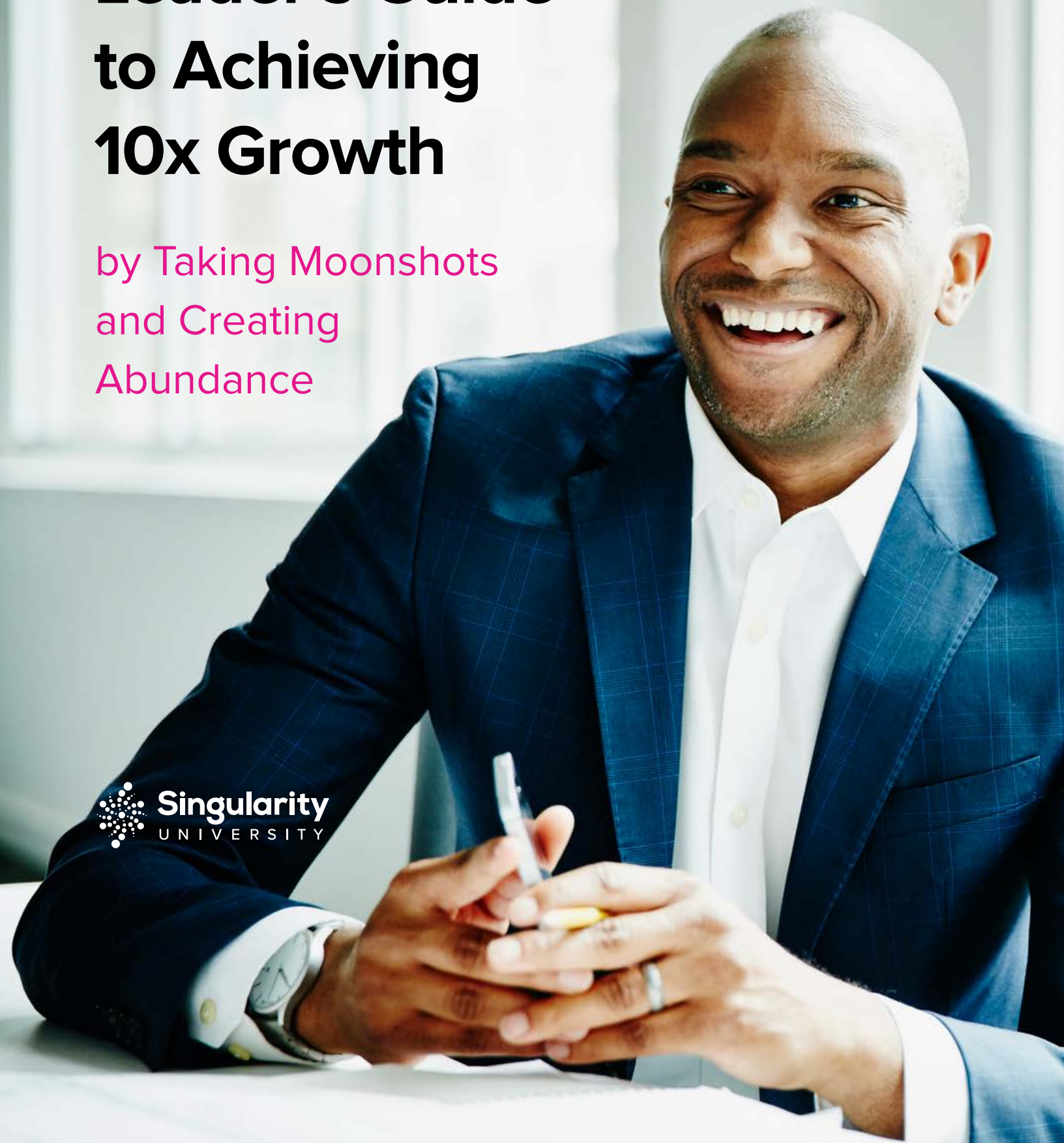


The Exponential Leader's Guide to Achieving 10x Growth

by Taking Moonshots
and Creating
Abundance



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The Exponential Leader's Guide to Achieving 10x Growth

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Introduction

We're living in a world where the devices in our pockets have more information, power, and creative capacity than the supercomputers that put a man on the moon. Your smartphone is 120 million times faster than all of NASA's Apollo mission computers. To put it another way, a child with a smartphone today has access to more information than the president of the United States did a mere 15 years ago.

Let that sink in.

As an individual, you've likely taken advantage of many of the latest technological advances. But what about your organization?

Forty percent of today's Fortune 500 companies on the S&P 500 will no longer exist in 10 years, according to a study from the John M. Olin School of Business at Washington University. The only options on the table are to either disrupt yourself or be disrupted by your competition. Which will you choose? If you choose the former, do you know how to proceed?

It Starts with the Mindset

Leaders often struggle to fully understand and integrate the power of rapidly accelerating technologies into their businesses. These technologies are advancing along an exponential curve and converging with one another to bring about rapid transformation in every industry and way of life.

As Albert Einstein famously said, “We cannot solve our problems with the same thinking we used when we created them.”

Indeed, today's leaders require a new mindset to think beyond business-as-usual and strive for 10x growth (vs. just 10% improvements). This mindset—an exponential mindset—implies a recognition that incremental ideas and growth are no longer sufficient and that big, bold, 10x, moonshot ideas are mandatory if we are to harness the power of technology and solve our world's most intractable problems.

What follows is your blueprint for achieving 10x growth by developing the skills, approaches, and mindset of what we at Singularity University call an exponential leader. Read on to learn more about these attributes and discover what “being exponential” can mean to you and your organization.

Grow Your Toolkit: Six Principles to Master an Accelerating World

Being an executive today is vastly different than it was 20 years ago. Today, each of us has access to more capital, more technological tools, more information, more talent, and more computational power than the CEOs of the world's biggest companies did just two decades ago. As we think about what it takes to succeed in a world of abundance and a world of accelerating returns, let's focus on six principles that every exponential executive needs to master.

1. Understand exponentials

Human development over the last 250,000 years has been local and linear. Contrast that to the last 50 years, and it's clear how global and exponential human development has become. But we're still local and linear thinkers in an exponential world. Our brains haven't kept pace with technology, which is doubling in power every 18 to 24 months.

Let's explore what exponential growth feels like. Unlike linear growth, which results from repeatedly adding a constant, exponential growth is the repeated multiplication of a constant. This is why linear growth produces a stable straight line over time, but exponential growth skyrockets.

Here's another way to think about it: imagine you are going to walk down a road taking steps a meter in length. You take 6 steps, and you've progressed six meters (1, 2, 3, 4, 5, 6). After 24 more steps, you're 30 meters from where you began. It's easy to predict where 30 more steps will get you—that's the simplicity of linear growth.

However, setting anatomy aside, imagine you could double the length of your stride. Now when you take six steps, you've actually progressed 32 meters (1, 2, 4, 8, 16, 32), which is significantly more than the 6 meters you'd move with equal steps. Amazingly, by

step number 30, doubling your stride will put you a billion meters from where you started, a distance equal to twenty-six trips around the world.

That's the surprising, unintuitive power of exponential growth.

Technology is developing at exponential rates, thereby transforming products and services and disrupting industries. SU Executive Founder and Director Peter Diamandis shared a framework known as "Six Ds" to help put these changes—and resulting opportunities—into context:

Digitization: We can turn every product or service into "1s and 0s". Once a technology is digitized, it becomes an information science, so we can use computers to manage it.

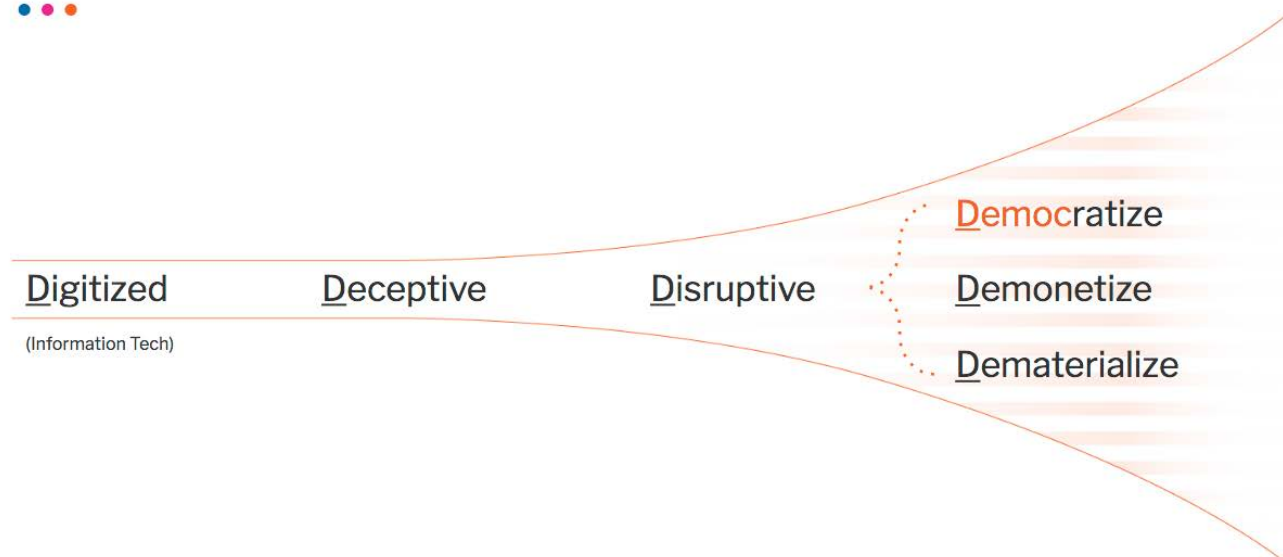
Deception: Exponential growth is hard to spot. At the beginning of most exponentially advancing environments, the early stages of development are almost imperceptible. For example, when .01 doubles to 0.2 it still all looks like 0.

Disruption: Exponential technologies can render the previous paradigm obsolete, outperforming it in both effectiveness and cost. For example, in our numerical example, once we reach "1," the exponential increase quickly becomes disruptive—we're at 1 billion just 30 doublings later.

Dematerialism: Items once large and unwieldy now fit easily into our pockets. The miniaturization of sensors paired with digitization has transformed tangible "things" like high-resolution video cameras and GPS systems into digital apps on our smartphones.

WHAT DOES EXPONENTIAL GROWTH FEEL LIKE?

"6 Ds" exponential framework



Demonetization: Through the dematerialism process, we can scale these apps and essentially demonetize them, because the cost of duplicating and distributing software is essentially zero.

Democratized: Products, services, and information previously available to a privileged few are now accessible by an ever-increasing percentage of the global population. Anyone with a smartphone and an internet connection has the same communications capabilities and access to the same platforms as a billionaire.

Exponential leaders use the Six Ds as a technological road map to predict where technologies are going and when to capitalize on the opportunities. This framework gives them a significant advantage over competitors.

2. See the world as abundant vs. scarce

Exponential leaders understand that technology is a force that transforms scarcity to abundance. Technology is creating a world of abundance in almost every major arena, including energy, knowledge, transportation, computation, access to education, and access to healthcare.

Once these industries transform from scarcity to abundance, their products and services become cheap—or free—and their quality goes through the roof.

Exponential leaders understand that we're getting closer and closer to an abundant future. The world is becoming better at an extraordinary rate on almost every possible measure. These leaders also know that scarcity-minded, closed business models will ultimately fail, while open platforms will ultimately win.

3. Leverage exponential technologies

Exponential executives experiment constantly and have a deep sense of curiosity about a group of exponentially growing technologies. They use them in innovative ways in their organizations:

- Artificial intelligence (AI) and machine learning



- Sensors and networks (Internet of Things)
- Digital manufacturing/3D printing
- Robotics and drones
- Virtual and augmented reality
- Synthetic biology and genomics
- Quantum computing
- Material sciences

Exponential leaders understand that these technologies can transform and disrupt industries by allowing individuals to do what was once only possible by governments and the largest of corporations. And further, they know that they don't need to become a technologist to leverage these technologies. They only need to understand the potential and implications of the technology to integrate it into their businesses.

4. Have a transformative purpose and a moonshot

Mindset is everything.

Exponential leaders have a massively transformative purpose (MTP) that drives them to overcome hardship and attract the best talent. An MTP is a “highly aspirational tagline” for an individual or group, like a company, organization, community, or social movement. It's a huge and audacious purpose statement.

Want to learn more about why your organization needs an MTP and how to create one? Download “The Exponential Leader's Guide to Enabling Exponential Teams”

The most successful leaders use their MTP to power their moonshot—an effort to create a product or service that leverages radical ideas to solve a huge problem—to generate a 10x bigger impact than anyone else.

5. Tap the crowd for expertise, solutions, and capital

Exponential executives successfully crowdsource nearly everything they need—ideas, capital, design, software—to grow their businesses. In our hyper-connected world of more than three billion internet users, cognitive surplus can help you build products and services and drive innovation, regardless of the size of your company. Incentive competitions through platforms such as HeroX.com are a great way to encourage crowdsourcing.

6. Launch your vision, experiment, and disrupt yourself

Exponential leaders bring their ideas to life quickly. They understand the importance of action, rapid iteration, and experimentation. They're not afraid to reinvent and disrupt themselves. They foster a creative culture of idea exchange to find unique solutions for previously unsolvable problems. They understand where, when, why, and how breakthroughs happen inside of the communities they create.

Exponential leaders know how to disrupt themselves in order to constantly keep their companies, ideas, and processes focused on the future. They are able to move forward by applying exponential technologies, bold thinking, and innovative leadership for the benefit of their companies and the world.

Learn from the Best: Expand and Disrupt

Can a company actually disrupt itself?

Absolutely. Businesses must disrupt themselves—before someone else does—to survive. By expanding into new markets, you can disrupt yourself—and an entire industry.

Yet the fact of the matter is: Very few companies have actually successfully disrupted themselves. Instead, most successful companies “disrupt adjacencies” by leveraging their existing assets to expand into new, high-growth markets. They actually disrupt someone else!

Here are some classic examples of disruption:

- **Facebook disrupts SMS messaging:**

Several years ago, Facebook decided to disrupt SMS messaging with the launch of Messenger. Because Facebook is a platform, it was able to garner 700 million monthly active users globally—driving a projected 38 percent decline in telco SMS revenue in North America by 2017.

- **Tesla disrupts energy storage:** Tesla, an electric car company, is disrupting energy storage with the Tesla Powerwall. The company used the technology developed for its cars to branch into this new multi-billion market.

- **Google disrupts mobile phones:**

Google is an internet search company, but in 2008, the company entered the phone hardware business by shipping the Android and initiating the disruption

of mobile operating systems. Android currently commands an astounding **75.3 percent** market share.

- **Amazon disrupts e-books:** Amazon started as a company selling physical books but foresaw the shift toward e-books. By 2010, the Kindle accounted for 62.8 percent of all e-readers worldwide. Amazon is now the leader in promotion and sales of digital content in an e-book market worth \$1.62 billion.
- **Netflix disrupts content streaming and creation:** Netflix transitioned from mailing DVDs to video streaming over the internet. It's now a **\$157 billion** company. The company has successfully disrupted original content production with Netflix Originals.
- **UBER disrupts food delivery:** Uber has disrupted the food delivery market with UberEATS. In 2015, the food delivery market reached \$70 billion, with a mere \$9 billion of this business happening online. With a fleet of 14,000 drivers in New York City alone in that same year, distribution and recognition threatened GrubsHub's hold.
- **LinkedIn disrupts recruiting:** LinkedIn disrupted the \$26 billion corporate recruiting market by launching its Talent Pipeline product in 2011 (now known as Recruiter). LinkedIn had been making money from advertisements and job postings, then launched a subscription to tools for recruiters to generate leads. Recruiter accounted for 62 percent of the company's revenue just four years later, up 36 percent from the prior year.

- **Red Bull disrupts publishing:** Red Bull, an energy drink company that has sold a cumulative **75 billion cans** since it was introduced in 1987, launched Red Bull Media House to produce original sports, culture, and lifestyle content. It has since become one of the world's leading premium content media companies.
- **Apple disrupts music players:** Apple is notorious for disrupting adjacencies. In 2001, after Apple experimented with its iTunes music application, the company realized there was no good MP3 player on the market. So Apple created its own, the iPod—selling more than 300 million of them, until they dematerialized their own technology by pivoting into another adjacent market and gave us the iPhone. In summer of 2019, Apple announced its intention to disrupt itself again, killing iTunes and launching separate apps for delivering music, apps, and podcasts.

Identify great adjacent markets

Believe it or not, finding great adjacent markets is pretty straightforward. How can you do it? By asking yourself three basic questions:

1. How could my company's underlying assets be used differently, ideally to solve problems that a) impact a billion people and b) I am passionate about?
2. Who in my supply chain is doing an awful job and could I do a better job by developing that business?
3. What else do my customers need, where are they underserved, and how could I solve their problems?

When you answer these questions, you will be able to identify lucrative adjacent markets and start down the path toward disrupting others and disrupting yourself.

Innovate Like the Future Depends On It (...It Does): Three Ways to Disrupt Yourself

Many Fortune 500 companies are looking for that elusive silver bullet: a way to innovate quickly.

Here are three counter-intuitive approaches that companies, small and large, need to take to disrupt themselves and surf above the tsunami of change, rather than get crushed by it:

1. Your biggest problems are your biggest opportunities

The world's biggest problems are also the world's biggest business opportunities. This also holds true for your company.

Take stock of your challenges. Then hire a team of entrepreneurs and have them spend a week interviewing your customers, suppliers, employees, and managers.

Have them ask questions such as, What are your biggest problems? What breakthrough would 10x our revenue? What problems, if solved, would completely revolutionize our business, product, organization, etc.?

Then, take a list of these problems and use them as targeting data for the creation of new business opportunities. Fund numerous

teams of hungry entrepreneurs to take a shot at solving those problems. There's nothing to lose and everything to gain. At worst, you'll uncover some valuable data and call it a day. At best, you'll actually solve your problems, improve your business, and create a whole set of new startups useful to everyone else in your industry (who likely have the same problems).

2. Start creating “unholy alliances”

Most companies prefer to work with traditional companies and suppliers in their own industry. Pharmaceutical companies work with other biomedical companies. Software companies partner with electronics companies. Aerospace companies work with aerospace companies.

But that approach will only get you so far.

Rather, we advise creating “unholy alliances.” Find and partner with companies completely outside your field—non-traditional players who force you to think orthogonally to your existing strategy and value chain.

Here are some examples of “unholy alliances” to inspire you:

- **Apple and music:** Today, this combination makes perfect sense, but when Steve Jobs took Apple into the music industry, people thought this was a crazy notion.
- **Microsoft and gaming:** Xbox was a massive departure for Microsoft, and now it's a major profit center, making \$10 billion annually.
- **3D Systems and Hershey's:** These two companies partnered to create a chocolate 3D-printer.
- **NASA and LEGO:** These two organizations partnered to explore using LEGO as a STEM education platform.
- **Facebook and Oculus / Google and Magic Leap:** Facebook's purchase of Oculus VR and Google's investment into Magic Leap are examples of partnerships that might not have made sense initially, but are now seen as anchors of the [growing mixed reality industry](#).
- **Uber and...everybody!:** Uber is capitalizing massively on unholy alliances, partnering with all sorts of organizations. The company joined forces with Capital One to provide subscription discounts to local restaurants with Uber Eats and is also teaming up with insurance companies, universities, and even animal shelters to offer promotional services like #UberKittens (on-demand kitten visits!).

It's this type of out-of-the-box thinking (actually, for exponential leaders, there IS no box) that will help your organization thrive within the rapid change we're seeing.

Today, each of us has access to more capital, more technological tools, more information, more talent, and more computational power than the CEOs of the world's biggest companies did just two decades ago

3. 10x your thinking and take those moonshots

Most companies are really focused on creating 10 percent improvements in their businesses. They ask: How do we reduce costs by 10 percent? Increase profits by 10 percent?

Astro Teller, Google's "Captain of Moonshots," often talks about the fact that "when you try to improve on existing techniques, you're in a smartness contest with everyone who came before you" and notes this is not a contest you're likely to win.

"Shifting your perspective is so much more powerful than being smart," he says. "Come at the problem from some unusual angle that lets you get past project flaws as you uncover them. Shifting your perspective is so much more powerful than being smart."

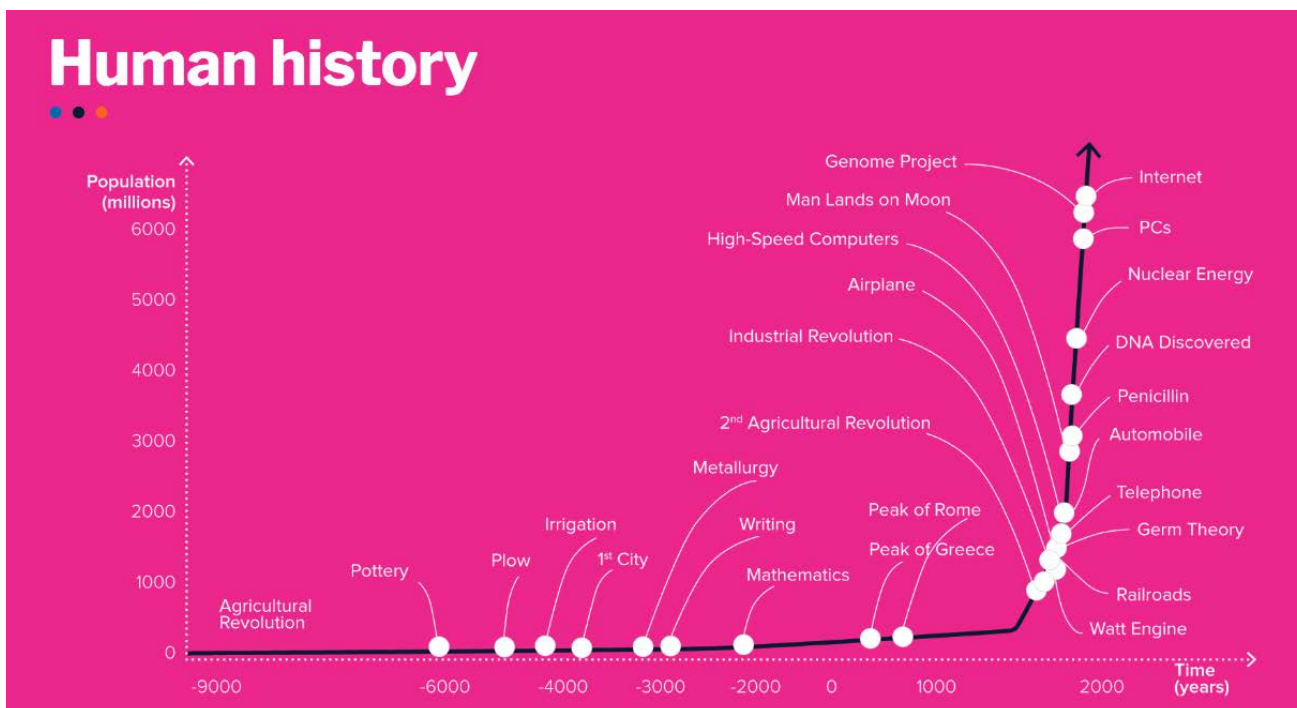
Indeed, Astro proposes what Google calls "moonshot thinking" which encourages people to go 10x bigger—10x cheaper, 10x faster, 10x cooler, etc.—than anyone else.

Why try for 10x versus 10 percent?

Ten percent sounds good, but exponential leaders know to reach for 10x growth.

Here's why:

- When you shoot for 10x improvement, you approach the problem in a radically different fashion.
- When you attack a problem as though it were solvable, even if you don't know how to solve it, you'll be shocked with what you come up with—particularly when you brainstorm ideas with the mindset that there are no constraints.



-Singularity University

- 10x vs. 10 percent improvement is 100 times more worth it, but it's never 100 times harder.
- Finally, having a moonshot in mind focuses and motivates your team, attracts the best talent in the world, and, critically, allows you to solve interim problems and create interim products and services along the way.

In the world today, the only constant is change, and the rate of change is increasing. Regardless of your organization's size, sector, or industry, these three approaches can help you create a sense of urgency around innovation and add new capabilities to spur innovation at your organization.

Start thinking like an entrepreneur. Make your company behave like a nimble startup. Ask and answer the tough questions. Visualize ideas like you have no constraints to start discovering innovative solutions. Shoot for the moon, and keep moving forward.

And when you're ready for a partner to guide you at any point along this journey, look no further!

Enter Singularity University

At **Singularity University**, we're laying the groundwork for exponential change. With our learning and innovation platform, proven tools and methods, and global network of world-class Faculty and experts, Singularity University helps transform companies of all sizes into nimble organizations that can get out in front of market disruptions and achieve exceptional business results.

To learn more about how Singularity University can help your company and leadership team be exponential, explore our suite of powerful enterprise solutions at su.org/enterprise designed to uplevel your leadership, innovation, and strategy. Learn how we can help you see the future more clearly to uncover and respond to new opportunities and empower your leaders to thrive amid uncertainty and disruption.

We hope you found this guide helpful and hope to hear from you soon!

Ready for a conversation today?

Reach us at sr@su.org.

Acknowledgments

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