

## The Construction User 2.0

### Episode 17: Becoming Future Proof with Geoff Colvin

Kirk: Welcome back to The Construction User 2.0. Today's guest is no stranger to building a business in the innovation landscape. As the editor-at-large for Fortune Magazine, he has covered the economic, political, technological, and competitive forces disrupting industries for decades. As a best-selling author and speaker, he has informed audiences of 10–10,000 of some of the nation's largest companies. He is our closing speaker for this year's IGI, but joining us today to talk a little bit about what is coming over the horizon, please help me welcome Jeff Colvin.

I just wanted to just jump off here at the top and say thank you so much for taking a few minutes to talk to us today.

Geoff: My great pleasure. I assure you, I'm glad to have the chance.

Kirk: I always try to keep these conversations as light and conversational as possible and what better way to do that than to start with an absolutely ridiculous question. I wanted to ask, what is the last song you got stuck in your head, walking down the street, couldn't break free of?

Geoff: Oh, that's so hard to answer. Oddly enough I listened to a lot of classical music. Actually, it got stuck in my head. This is all going to be weird. You were right, though. A movie theme song that you probably never heard of, but it's from—this will sound crazy, but maybe I'm just crazy—a 1958 movie called The Big Country.

You're probably aware of the famous theme music from The Magnificent Seven. I think a 1960 movie which was used heavily through Marlboro TV advertising when that was legal. It's a famous movie theme song. This one that went through my mind and has been stuck there for two years. It seems clear to me that the composer of The Magnificent Seven theme was listening to that previous one. He owes a big debt to it and it's really, really great. It's great if you like that kind of thing.

Kirk: No, The Big Country's awesome. It's Gregory Peck. It's 1958. I absolutely know it. It's never a safe bet to say a movie you've probably never heard of with me in particular. I'm that guy. I was raised by a dad that loved Westerns, so I have seen every Western in particular ad nauseum. I'm very familiar with Gregory Peck's Big Country.

Geoff: Yeah. Anyway, that's a great theme so that's what I've been thinking of.

Kirk: Awesome. Good answer. Again, we're glad to have you on. You're going to be joining us at IGI in just a couple of weeks, and talking about innovation and the world that we're in right now. I thought just leading up to that, we should have a pre-conversation about all the infrastructure legislation and creating so much of the new work, the never ending string of existing projects, and all the changes that are happening. How do businesses today that are already swamped with the changes even begin to try to keep up with that, let alone stay ahead of it?

Geoff: It is a real challenge and things have always been changing fast, but truly things are changing really, really fast now and it's a big challenge. And really those who meet this challenge best will have an enormous advantage for a long long time to come.

But what it comes down to is basic stuff that has always been true. I'm thinking specifically of people, culture, and leadership. Eternal issues account for a huge amount now. We can get into it. AI, automation, changing the industry enormously, as you guys all know better than anybody.

How are you going to deal with it? Labor shortage, getting the people you need, getting enough of them with the right skills and so forth. It's broad and again, it's not what it used to be. The way you deal with it is not the way you used to deal with it.

There are so many things, but fundamentally there are these ancient topics, these ancient virtues that are going to make all the difference. That's culture, leadership, and the people.

Kirk: How do we set ourselves up for a culture of change? A lot of people, they get into their rhythm. They're like, okay, I know my job. Culture, I agree with you, is so important. Culture is the moving target. That's a stressful request.

Geoff: It really is. What do you do? Here's some ways to think about the culture because everybody loves to talk about it now. By the way, I'm old enough to remember when real CEOs didn't want to talk about it. They thought it was soft and squishy, couldn't measure it and so forth. Not what a real CEO would think about or worry about. Now they all know it's critical and it's arguably the most important thing.

What does it mean? It means what's in the air at the organization. It's what people probably don't even say, what they don't even talk about, because it's in the air. It is the norm. It is what people do because it's the way we do it.

Here's another way to think about it. Imagine a new employee coming to the company. That person goes to the lunchroom at lunchtime and sits down randomly with a bunch of people they've never met because they don't know anybody there yet.

They say look, I'm the new guy here, applying to both sexes as it does today. What do you do to get ahead around here? Whatever the answer is to that question tells you a lot about the culture of

the place. You try to imagine what would the answer be when a newcomer comes in and says how do you get ahead at this place?

Kirk: That's a great litmus test because I just started thinking about it like okay, if someone asked me that about here or anywhere I'd worked, the answer would be really different from the different places that I've worked, and that does. That's a really, really solid litmus test of what is valued by the leadership, what is noticed by the leadership, how do you get ahead here.

Geoff: Yeah. To get back to your questions specifically, okay, is this a culture that embraces change? Very few cultures do. What you want is people who will recognize change, and as I like to say, face it and embrace it.

Most people do the opposite. They don't want to face it. They want to pretend it isn't there, as you mentioned. Even if they acknowledge that it's there, they don't want to embrace it. They want to do the opposite. They say, oh, it'll never last. No, there are all these reasons it won't work. All of that is doom for the culture and ultimately for the organization.

Look, the cultures get changed not because people announce them. It's because the leaders change day to day what they do. I'll tell you, I remember years ago, it was within a year after Mary Barra became CEO of General Motors, I was interviewing her and I said, you know what? You seem to be changing the culture at GM, but how do you think about it? What do you do?

She gave I think the smartest answer I've ever heard to that question, which is first I don't talk about the culture. . That's just too big and amorphous and people don't really know what to do. I don't talk about the culture. All I do is behave a certain way with all the people who report to me, do it consistently in the way I want our culture to be, and it will cascade down through the organization because then that's what they'll do.

It's going to take time and it's going to be one step at a time as the only way it can be done, but that's what we do. We're not going to have a committee on culture change, which GM did in the past. We're just going to focus on behavior and that's it. That's what the leaders need to do.

Kirk: You said something there that I want to pull out and focus on. You're like, that'll never work. We're not going to worry about what's a fad. That internet that's going to go away. These smartphones, we're not going to invest in this new technology.

The thing is that we laugh about my joke about the Internet or smart smartphones because those are clearly absurd, but everyone can pick the five technologies that they remember being the next big thing that went away. I mean, they didn't take on. How do we hedge our bets on that? How do we know okay, this is the right one and this is the wrong one?

Geoff: Very good question. Here's some ways to think about it that I know have been successful for others. One, try to get some personal experience with the technology. Now, that's easier for

some than for others. I'm thinking now about the hottest technology everywhere with everyone, AI. Okay, what are people supposed to think about that? How big is it really going to be?

My view on that is start using it yourself. The great thing about AI is that anybody can use it. This is available today.

Kirk: For free.

Geoff: Yeah, it's there for free. All you have to do is sign up and honestly start just trying stuff with it. I heard recently about a guy who was at a wedding of a friend of his, and afterward the groomsmen gave their speeches and so forth. One of them gave a speech that the guy said was the greatest he'd ever heard. People were crying. It was just the most perfect groomsmen speeches.

Afterwards the guy went over to that groomsman and said it was the greatest groomsmen speech I've ever heard. Congratulations. The guy said, oh, thanks. ChatGPT wrote it. That's actually a great example. Just try it with stuff.

By the way, if you're trying it, the one you get for free is using GPT-3.5, that's the version. You're willing to spend all of \$20 a month, then you get the higher tier version, which uses GPT-4 which is enormously more advanced than 3.5. Please spend the \$20 and try it out. It will open your mind and you'll immediately have feelings about whether this is going to be the real thing or not.

Kirk: The neural network, they've done a really good job of coding and labeling. Every iteration is getting better but 4.0 is the first one that's almost scary. They've all been like, oh, fun toy, but 4.0 it's unsettling how well it works.

This organization, the Association of Union Constructors, some of our members, I'm not exaggerating when I say their companies have been around since the Industrial Revolution. They've been around for over a hundred years. They've been through the Depression. They've seen New York crawl out of the mud, if you will.

For a startup saying embrace change, that's the whole culture of a startup. That's the point. But for some of these organizations, it's their fourth and fifth and sixth generation companies. I'm thinking of a few, in particular, that are literal family heirloom companies. Change is a different proposal. It's a scarier topic. What's the small steps? Other than just saying hey, be the change you want to see, which makes total sense. What are the small steps? What's that first step to changing an archival company?

Geoff: Let's think of it from two perspectives. One is focusing on yourself. Changing it in yourself, trying to identify your own resistance or fear to change. For that, it really helps to find someone else, a peer, someone you know who's not your superior and not somebody who works

for you but a peer, that the two of you can challenge each other about are you really trying to play down a change that might be important here? Try to keep each other honest, and that really helps. And keep doing it.

I have to say your boss may not feel the same way. You can be a real change embracer, what the company needs, and maybe your supervisor or boss isn't there yet. I've talked to people about that.

Actually, I've asked exactly that question of Jack Welch, CEO of General Electric for 20 years and enormously successful. I said, what are you supposed to do then? He said, well, try your best. But ultimately maybe you just have to go someplace else. Now, that's from the person who is not in the top leadership. For those who are not in the top leadership, unfortunately, that's what it comes down to.

For those in the top leadership, I'll tell you what I've seen people do is get a mentor who's younger than them. Get someone who is much more comfortable with whatever is changing with the technology that you're wondering about. Someone who doesn't feel threatened about it because they haven't invested half their life in it. Get them to mentor you in this change, technology, or whatever it is you're thinking about. I have seen a number of CEOs do that because they know that they need it.

Kirk: I've seen it as well. It's really impressive to me because it puts your ego in check. You have to admit, I'm the one in charge, but I don't know and I have to let a subordinate or someone to teach me how to steer the ship. That's a delicate dance. It takes a lot of pride-swallowing.

Geoff: Yeah, it does. At a certain point, some leaders are going to be able to do this and some just aren't because you're talking about deep personal traits. If somebody isn't that way, if somebody isn't willing to let someone challenge their ego or their previous views on stuff, if they're not willing to be vulnerable in that way, then ultimately it's going to be lights out. There's nothing that anyone can say to them. It's going to require that for sure.

Kirk: You actually just talked into something that was the next thing I wanted to talk to you about. The other thing that I've just personally noticed and I've been putting some focus on is succession management. You have finally got your company going in the right direction, but you're a little older. You've been doing it for 15 years. You're three years away from ending, two years away.

It's a multi-part question. When do you start thinking about who's next? Is it year out, two out, three out? And how do you start building that? How do you manage that making sure the star you've built on the rise doesn't just end briefly with the guy you hand the reins to?

Geoff: It's a huge and hugely important question. What I have observed is that the best organizations are always thinking about it. Even when the new CEO is named and goes to the first board meeting, they will spend considerable time on leader development through the organization.

They're thinking about how we are building the coming generations right now, and they will spend significant time on that. They will also, at the first board meeting of the new CEO, will put a name in an envelope in case the CEO gets hit by a bus so they know at all times who the next CEO is going to be.

What I'm saying is the process is never ending. It never starts because it never ends at the best companies. They are always keeping in mind who are the next people.

I have one other thing that's not eternal. I recently spent quite a lot of time talking with the major executive search firms about exactly the question you're asking. What are the next generation of CEOs going to need in the way of traits, knowledge, or whatever. The answer that came through is it's going to be more about what you are like than it is about what you know.

This gets back to our earlier topic of change. It's going to be a different world five years after you get the job, maybe less than five years. You can't know everything about what's going to happen. It's more about what you are like. Are you willing to embrace change as we were talking about? Are you willing to maintain the culture and adjust the culture as the environment demands? Are you willing to be vulnerable about your own knowledge, because you're going to need new knowledge all the time.

A lot of boards and a lot of CEOs present and current CEOs didn't come up thinking that way. It's hard for them to think that way, but it's clear that's it.

Kirk: I'm in my 40s raised by a clear baby boomer. The thing that was just interesting to watch him just grapple with through my young career was just in his day, 33 years Army, 15 years Raytheon, after 33 years army, the 20 year letter or the gold watch and the pension was just the name of the game. Watching my brothers—I'm the youngest—not changing careers but changing jobs every three to five years, and moving to a new company. He's like what are you doing? You're losing all your headway.

That culture has just shifted to his complete, not lack of understanding, but that's just not a culture that he was used to. You had your ecosystem and you worked through that ecosystem, you didn't hop ecosystems. But that has changed a lot. It really resonates with me that it's not about your education or your degree in a few years. It won't be what you know, but what you're like and your ability to change your mind quickly.

Geoff: That's it, especially people who are getting on towards retirement. I would recommend that they just get onto Glassdoor or any of the other big job sites and just look, just see what's available there. Because the people who work for you, the younger ones especially, they're looking at it every day. They know stuff that your dad and I never knew and never could know. The younger people who work for you know all this stuff and they look at it every day.

Kirk: With that in mind and what you just said—you have worked with these heads of industry, GM and GE and all these you are working with, Fortune magazine, as well as with your books and your tours, you've had your finger on the pulse of a lot of different industries or just industry in general—if you had to say what's on the horizon that you see, that isn't necessarily being widely talked about—people talk about the labor shortage, we talk about what's here right now, we talk about what's in our front yard—I want to talk about what's coming over the mountain. What's coming over the mountain, Geoff?

Geoff: That's a great question and everybody should be thinking about it. Here's what I would say. The thing that's very visible right now is obviously technology advances, specifically AI and automation, but this is classic and it's just what you said, most people are looking six months or a year down the road with regard to these technologies. They're not looking years down the road.

With today's AI and automation, these are big historic general-purpose technologies. What we've seen when such things have occurred previously, when I'm thinking of the Internet, I'm thinking of electricity. What everybody did initially was just figure out how to use those technologies to do what they already do.

When electricity arrived, they took the factories they already had and instead of water power or wind power or whatever it was they were using, they used electricity. Then they realized that actually with electricity, they could throw out that whole design of their old factories. They could completely reconceive the way their work got done because of the new technology, in ways that nobody had ever imagined because you couldn't imagine. That's the big challenge that is facing people now.

The winners are the ones who are thinking now about that much larger question. They are thinking today about how we will be able to reimagine our business using this technology, which is rapidly getting faster. We shouldn't keep ourselves tied to the current ability of technology. It's going to be literally a hundred times better in a couple of years.

What could we do with that? Those who are imaginative and bold enough to think about that are going to be the big winners. There will be few because it's hard to imagine what you've never seen before, what you've never thought of before. That's what the winners will do.

Kirk: I love that. I was reading a few years ago one of Bill Gates' earlier books, *Business @ the Speed of Thought*, and he was talking about that exact conversation about how in his 20s he was

over in Europe talking to a chain of bankers. These are older men. He's in his 20s and they're in their 60s in the mid-90s talking about building an email infrastructure.

They're like, well, we understand email's coming, but we're not there yet. He's like do you agree that in five years everyone will have an email? Do you agree that in eight years this will be, do you agree that in 10 years that, and they're like sure but that's in those years. Then why would we wait? Why wouldn't we do this right now? He revolutionized the banking system. Even though that's not what you think Microsoft is for.

We know that ChatGPT is here. We know it's not going away. We know these technologies are here. Let's not worry about where it is now. Let's worry about where it's going to be.

Geoff: That's a great, great story because that says it perfectly. That captures it perfectly. The thing that is now making it even harder to do what those bankers had trouble doing is that Bill Gates was talking about the era of Moore's Law where computing power for a dollar doubled every two years or so. With AI, everybody I talk to says it's doubling every three to six months. This is incomprehensible.

Kirk: We passed Moore's Law a while ago. It's doubling fast and fast and fast, exponentially.

Just in conclusion with you, I could literally sit and trade this kind of stuff all day, but in reference and in respect to your time, as I said at the beginning, you're our closing speaker at IGI just coming up in the first week of September. What can people look forward to? Give us a teaser. What are we going to hear?

Geoff: My main objective is to talk to the group about not so much what's coming, although you have to be looking at what's coming, but is to talk to the group about what you can do today. When you get home and back in the office—or even before, why wait that long—what can you do today to deal with all these issues that you and I have been talking about? Change in a big way, technological advance more specifically. Labor, we didn't talk about labor shortage. We didn't talk about dealing with millennials and Gen Z.

Kirk: We're a tough nut to crack, man. Dealing with us is hard.

Geoff: I hear it all the time. You hear it all the time. The managers, people maybe in their 40s, 50s, or 60s, they have stereotypes of these generations, which may be valid as stereotypes, but not every single person in those generations is that way. You have a lot more choice than you think you have.

But also just how they see the world. It's not necessarily crazy. It's just completely different to what people in their 40s, 50s, and 60s think. How do you deal today? Getting the best of those people and getting them to stay with you, even though just what you said they move all the time.



Kirk: We move faster, yeah.

Geoff: That's it. There are a lot of big trends and so forth, but what can you do today to deal with them? That's my objective.

Kirk: Awesome. Sir, I'm looking very much forward to seeing that speech and getting to meet you in just a few weeks. Thank you so much for taking a few minutes to talk to me today.

Geoff: It has been a real pleasure. Thank you. Thank you for the great questions. I love to talk about this. I'm looking forward to the event.

Kirk: Absolutely. Thank you so much.