Driving renewal, hosted by Satu Rekonen

Episode 6: Why do we want to change and why do we have to – guest Ilkka Lipasti, ABB

Satu: In this episode, my guest is Ilkka Lipasti, ABB's Global Business Transformation Leader. Ilkka has led and consulted on transformation initiatives worldwide, including in Asia, the United States, and Europe. For the past five and a half years, he has played a key role both as a leader and a supporter in ABB's global business transformation.

Before joining ABB, he helped industrial companies such as Samsung, Nokia, and Dell navigate transformations while working as a senior partner at Accenture and TalentVectia. Prior to his consulting career, Ilkka gained experience in leading and supporting transformation at Neste and Nokia. Additionally, as part of a Harvard research program, he authored a case study on Nokia's mobile phone business, which has been published in several books, including *European Marketing Cases, Global Marketing,* and *The Impact of Marketing*..

lkka is also an author. In 2007, he published *Johda yli rajojen verkostotaloudessa* (*Lead Across Borders in the Network Economy*), and he is currently finalizing a new book with the working title *Jujutsu Transformation*.

Satu: Welcome to the *Uudistajat* podcast, Ilkka!

Ilkka: Thank you very much.

Satu: Great to have you here! It would be interesting to hear about your journey at ABB. You've been there for a little over five years now. Have you been in the same role the whole time? When you started over five years ago, what kind of organizational situation did you step into, and what has happened at ABB since then?

Ilkka: ABB was already familiar to me—I had worked with them for ten years in a consulting role. That's actually one of the reasons I decided to join. As a consultant, looking at ABB from the outside, I was really drawn to the people and the *no-nonsense* culture, especially in the local business units. The central administration, however, was a different story. And in fact, that was precisely

why I joined—to be part of the transformation of the central organization and the entire operating model.

At that time, Peter Voser, the chairman of the board, stepped in as the CEO of Intel. One of the business area presidents, Morten Wierod, who was leading Motion at the time and whom I knew well from my consulting work, suggested that I come in to support the transformation. His view was that, now that the *corporate kitchen* was no longer dictating and interfering, we had the opportunity to build ABB Motion the way we truly wanted.

So, I jumped on board. Motion took a bit of a head start in this transformation and in shaping what became ABB Way. In fact, much of the model we implemented in Motion was later adopted across all of ABB.

Satu: Tell us a bit more about that model—what was it like, and what actually happened?

Ilkka: If I start with the kind of guidance we received from people—because we approached this transformation in a somewhat unusual way: we asked them.

We conducted a large survey and asked, *What isn't working in the current model?* and *What would be your ideal vision—what needs to change?* We received a lot of responses, but they all clearly converged around three main themes.

First, people wanted real empowerment—*Give us the authority to actually make decisions and take action.*
Second, they emphasized the need to be closer to customers—*Decision-making and authority need to move closer to the customer.*
Third, they called for greater boldness—*We're too risk-averse; we need to be more courageous.*

These three messages came through very strongly. We then worked with leadership to build our new operating model around them.

This was actually the reason for the transformation. We had a strong hunch that these would be the key issues, but we wanted to hear it directly from the people—not have leadership dictate the answers from the top down.

Satu: One would imagine that this also led to a different level of commitment.

Ilkka: Exactly. That's precisely the point—because when we made these changes and decisions with the top 100 leaders, we tested them, then shared

them with everyone. But instead of just announcing the decisions, we framed it as: *You told us these are the three key issues, and this is our response to them.*

Since then, our employee satisfaction has only increased. And I think that's quite remarkable—rarely do you see employee satisfaction continuously rise, especially in the midst of such a significant transformation. And it happened immediately.

Satu: Yes, and in such a large organization—over 100,000 employees—that's pretty incredible.

So, the key themes were: empowerment, meaning giving people more authority; moving decision-making closer to customers; and the third one—was it about being bolder in decision-making, rather than just focusing on risk assessment?

Ilkka: We implemented several initiatives, including the creation of the *New Business Factory*, which invests in promising ideas both within and outside the company.

Satu: Can you share more about how these three elements from the employee survey—empowerment, bringing decision-making closer to customers, and fostering bolder decision-making—were concretely shaped into actions and integrated into your ways of working?

Ilkka: We approached it by creating business units that had clear *end-to-end* responsibility—meaning they were fully accountable to customers for how they operated, from start to finish.

Instead of centralized functions dictating operations, we shifted to a model where these functions were guided through the business units. For example, under Motion, we previously had two business areas, but we restructured into seven fully independent divisions. Across ABB as a whole, there are now 21 divisions, each operating autonomously.

In fact, when we present ABB's story to investors, it's not just one story—it's *21 different stories*, each reflecting the distinct journey and strategy of its division.

Satu: Which brings it closer to the everyday reality of where the actual work happens.

Ilkka: Exactly. It also makes everything easier to understand—when each division has a clear focus, everyone knows what they do. In the previous setup, we were more of a *generalist in everything*, which made our story harder to tell and, more importantly, much harder to lead.

Satu: In previous episodes, we've often discussed how organizational change is also a cultural transformation. How would you describe ABB's culture today, and what kinds of cultural shifts have you observed during your time there?

Ilkka: The goal has been to strengthen both empowerment and accountability—so that people don't have to wait for decisions from *on high* but instead have the ability and courage to make decisions themselves. However, this also requires the necessary knowledge and expertise to support those decisions. And, of course, that doesn't happen overnight—some areas adapt quickly, while others take more time, and they need support along the way.

Another challenge when creating more independent units is that collaboration can suffer, and organizations risk losing the benefits of shared scale and synergies. To address this, we've established collaboration forums and what we call *communities*. These are spaces where we bring people together either around shared customer markets or around specific expertise areas. They act as the *glue* that connects different business units beyond their immediate focus.

Another challenge when creating more independent units is that collaboration can suffer, and organizations risk losing the benefits of shared scale and synergies. To address this, we've established collaboration forums and what we call *communities*. These are spaces where we bring people together either around shared customer markets or around specific expertise areas. They act as the *glue* that connects different business units beyond their immediate focus.

In addition to these forums, we also have communities specifically designed to share and advance expertise across divisions, ensuring that knowledge flows freely and supports the organization as a whole.

Satu: Exactly—to prevent siloing and ensure that people don't retreat into their own corners.

Ilkka: Siloing is, of course, a challenge. In any organizational transformation, when you lean in one direction, you inevitably turn your back on something else.

It's impossible to create a *perfect* organization—either you accept some trade-offs, or you end up with a structure so complex that no one can fully understand it.

Satu: In your view, what has been your most critical role in supporting this transformation?

Ilkka: I think the most critical role I played was designing the transformation journey—figuring out *how* to implement the change in a way that maximized commitment while also ensuring that we were making the right decisions.

Before announcing anything or presenting a new model, one key tool we used was what we called a *fitting room* approach. It allowed people to *try on* the new structure, like testing whether a jacket fits—*Is this too tight? Too loose?* (As you can see, I'm currently wearing my pre-COVID jacket, so it's a bit too tight!)

We applied this approach at multiple levels. First, we created three different operating model alternatives, and we had already identified the criteria for what a *good* model should achieve. Then, we tested these three models against those criteria with our teams. That was the first high-level *fitting room* exercise.

We also applied this *fitting room* approach at the role level. Since roles were changing as well, we needed a way for people to *try on* their new roles and see how they fit.

For example, in the operations area, where we previously had a centralized structure, responsibilities were now split across divisions. However, to maintain cross-functional alignment, we introduced *double-hat roles*. This meant that while someone officially sat within a division, they also had a role that looked after the shared operations across the organization.

The idea was that everyone would, in a way, *wear two hats*—yes, they belonged to a specific division, but they also had a broader, community-driven perspective. And we ensured that goal-setting reinforced this dual perspective, encouraging both autonomy and collaboration

Satu: You mentioned earlier that ABB Motion initiated changes ahead of the broader organization, and now you've talked about the *fitting room* approach. What did you learn from these pilots and experiments?

Ilkka: What we really learned from these pilots—*before* formally launching the transformation—was *what actually needed to change*. Too often,

transformations are designed on paper by a small group—maybe ten people and a consultant—and then rolled out, only for problems to emerge much later when the changes hit the field. And by then, the organization's ability to *learn what isn't working* is slow and costly.

With the *fitting rooms*, we were able to learn *immediately* what needed adjustment. We quickly identified, *this won't work*, or *that needs to be changed*, rather than waiting for issues to surface months later. Even if we ultimately chose one of the three models we tested, it wasn't a perfect solution yet—it still needed refining.

In these *fitting room* exercises, we ran real customer cases through the new structure. We tested, *How would this situation work? How about this internal decision-making process?* This hands-on approach gave people *confidence* in the model before it was fully rolled out. By the time we communicated the change to the broader organization, employees could see that *it had already been tested*—that their colleagues had been working with it and that it wasn't just an abstract plan but a real, functioning way of operating.

Satu: And perhaps people could also hear some positive experiences from those who had already been working with the new ways of operating.

So, what needed to be changed? If the goal was to learn what needed to be adjusted before rolling out the transformation more broadly, do you remember what aspects still had to be modified?

Ilkka: Yes, of course—taking responsibility and *giving* responsibility. There was some variation in how this played out—some areas adopted it easily, while others needed more support, reminders, and guidance. In some cases, it even required role changes.

Empowerment means *actually* letting people do things rather than demanding excessive reports. One of ABB's past tendencies was a very *reporting-driven culture*, and this was something we absolutely needed to change. The purpose is not to produce reports—it's to do the *right things* for our customers.

Satu: If you think about organizational renewal or major changes, and considering your experience with different organizations in this area, how do you see the most important role of a leader or leadership when guiding an organization through change?

Ilkka: Definitely, the most important role is to lead by example. Perhaps the most challenging transformation I've been part of was in South Korea, with the Samsung Electronics division. At that time, I was just a team member, not in a leadership role, as it was quite a while ago. But one of the most remarkable aspects of that transformation was getting the president of the Samsung division to reflect on how he himself needed to act differently.

He had to demonstrate through his own behavior and actions what the new Samsung Electronics division stood for—an innovation leader. And that required a cultural shift. The culture needed to become more risk-taking and more accepting of mistakes. That's the key role of leadership: ensuring that both leaders and, especially, the leadership team collectively demonstrate the new way of operating. They need to visibly act differently and invite feedback—saying, *"This is how we operate now; let us know if we are not living up to it."*.

Satu: How do you see it in the case of ABB's leadership team during this transformation? Was it difficult for them to adapt to this new way of working?

Ilkka: Well, there were some personnel changes, though not many. But in the end, I didn't see it as particularly difficult because the leaders were so committed to the transformation. Through these exercises and the overall thinking that had already matured—let's say, under the constraints of the former ABB model—they were ready for the change.

It almost felt like a situation where the young foals were just waiting to be let out into the spring pasture.

Satu: We've talked with other guests a lot about how driving change is fundamentally about interacting with people, storytelling, sensemaking—explaining *why* and *how* we operate the way we do. How do you see it? What kind of influence does leading change in such a large organization like ABB, with over 100,000 employees, require? Do you see any different approaches that are particularly effective in this kind of setting?

Ilkka: Absolutely. We've used gamification, for example. The key is figuring out how to engage people in a way that is fun and interesting. One of the ways we did this was through a gamified approach for our sales organization. Since the sales team alone consists of around 3,500 people—and with the supporting teams, it easily reaches 5,000—we needed a way to quickly get these 5,000 people to adopt the new way of thinking and collaborate more effectively.

The goal was to improve teamwork between the back-end support teams in the factories and the country sales teams under the new model. To achieve this, we used a gamification platform where we created different game-like scenarios. The idea was similar to how my son, for example, sits at home with his headphones on, browsing online games, thinking, *"Oh, that looks like a cool game, and my friends are already in there at 4:50 PM. I'll join them."*

In the same way, we designed real customer situations in the platform. We even involved our customers in the process—companies like Kone, Sulzer, and major clients worldwide, including Samsung from South Korea. They were excited to participate and contributed their real-life cases and challenges for our teams to solve.

People from different parts of the world would pick up these cases, listen to a Samsung representative, for example, explain their challenge, and then work through it step by step. The case was broken down into smaller challenges related to different phases of the customer lifecycle, and teams would collaborate to figure out how to respond effectively.

Satu: How has this been received on your end?

Ilkka: Incredibly well. People absolutely loved it. After each session, we collected feedback on a scale from one to five. The first sessions received slightly lower scores, around 4.5, but the latest ones reached 4.8. We also learned along the way how to make these even better, of course. We built the cases piece by piece, continuously improving them as we went.

Satu: Exactly—the lessons learned have been put directly into practice.

Ilkka: Actually, that lifecycle is already over. We no longer use the platform because it was designed as a campaign tool. We ran it for three years, and by then, everyone had gone through it. There was no point in continuing to use it after that.

Satu: And as a result, the collaboration between these teams improved.

As mentioned in the introduction, you have extensive experience driving change both as a consultant and as an internal leader. Could you share some of the most significant projects you've been involved in—ones where you've learned the most or that have been particularly challenging?

Ilkka: There have been so many, but one that stands out from the early stages of my career—where I was more in a learning role than a contributing one—was Nokia's major logistics project led by Pertti Korhonen in 1997. I got involved simply because I had worked with the system dynamics lab at MIT on a simulation for Neste.

That project focused on end-to-end supply chain management, using the same "traffic light" signals throughout the chain. The core problem in supply chains is that we don't really know what's happening in the market because the chain is so incredibly long. Pertti, whom I already knew, had heard about this work, and I ended up developing a similar simulation for Nokia.

We created a process simulator**,** which we first ran with the leadership team and later rolled out globally. Eventually, even real partners, like DHL, joined the simulation. It was an eye-opener for many people. And for me, it was a major learning moment—I realized that if you really want to change something, simulation is a powerful tool**.**

The simulator clearly demonstrated how people themselves create problems just by following their own mental models. If you don't set clear constraints, people act according to their internal logic. So, if you want to change behavior, you first need to change the internal logic—the way people think.

That was a big revelation for me. I had understood it cognitively before, but this project created an emotional awakening that left a lasting impact. It showed me how change really works in practice

Satu: Right. Has that experience guided you in your work as a change leader since then?

Ilkka: Of course. That's exactly why I've incorporated and developed elements like Fitting Rooms, gamification, and other interactive approaches. I'm very passionate about these kinds of methods.

Satu: So, in a way, it makes something abstract more tangible and experiential.

Ilkka: Yes, and in a way, you're forcing people to question their own mental models, which need to change first—only then will their behavior actually change.

Satu: And changing behavior is definitely not always easy.

Ilkka: It’s a slow process, but you can kickstart certain things immediately—obvious, straightforward actions—and that’s already a very good step. In fact, I think a good rule of thumb is to start with just one concrete change.

For example, in the Samsung Electronics case, the divisional president had to change just one thing first because making too many changes at once would have been overwhelming. One clear shift in behavior—something that would be different going forward. Then, once that took hold, a second change could follow, and then a third.

It’s about building momentum step by step.

Satu: Focus rather than spreading too wide.

On LinkedIn, you’ve been sharing a newsletter with your own insights on change leadership, and you’ve talked about how failures can be valuable learning experiences—how they can actually lead to success. I’d love to hear more about that. Could you share some personal experiences of failures that, in the end, turned out to lead to something positive?

Ilkka: I've been fortunate to have many failures to learn from.

Just today at lunch, we were talking about cultural differences, and this reminded me of an experience from the Pertti Korhonen project. We were running a workshop in Japan, and during one exercise, I made a big mistake out of ignorance.

I saw groups of people sitting at tables, and in each group, I directed my question to the youngest person at the table—because they usually spoke the best English. It seemed logical to me at the time.

But I quickly realized my mistake. The young person I asked turned completely red in the face, and suddenly the entire table erupted into intense discussion in Japanese. After a moment, the most senior person at the table said something in Japanese to the younger team member. Then, in a very humble manner, the young person turned to me and said, "We have discussed this at our table and decided that the best answer is this."

It was a clear cultural lesson: I had unintentionally put the young person in a very uncomfortable position by asking them directly instead of addressing the senior member first.

Satu: Exactly.

Ilkka: That was quite a cultural mistake I just made.

Satu: You definitely become a bit more cautious in these situations after an experience like that.

Ilkka: Yes, it made me really reflect on how to navigate different cultural contexts. Some cultures are collectivist and hierarchical, and you simply can't change them—it would be foolish to even try. Of course, as a company, you can always introduce new elements to the culture, and you should. But trying to fundamentally change a deeply rooted culture is unrealistic.

This was a key realization that came through failure: Culture is like an onion—it has multiple layers. You can influence and change one layer, but you can't peel away the entire structure.

Satu: What other layers are in the onion?

Ilkka: At the core of the onion, the strongest and deepest layer is family—the environment where you spent your childhood and grew up, which naturally reflects the national culture as well.

On top of that, you often have educational culture—for example, lawyers speak a different language to each other than engineers do. Then comes professional culture, which shapes how different fields operate and communicate.

The outermost and thinnest layer is corporate culture. This layer connects the deeper layers with small threads, but it cannot fundamentally change them.

You can't change legal culture or national culture just because of corporate culture. Instead, what you do is add something new to it. You don't replace someone's upbringing or professional identity, but you can introduce additional layers of influence within a company.

Satu: Ilkka, you've also talked about how you've observed that success and promotions in the workplace can, over time, inflate people's egos. Sometimes, this can get in the way of learning humility. What have you noticed about this? And on the other hand, how can it be kept in check?

Ilkka: That's a very serious phenomenon because our systems tend to fuel it. If you're not careful, your ego can start growing as you rise higher in an organization or gain popularity on social media—the same effect applies. When you receive a lot of positive feedback, it's easy to fall into the trap where your self-worth ends up in other people's pockets. And once that happens, your ego

shifts into protection mode, making you far less receptive to new ideas and feedback.

This is something I also address when coaching young leaders in different programs. I emphasize the importance of maintaining humility and staying grounded. I've borrowed a concept from Esa Saarinen, which he calls titanium self-esteem. The idea is that your role is secondary—your sense of self shouldn't be tied to your position.

The higher you climb, the more you risk becoming a prisoner of your role. And that role can disappear at any moment. That's why it's crucial to build your confidence and self-awareness from within, rather than letting it be defined by external validation.

This is the advice I give to young managers: as you move forward in your career, build from the inside out, not from the outside in. Your role might be gone tomorrow, but what truly matters is having clarity on what's important to you, where you want to excel, and how you continue to grow.

Satu: A really important insight, and probably something that's easy to slip into, especially in the early stages of a career.

Ilkka: I've seen so many unhappy people who have become prisoners of their roles. And when that role is taken away, they're left as empty shells, feeling lost, wondering if they have any value anymore. It's really sad to see.

Satu: What do you see as the risk if someone's ego becomes too big from the organization's perspective?

Ilkka: The biggest risk is that learning stops. And if you're in a high position, that affects the entire organization because you become a kind of "Father Sunshine" figure who supposedly has all the answers. No one questions anything anymore, bad news doesn't reach you, and that can be deadly for any organization.

Satu: Have you seen or experienced a situation where this kind of change has happened? Is there anything that can be done besides replacing the person, and how can such a situation be approached?

Ilkka: If it has gone on for too long, replacing the person might be the only option. But if it's just starting to develop, there's definitely room to intervene and create an awakening. You can ask, what do you really want from life? Is

your only goal to hold onto this important role, or do you have a deeper purpose as a person?

Satu: And you've written about the importance of mentoring and coaching for leaders. Is one key aspect of that the idea of having a reflective surface, so to speak?

Ilkka: Absolutely. As a leader, even if you're a CEO, it's one of the loneliest jobs in the world. If anyone needs a trusted mentor or coach, it's them—someone to engage in this kind of thinking about thinking, as Esa Saarinen calls it.

Satu: You've likely encountered challenges and resistance to change throughout your career, Ilkka. What have you learned from those experiences, and how do you think such resistance should be approached?

Ilkka: I've actually developed a four-quadrant framework that I haven't seen anywhere else, which helps me map out people in an organization to better understand resistance to change. Resistance to change isn't necessarily a bad thing—it usually signals that something significant is happening. But the persistence of resistance varies, and it's important to understand those differences.

This framework has two dimensions. The first dimension is how willing and capable a person is to influence others—essentially, their ability to drive change and impact people around them. The second dimension is how open and able a person is to perceive changes in the world, understand their implications, and think about future directions. This refers to their ability to envision and set direction**.**

With these two axes, you get four quadrants. The lower-left quadrant represents people who don't necessarily want to spend their time constantly thinking about where we're heading or influencing others. They simply want to do their job well, be professionals, and have a clear direction with proper support. That's it. Typically, about 72% of employees fall into this category.

However, if these people are managed poorly—especially if those who do have influence start spreading negativity—then this productive group can easily turn into a complaining workforce, much like the characters in the Dilbert comic strip. These people are essential to the organization, but they shouldn't be the first focus when implementing change initiatives.

Of course, these people need to stay involved and understand that the change is a good thing and why it's happening. But the real focus should be on those who want to drive change and make things happen—the people who actively invest their time in influencing others.

The key is to elevate these people into the vision space, so they see the benefits of the change and take it forward. These are the sales champions or internal change champions. But within this group, there are two types of people.

First, there are the fence-sitters, whose resistance comes from not understanding why the change is happening or how it will work. These people need to be involved in the planning process and given the opportunity to understand the rationale behind the change. Once they get it, they become champions themselves, and they are some of the most valuable people to have on board.

Then, there's a small percentage of people in this group who carry too much baggage from the past or feel they have too much to lose. These individuals have become prisoners of their role, exactly the issue we discussed earlier. No matter what you do, they will never support the change.

If these resistant individuals are also influencers within the organization, they need to be identified early. Everyone should be given a chance, but within a defined time window. If it becomes clear that they won't come on board, the necessary steps must be taken—whether that means reassigning them to new roles or, in some cases, letting them go.

Because if this isn't addressed, these people become loose cannons on deck**,** capable of sinking the entire transformation effort. I've seen this happen too many times—organizations failing to tackle this issue, and as a result, these individuals derail the change, believing they are acting in the company's best interest.

And that's the tricky part—often, they are not even honest with themselves. They say, *"I'm just thinking about what's best for the company,"* when in reality, they are worried about their own ego and role. They see that in the new model, their power position is no longer the same because now the system is based on collaboration rather than individual authority.

Satu: There is often some kind of fear in the background.

Ilkka: There is always fear in change. It can be about status and ego, or it can be about competence—am I capable? Do I understand this? Why on earth is this even happening?

Satu: And then, having arenas where people can verbalize their fears is probably crucial as well.

Ilkka: Exactly. Increasing resilience within organizations is also important, and that's something we actively try to do. It ties back to Esa Saarinen's idea of titanium self-esteem—helping people see that they are more than just their role. Their value in the company isn't defined solely by their current position.

It's also about developing the ability to see the world and oneself in a more positive way and to be a bit more flexible in adapting to change. These are key aspects of resilience—the ability to take initiative, organize, and act rather than feeling paralyzed by uncertainty.

Satu: What do you see as the key skills or mindset needed for a leader driving change within an organization?

Ilkka: It all comes down to having a clear answer to the question *why*. Everything has to start from there. And the more that answer doesn't just come from you or some external consultant but is framed in a way that the organization itself can relate to, the stronger it will be. People need to be able to say, *"I understand this because it connects to my own work and experience."*

A leader has to be able to paint that picture clearly, and it has to include both a negative and a positive vision. Both are necessary.

The negative vision is often what wakes people up. Many times, organizations behave like the frog in gradually heating water—when the water reaches 60 degrees, it still feels comfortable, so they don't react until it's too late. A leader's job is to show where we actually are—what the temperature of the water is right now.

But then comes the positive vision, which is just as critical. It's not just about *why we must change*, but also *why we want to change*.

Many change initiatives only focus on the negative vision—on what will happen if we don't change. The problem with that is that it creates tunnel vision and fear, leading to exactly the kind of resistance that makes change harder. A balance between both visions is essential.

Satu: Then, when people start seeing the possibilities, they can also begin to see…

Ilkka: Only then can people truly take risks and dare to commit. There's a lot of talk about the death curve in change processes.

This curve often happens because fears aren't addressed—or they're addressed too late. The key is figuring out how to make this curve as shallow and short as possible. That's what we've been trying to do—minimize the drop and help people move through it more smoothly.

Satu: Tell me a bit more about the death curve you're referring to.

Ilkka: By the death curve, I'm referring to the classic change curve—but with a specific twist that often goes unnoticed.

At the beginning of a change process, there's usually groundless optimism. People hear big, inspiring visions, and there's initial excitement. But soon after, groundless pessimism kicks in—fears and doubts start surfacing.

Then comes the realistic pessimism stage. This is when people truly realize, *Oh no, so this is what it actually means for me!* They weren't fully prepared for the reality of the change, and this can be a rough phase.

However, as they start learning new ways of working, they begin to see that, *Hey, maybe this could actually work.* That's when realistic optimism emerges, eventually leading to a more stable, positive outlook.

Now, many assume that this cycle is inevitable, but that's not true—it happens because of how we typically lead change. This curve has been a classic in change management for at least 40 years, but I've always challenged the idea that it has to happen this way.

If you handle things correctly—especially by addressing fears early on and guiding people through the process effectively—you can flatten the curve and make the transition much smoother. It doesn't have to be a painful dip.

Satu: And one way to counter this from the start is to present both the pessimistic and optimistic vision right at the beginning.

Ilkka: Yes. That way, there's something hopeful to hold on to.

Satu: Well, you have employees all over the world. How do you ensure that everyone stays aligned and motivated to move in the same direction during a change?

Ilkka: Nowadays, the available tools make it much easier to engage people in the change process. We use collaboration platforms, as they're often called, to bring people together.

The gamification initiative was one example—it allowed us to quickly engage 4,000 to 5,000 people. Besides that, we heavily rely on other collaboration tools, which help us test ideas, gather feedback, and ensure alignment.

Another key element is communities. For example, AI is a massive transformation right now. We've been using AI in production for a long time, but generative AI and language models are expanding into completely new areas. To support this, we've created an AI community, where people can discuss, experiment, and share experiences on how to implement AI effectively.

These communities are a powerful way to reach and engage employees worldwide—especially those who are genuinely interested in driving the change forward.

Satu: Yes, cross-border communities that bring people together regardless of location.

Ilkka: Exactly, these are truly global communities, and they have nothing to do with the formal organizational structure. They break down all boundaries.

Satu: Ilkka, you have a book in the works, currently titled *Jiu-Jitsu Transformation*. Tell me a bit about its core ideas—what lessons are you bringing together in it?

Ilkka: It's essentially a summary of everything I've learned, realized, and understood over the years. The core idea is that leading change is much like Jiu-Jitsu—where instead of resisting force head-on, you use the opponent's movement and energy to gently redirect it in a new direction.

Similarly, in organizations, there is existing movement and energy embedded in ways of working, culture, and thinking. Instead of fighting against these forces, you leverage them and make small, subtle adjustments to guide the organization toward change. It's about working with the system, not against it.

Satu: Do you have an example of this approach in action—how you've applied this way of working?

Ilkka: A great example of this approach is the ABB transformation. We started by recognizing what was already great about the company—highlighting the

strengths, the good practices, and what ABB was already doing exceptionally well. The key was to frame the change as an evolution, not a rejection of the past**.**

Instead of saying, *"You've been doing things wrong all along, and everything needs to change,"* we approached it as, *"Look, this is already an amazing company with strong foundations. If we just adjust a few things and move slightly in a new direction, we can make it even better."*

This is a crucial mindset shift. If you start by attacking the past, people will resist. No one wants to hear that they've been doing things wrong for years. It's the same issue in broader discussions, like Finland's current economic debate—there's a lot of self-criticism, almost like we're beating ourselves up. But change doesn't happen by dwelling on failures. Instead, it's about acknowledging what works and making small, deliberate improvements.

That's the essence of the Jiu-Jitsu approach—you don't push against the momentum, you redirect it gently toward a better future.

This is a crucial mindset shift. If you start by attacking the past, people will resist. No one wants to hear that they've been doing things wrong for years. It's the same issue in broader discussions, like Finland's current economic debate—there's a lot of self-criticism, almost like we're beating ourselves up. But change doesn't happen by dwelling on failures. Instead, it's about acknowledging what works and making small, deliberate improvements**.**

That's the essence of the Jiu-Jitsu approach—you don't push against the momentum, you redirect it gently toward a better future.

Satu: Yes, it's a completely different mindset. You recognize what's good and build on it rather than tearing things down.

Ilkka: Exactly, that's the essence of Jiu-Jitsu.

Satu: Looking at ABB's future, where do you see the company in terms of transformation and renewal? Do you see any major challenges or opportunities ahead?

Ilkka: I don't think the core idea we've established will change easily—it's quite solid. What will happen instead is that we will expand opportunities for collaboration. Silos inevitably create tunnel vision, so while we've already put structures in place to address this, we'll now focus on strengthening certain elements, especially those related to community-driven collaboration.

At the Group level, our CEO, Morten, has launched a new program that I'm involved in, specifically aimed at enhancing the power of communities within ABB. This will be a key focus moving forward.

Satu: Yes, this is an ongoing initiative.

Ilkka: Yes, this is a brand-new initiative that has just started.

Satu: Tell me a bit more about what this initiative includes.

Ilkka: It's specifically about legitimizing and strengthening the community model that we already have in place in many areas. We want to reinforce and expand its role so that it becomes an even more integral part of how we operate.

Satu: To become embedded into processes and structures.

Ilkka: Exactly, it becomes a key part of ABB Way.

Satu: You also have a background from the Department of Industrial Engineering and Management, and this podcast will be used as teaching material in one of the department's master's courses. What would you say are three key lessons you've learned in your career about driving and implementing change that you'd like to share with our students?

Ilkka: I'd say the first and most important lesson in my life has been this Tutalainen mindset: *I don't know anything, but I learn fast.* I still believe in this—keeping the mindset that *I don't actually know everything yet, but I am quick to learn.*

This has been the most important success factor in my career and life. And it's an attitude worth nurturing—to stay humble while also maintaining confidence in your ability to learn. The two parts of this phrase matter equally: *Okay, I don't know everything, but hey, I'm great at learning.*

Exactly, I see this as an element of Esa Saarinen's titanium self-esteem, even if Esa himself might not have explicitly framed it that way yet. Ultimately, it's the same idea—staying humble while maintaining confidence in your ability to grow and adapt.

Satu: Yes, exactly.

Ilkka: And this is probably the most important thing. Then, another point is that when opportunities arise, don't be afraid to seize them. It's been a great part of my own life and career that I've been willing to take on things that felt somewhat risky.

The third lesson is that no one does anything alone. Whether you're working on something big or small, there's always someone else you need—at the very least, to bounce ideas off of. Even if you're a solo entrepreneur. No one succeeds entirely alone.

It's easy to fall into the trap of thinking, *"I've been through elite schools, and now I'm in an elite position. I'm so smart, and everyone else is a bit slow. What do I need them for? I can do it on my own."* That kind of thinking can be quite destructive.

Satu: Exactly, it brings up the idea of acknowledging and appreciating others—recognizing that no matter how much we accomplish, we always rely on others in some way. This mindset of gratitude and recognition for those who support us, whether through collaboration, feedback, or even just their presence, is crucial.

Ilkka: Exactly. And this is a philosophy I start my day with almost every time—every person is wiser than you. It may sound silly, but I don't ever have the same experiences or perspective that someone else has. Never. So, whenever I'm interacting with others, I'm in the company of someone better than myself**.** I've drilled this into my head because, as I've mentioned, I'm a recovering fool. I was quite a fool at the beginning of my career!

Satu: At what point did you realize you were a fool and needed to change?

Ilkka: I realized it when I started at Neste. As a young man, I had already achieved a lot and worked on big projects. But when I got to Neste, I noticed that people didn't seem to enjoy my company. That was a real wake-up call. I thought, *Okay, now it's time to look in the mirror.*

Satu: You learned from that experience.

Ilkka: Yes, or I learn from it every day.

Satu: That's a great reminder to start the day with. I'd like to ask you one more thing, Ilkka—what would be your advice to recent graduates who are heading into the workforce?

Ilkka: You have three main options, practically speaking. You can join a startup or start your own, which seems to be quite popular nowadays. Another option is to join an established manufacturing or service company, or you can go into consulting. All of these are good options.

The advantage of consulting is that you learn various tools for thinking development very quickly, but the risk is that if you go directly from university into a consulting firm and stay there for a long time, and then later move into a company, you may realize that the corporate world is actually very different.

It's easy to get to a point where, if you've only been a consultant for a long time, you don't truly understand how companies operate practically. And then, after being in the consulting firm for too long, you face a big challenge when transitioning into a real company, as you have to relearn the practical ways of getting things done and how organizations really work. That's the only danger with a consulting career.

What I think is a good choice is to either commit to consulting for the long term—if you really feel it's your calling, that's great—or to go into consulting for the purpose of learning practical tools that you can quickly apply in a company later on.

Ilkka: These are the two good ways, in my opinion, to choose a consulting career.

Satu: Thank you. Period. That was a a weighty word. Thank you so much, Ilkka, for coming here and sharing your thoughts and insights on change leadership in different organizations.