics you recall flawlessly while you only get a "C" in physical education and a "B" in music. It is simply not your decision. What educators often try to sell, as an absolute assessment of your abili-

ties, is nothing but a relative judgment of a tiny set of skills. You are being ranked against your competition, whether it is your school-teachers who do it or overpaid strategy consultants that rank you against your biggest competitors, the problem is the same: you do not get to define the dimensions on which you want to perform. Let's look, though, in more detail at what competition creates that is so harmful.

Humans make comparisons, lots of them, all the time. We hardly know anything outside of what we have categorized by making comparisons. You see this very clearly when you contrast absolute judgments with A or B comparisons. Let people try ten different kinds of wine. Do not allow them to go back and retry them; give them one glass after the other and ask them to rate the wine on a scale of one to one hundred, one being awful, one hundred being delicious. Now ask the same group of people two weeks later to try two randomly selected glasses out of the ten wines, and let them choose which one they like better. Let people taste all wines in pairs of two until you have a ranking of their most favorite to the least favorite wine.

You will probably find two things. One: the absolute rating on the scale from one to one hundred does not match their ranking of the same wines two weeks later. And two: you will also find some judgment calls that do not make much sense. Some people will end up liking wine A better than wine B, and wine B better than wine C but they paradoxically prefer wine C to wine A. This is called the intransitivity of our preferences, a phenomenon with dramatic business implications. Why would people not be consistent in their wine preferences? Do people not know what they want?

The reason for our inconsistency in comparing options lies in the way we make the judgment and the dimensions we choose to come up with an evaluation. If you ask people in our experiment about how each red wine is, they will probably fail to rate this on a 100-point scale. How would we know what a score of sixty-eight would be evaluated in terms of the color of our wine. Yet, when you show them comparisons they would probably have an easy

time to say which wine was more red. The resulting ranking in redness would very likely be consistent too. And the reason is that in this condition we have limited the dimension for comparing two entities to just one, while the question of preference has so many different layers and people often do not know what dimension they used to say what they like. Was it the sweetness, the color, the fruitiness, the alcohol level, the aftertaste? Well, probably all of the above. Therefore, the reason why we end up with inconsistent preferences is that we use different dimensions for different comparisons.

Bringing the topic back to business decisions. Imagine your task was to say which of two companies was the better company. Microsoft or Apple? Or being asked which ride share company you prefer: Uber or Lyft? While it is quite easy for us to name a preference for these two examples, it would be much harder to compare Microsoft and Uber or Apple and Lyft, and certainly the dimensions would be very different for each comparison.

What competition does to our comparisons is artificially limit the dimensions we use to compare ourselves, or our companies to others. There is a big paradox in what some consultants do to detect a competitive edge. If you compare your company to your competitors, then you automatically narrow the dimensions to those dimension that you differ on, while you ignore the ones that you are the same as or very similar to. But even more interesting is that we automatically leave out the dimensions on which a comparison would be hard to perform. Many brand related dimensions fall into this category.

Forget Benchmarking

*Most people are other people.
Their thoughts are someone else's opinions,
their lives a mimicry, their passions a quotation.*

Oscar Wilde

In a world with more opportunities for business cases and democratized access to these opportunities looking at what your direct competitors are doing will turn into a trap. The idea behind benchmarks is to identify strengths and weaknesses of one's own business model. The point of this exercise should be to find the niche in which no competitor is going yet. Instead, benchmarks often end with a strategic alignment of competitors. This is following an old business strategy metaphor, that I see in different forms with many of my clients when they are stuck. The metaphor says that if you are sailing in a regatta and you are the leading boat then all you have to do is copy exactly everything the second fastest boat is doing and this way they will never pass by you and you will win the race. What appears as a sound business metaphor is full of faulty assumptions.

1. **Competing companies are not like sailboats.** Companies are very different from each other, much more than they usually realize. Cultures, processes, client interactions, recruiting strategies, all of these differ much more than we would expect. Thus, if your boat is very different from the other boats, then following their strategy is not a guarantee to win. If your boat is lighter but has a smaller sail, your strategy obviously has to be different from the strategy of a very heavy boat with a huge sail.

2. **You are never in just one market.** Even if your product is well defined and you know why your clients and customers rely on you and not the competitors it is a very narrow view to assume that you only compete with your competitors. Think about a customer looking for a new car. They will not only look for new cars and compare the most similar ones. They might also consider not buying a car at all (like me) and instead to rely completely on car-sharing services and shared rides (like I do). For this customer your competitor is not another car manufacturer; your competitor is outside the automotive industry. And even further out, most customers make decisions to purchase relative to other expenses in their lives, not relative to other options in the same category. In other words, customers decide between buying a new sofa, upgrading their kitchen, or going on a cruise. And all of a sudden, a furniture store, a kitchen designer and a cruise provider are competing in the same market. Your boat will therefore not only be compared to other boats as to who gets to the finish line first. Your boat will be compared in terms how beautiful it looks on pictures, how nice your crew is, how well received the name is you picked for your boat was, and maybe also how fast you reply to emails from people who want to rent your boat. All these factors will be missing in a benchmark because they seem to be outside the race. But they are not and that is because of one reason.
3. **There is no race.** When I lived in Munich and was teaching at the university, during breaks or quiet afternoons we would go to the English garden. This garden was right behind the university buildings and I probably spent more time in the park than in the buildings. During the summer months there were quite a lot of students sitting in the grass or in the biergarten at the center of the park. And there is something peculiar about how people spread out in public areas. Without their realizing it, people and the groups they come with keep about the same distance to other people and groups. With more and more people coming into the park, this distance would of course get

shorter but still, people would sit in spots right between their neighbors. This also means that when for whatever reason (often because the sun would move on) people were moving out of one area into another they would try to find spots with equal distance to others. But the people in the area would also start moving to find better spots given that their distance had just been shortened. Thus, sometimes the influx of people in an area would cause a whole system of people to go through ripple effects by moving too. A market functions very similarly. All players in one market have found their spot. Now for some reason (technological changes, for example) there are new players in the market causing everybody in the market to move a little to keep the same distance. When at some point there are too many players in the market some would also move on into a different market (the biergarten in our example). What do I mean when I say that there is no race is that there is no beginning or end to the movements in a park. There is a dynamic process of adjustments going on, but there is no start and there is certainly no finish line. Because what would that be? End-of-year sales? Number of employees after five years? Market share every Tuesday? Whatever indicator you pick, there will not be a finish line and if you choose to optimize your performance according to only one factor, like profits, you are not taking advantage of the opportunities outside that factor. In a regatta, speed will ultimately decide the winner of the race. For this winner it does not matter by how much he won. The only thing that matters is to be first. In business, it matters a lot if you're the market leader because everybody else is really bad or if you lead because you are very good. It also matters whether you lead because you are very innovative or because your business model happens to match market demands. Market demands, which might change any instance.

IDENTITY IN PRACTICE

Fit in by standing out

When you scan your environment and in particular the people in it, you see your identity in action. The people you surround yourself with are a projection of your identity. Fitting in is not a bad thing at all. Yet, making use of your individual uniqueness, not only in terms of your individual knowledge and expertise, but also in everything that differentiates you from the groups you are part of, will make a huge difference to the value you can create for your team and organization. Whenever you have the chance, look for groups of people who have a high level of deep level diversity and join them. That being said joining highly diverse groups and teams can be challenging, but it will make you grow and help you redefine your identity. If, on the other hand, you are part of pretty homogeneous groups with low levels of diversity or at least only on level of surface diversity, like a group of Harvard law graduates with different skin colors, then standing out by being the only one who is different will not do you much good. Actively look for groups in which nobody is like anyone else. So you can fit in by standing out.

Don't compete

*Don't compare yourself with anyone in this world...
if you do so, you are insulting yourself.*

Bill Gates

We covered this before, but it cannot be said often enough in our hyper competitive globalized world: do not compete with anyone but yourself. This means escaping processes of standardized comparisons, ignoring ratings and developing your own measures of success. Again, if you compete, you have to compare yourself on dimensions that have a bias towards quantity like money and time. These are good indicators of success for sure, but they can never be the only ones. Since they are the easiest to access we over-

use them and make them the standard without good reason. Just because you can measure something does not mean you should do so. Every comparison with another person automatically limits you to measurable dimensions. The more we all try to perform on these dimensions, the more we normalize ourselves and make significant parts of our work replaceable because we start behaving like robots.

Own the consequences of your actions

We do not like admitting mistakes, yet they do happen. Doing the wrong thing, making bad decisions and being wrong about facts is part of human nature. In a highly connected world though it becomes crucial that we learn to apologize in the right way. If you take risks and make decisions that turn out to be bad decisions, because their consequences are negative, you are not making a mistake you need to apologize for. You took the risk knowingly and fully aware that there was no guarantee for success. Apologizing for the risk would be questioning the wrong part of the action. You need to apologize for the consequences of your decisions, and even more so for the consequences of your actions. To say you are sorry for what you have caused is compassionate and shows empathy. To say you are sorry for taking risks is an apology for who you are. Never apologize for who you are. Your identity is what makes you human, do not weaken it with weak apologies. On the other hand we all need to own the consequences of our actions. And even when they were unpredictable, we need to apologize.

IDENTITY AS A BUSINESS PRACTICE

Stand for something

Whether organizations like it or not, in this day and age they are social agents with economic powers that can change societies and democracies. In this position their responsibilities extend to the social realm. Whether they actively and consciously engage or let

it happen to them, they stand for something. As an organization you need an opinion, a stance, and you need to use your voice to create change. Every product you put out there, every service you offer, has consequences on the lives of your customers and clients. This influence now also means that you are part of political movements, social issues and questions around human rights. If you are silent, you inevitably become just a bystander. We are approaching an age in which if an organization does not speak up or stand for certain values and convictions, it will become a problem for your survival. You are in danger of handing over control of your identity to the market, which create it for you. If you do not take charge you might end up with an identity that is destructive to your company and ultimately your business. Use your voice, and use it now.

You are not your brand

A common misconception around the idea of branding is that you can somehow dictate your identity through a brand. Many of my clients have elaborate strategies around their branding and what they want to be seen as. The only problem is that nobody cares about your brand if it is not a mirror of your identity. If your brand is hip, young and sporty but your employees do not match your branding, you will look ridiculous. The opposite is of course true too. If you want to be seen as experienced and mature, but your products are colorful and your CEO gives hilarious answers in interviews then the brand will not matter. The brand needs to reflect who you are and what you stand for, not what you wish you were like or what you wish you stood for. Too many brands are idealized versions of organizations that do not exist. And more and more, the inconsistencies in their identity is becoming public knowledge. Let your brand be what is great about you. Not what you wish was great about you. Organizations have to control their brands by making them authentic, now more than ever before.

Kill the fault lines

When organizations attempt to increase their diversity levels to make innovations more likely and organizational evolution more adaptive, they often unknowingly create fault lines. When you hire all your product developers from Stanford and all your marketing leads from NYU you have created a fault line. When two or even more dimensions (like department and grad school) separate two groups of people, you increase the likelihood that they will not mix and match. They will not come together as a team. This happens more often than most organizations realize. Take the dimensions of age and gender as an example. If, in a meeting, half of the room is over 50 years old while the other half is 25 you might say you have a pretty mixed group. But if all the over 50 year olds are female while the young ones are all male then you can be sure that you have the opposite of diversity. You have pretty much put oil and water in a glass, and you are hoping that they will come together to create something they could not on their own. They will always separate, not because they are not social, or that they discriminate. They are simply human beings. To kill the fault lines you need to make sure that you do not think in one dimension when you talk about diversity. True diversity, the kind we need for adaptive organizations to be adaptive, emerges when you mix and match people on as many dimensions as you can at the same time.

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CHRISTOPH BURKHARDT

"We are standing at the brink of a massive paradigm shift. We are facing the most transformative change in about 10,000 years. Industrialization and globalization, the connectedness of minds and machines in the worldwide web, and the use of data as a new currency are mere precursors of what is going to happen next. We will no longer be the only species using reason, experience and intelligence to make sense of our world. Maybe we should rethink calling it our world anyway."

Born and raised in Germany, MSc at the London School of Economics, Christoph lives with his husband in San Francisco. Since 2010 he has helped companies implement effective cultures of innovation on a global scale. Christoph believes in a bright future for all humans if we manage to come together and develop the skills required for this massive paradigm shift ahead of us. His message:

Don't be a robot.

MIDAS MANAGEMENT

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