

## Change Agent

*How do you maintain momentum while moving to a new business model. General Electric marketing chief Beth Comstock shares her thoughts*

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If you were in charge of getting different teams that run complex businesses from aircraft engines to consumer credit services to collaborate on innovation, where would you start?

It's the challenge GE's senior vice-president and chief marketing officer, Beth Comstock, faces daily in a company that has 45,000 engineers and innovators, 3000 researchers, 45,000 sales people and 5,000 marketers globally.

Comstock is a forward thinker who is passionate about the power of failure, the importance of design-led technology and making ideas happen amidst bureaucracy. Prior to GE, she worked in broadcasting, and is on the board of sportswear company Nike.

At NBC Universal (a GE Comcast joint venture), Comstock transformed the company's approach to digital media, including the launch of on-demand streaming platform hulu.com. At GE she is striving to change the culture of marketing and innovation.

She heads GE's organic growth and commercial innovation initiatives as well as the sales, marketing and communications functions. She is also responsible for GE's "Ecomagination" initiative, devoted to reducing environmental impact with new technology, and "Healthymagination" aimed at delivering better, more affordable healthcare.

During her recent Sydney visit, I wanted to get some clues on how Comstock has become such a champion of "what's next" as industries shift from old business models to new. "It's hard," she admits "but you know the inflection point is coming, and you can't wait until it happens."

At NBC she would engage in big debates about the analogue-digital divide. "At the time that was true," she says. "You had to believe that the analogue dollars would become dimes over time, and that the digital pennies would become dollars."

As Comstock has been known to say, ideas spring from the gaps between today's technology and tomorrow's needs. But there are big unknowns around the right approach to take. "If you don't know what the exact value or model is, create a pilot," she says. "People want proof in some form."

Our dinner conversation turns to a near future when jet engines can tweet: that is, real-time data from a jet engine can be sent to a phone. “Imagine you are Qantas and employees could have immediate access to that data. It is likely that some innovation would emerge that would allow them to run their airline more productively.” (See “Data drives better decisions” page 46.) But, she points out, “nobody has done it before, so it is hard for people to know what the value is”.

Comstock believes that the new role of marketers is to be “instigators” and this means “connecting the dots and figuring out what’d next”.

“Instigators are needed but not always welcome,” she said recently. “No one likes change unless they are driving it, so I give a lot of thought to the way I personally fight for tomorrow.”

At GE, the friction arising from challenging the status quo is not just tolerated but encouraged.

To this end, she doesn’t take no for an answer – at least the first couple of times. “Have you heard about my three-times rule?” she asks. If you say no to Comstock, expect to see her again – and again. “The three times rule works because it gives people time to react, to respond to questions and explain why this matters,” she says.

### **Ideas from everywhere**

Cutting investment in research and development is about the least smart thing companies can do.

GE recognises there are some industries – clean technology and healthcare in particular – that are too big and complicated to solve alone. The company spent \$5.8 billion on R&D in 2011 (of about \$150 billion in revenue) and it has increased this by about 10 per cent a year.

GE also has a policy of bringing ideas in from the outside. “I can’t emphasise enough what open innovation has done for GE,” Comstock says. “There’s this humility that happens when you realise you don’t have all the answers.”

The Ecomagination challenge, launched in 2010, is GE’s high-profile attempt at crowd-sourced innovation. The company invited ideas from around the globe to improve the world’s energy future, with the promise of a \$200 million reward pot. “We received over 4000 ideas from 150 countries – not all were good, but some were really good,” she says.

Comstock says the company learned a lot from the first challenge and has modified the approach of subsequent competitions. “The scope of ‘energy future’ was too broad,” she says.

Challenges now have a more specific focus, such as “smart grid” solutions, eco-homes or early detection of breast cancer.

### **Power to the people**

One of the most powerful forces unleashed by the social web is its democratisation of innovation: it has dramatically lowered the entrepreneurial bar.

The rise of desktop 3D printers – which create products in 3D by printing them layer upon layer in materials such as plastic or metal – and cheap components means individuals will be able to make things that previously required a big company and a broad distribution system to produce. Comstock believes that 3D printing will change the way GE services and manufactures.

So does she think the distributive power that technology is creating will redefine our lives “Yes technology is taking us away from deep centres,” she says. Technological changes means power is spreading out from the centre to the edges; from companies to individuals. For example; on the internet, anyone can publish; with crowd funding, anyone can seek backing for an idea. And with 3D printing, anyone can become a manufacturer.

Comstock was in a similar situation at NBC when the company had to respond to the vast disruption caused by the homemade content digital revolution. As we are seeing a shift away from hierarchical innovation and does this pose a threat to companies such as GE? “Top-down innovation isn’t going away, but bottom-up isn’t either,” she says. “It’s a threat to companies if you don’t want to work with it.

“Start-ups don’t want to work for GE, they want to do their own thing. But they want access and the opportunities to learn about markets.”

Comstock’s goal is to bring entrepreneurial thinking into the company in myriad ways, such as “GE Garages” and pop-up manufacturing labs that enable anyone to turn their ideas into products.

As part of GE Garages, the company recently joined forces with Quirky, a product development start-up, to come up with ideas to make everyday objects “smarter with

software”. Submissions included a light bulb that changes brightness depending on light from outside, to a chair that alerts users when to adjust their posture.

The winning entry was a “smart milk jug” that was initially submitted in the form of a tweet from @StephanieABurns: “Let’s create a gorgeously designed milk jug that keeps your milk fresher and tells you when it’s REALLY going bad.

Comstock believes the value of organisations growing more collaborative around innovation is not the milk jug per se but that it “opens people’s imagination to start to think what’s possible”.

She sees a large part of her role as creating the impetus for employees to envisage where the world is going, and GE’s role in it.

“3D printing of body organs does not apply to GE right now, but you have to keep it on your radar,” she says. “We have to challenge the way we make assumptions and approach where ideas come from. If we do it right, it is going to be the best way to change the culture and accelerate growth.”

**BETH COMSTOCK’S TIPS TO KEEP YOUR THINKING ON THE CUTTING EDGE**

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