

Philip Atkinson and Ian Millar highlight the core issues facing today's organisations driving change. They argue that speed of implementation is the core competence which will characterise the effective organisation of the future.

Organisations which can learn from their environment, transform and implement faster than their competitors and realise their potential in a rapidly changing world.

Speed is now the major differentiator in many industrial and commercial sectors. Customers are continually demanding error free service to be delivered within short time spans. We have long recognised and understand that only organisations who display the characteristics of being fast, flexible, responsive and totally customer focused will survive to meet the economic challenge of the 21st Century. And make no mistake, if you thought the rules of economic activity were rewritten in the 80s and 90s the next decade will be far more demanding.

Survival is not compulsory. . .

In all industrial sectors we have moved to a stage in our business development where poor service is totally unacceptable and only the truly customer facing business will survive. No longer is Quality of product enough to guarantee a long term competitive edge. Make no mistake, there are still many organisations who still do not understand that Service Quality is still the biggest issue impacting upon their future – 100% product Quality is a good start – but it's not enough.

The demanding customer of today wants the service they receive right first time and delivered when they want it – not when the planning schedule of the supplier suggests it is convenient. This means

that organisations will have to become far more spontaneous and develop new innovative strategies to equip them to service the demanding customer. In all sectors this will soon become an industry norm as more and more customers expect faster cycle times and reduced lead time from order to delivery. It is now common practise to expect to see and hear of new partnerships being forged between suppliers and customers completely focused upon time based criteria. The results are partnerships reflected in long term commitments to transact business, usually characterised by preferred supplier status being granted to those who can meet these rigid and demanding criteria. Those who cannot meet these criteria will fade quickly into the background.

The Public Sector and Time Based Criteria

Don't think that things are not changing here. Politicians and public sector specialists recognise that there are many gains that must be achieved in all service sectors and value for money and customer or consumer responsiveness are core criteria by which large scale public organisations will become assessed.

So what does this mean for the average organisation in any sector? We believe that you can expect even more change – and coming at you at a faster rate – as we move into the early years of the 21st Century. For those senior staff in organisations who welcome change as the norm, this will provide the incentive to develop a very strong and enduring competitive advantage. For those who have not yet started on the journey, decisions are imminent to equip their business with a rapid response culture. And it is critical that any culture founded upon speed will have to focus upon the importance of being flexible as well as fast. It means that organisations must develop the capability to change faster than their competitors.

So the secret to rapid customer response is continuous improvement based upon speedy implementation.

Corporate Leaders

Companies who have learnt this secret have prospered well. General Electric, a leading US conglomerate has for a long time developed their own innovative culture of Work-Out – that is working out the waste and implementing new changes by listening to those who man key functions and who in turn re-design and implement the required changes. Here there is a fundamental shift in emphasis, away from believing that managers are the font of all knowledge to an empowering belief where focus is directed toward the owners of the process driving the change.

In General Electric, Work-Out as a process of continuous change permeates every single part of the business. General Electric recognises that by focusing upon the process where change is implemented 100% effectively, this can become a very powerful competitive differentiator. The core benefit behind this approach is that if you are learning faster and implementing necessary changes faster than your key competitors – rationality tells us you'll soon

Accelerated Cultural Transformation

by Philip Atkinson and Ian Millar



capture market share from those who are too slow or lazy to make the effort to keep up with the same dizzying state of implementation. By pursuing this approach there is a very strong likelihood that your business will become a dominant player renowned for customer responsiveness, thereby creating a competitive edge. This is the ultimate advantage in service excellence which leads to capturing additional market share. Jack Welch, GE's illustrious CEO is using this strategy to position GE as the most powerful organisation in the world by the year 2000. With a vision of always being either No 1 or 2 in all the industries in which GE operates, it is extremely likely that he will achieve his goal with ease. It becomes very clear that speed and responsiveness are key in developing the competitive edge.

Accelerated Change and Your Business

If today you are not improving all the processes that support your business, or not equipping your staff with the skills to perform beyond their current potential and you have failed to lead this process with passion and conviction, then it is a good bet that your competitors will soon be closing in on you.

Creating a Strong Compelling Vision

Imagine the impact on your business of being able to offer error free service faster than the competition. Think through how your organisation would differ from the way it is structured and how it functions today. If you could improve just three things to improve your customer responsiveness what would they be? What is stopping you achieving these standards. The answer is all to do with modelling or bench-marking excellence and, motivating others to express their skills and achieve results through teamwork. This requires leadership, advanced interpersonal competence, teamwork, patience and skills to coach others.

The key to effective change is simple, and lies in changing the behaviour of others and providing them with options to test new behaviours and stretch themselves beyond their comfort zone. And we need to focus upon those who manage others as being the instruments for driving change. For instance, if we wish managers to display a more effective set of styles in order to influence others to change – this will only happen if we can encourage managers to become more self-critical of their own approach to issues and to perceive what it is like to be on the receiving end of their behaviour. This requires a high degree of critical self assessment based upon getting managers to understand what they need to do more of and what they need to do less of, in order to improve their change management skills.

Top Down Change

This is even more important when we discuss the behaviour of those who run the business – those who comprise the top team. Behaviour that must ensure that the strategic imperatives for the business are lived in the actions of the top team members. If we

could align everyone's potential and commitment towards preventing problems arising and improving all processes, this would lead to a foundation for customer delight. Committing to this enables a strong vision and future for any business.

From what has been stated so far you may gather that we are embarking upon a journey to focus upon shifting the fabric, the culture and behaviour of key people in the organisation in order to position the business for change.

Vision & Transformation

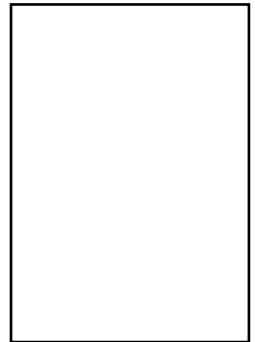
Any significant change must start with a strong vision of what you can achieve. Vision alone will not generate the results you desire. Just wanting to become a thriving responsive business will not be enough. We also need to take action, monitor results, find out what 'is' and 'is not' working and then be flexible enough to apply new techniques and strategies. We need a structure or framework for change. But as part of developing a model for change it is important to consider focusing upon those variables where change is most likely to happen. This means finding out what 'hinders' and 'helps' change.

Remove what Inhibits Change – First

What is really important is to understand the negative elements of the existing organisation and what holds it back from rising to the new Vision. Force Field Analysis is often used to simply identify the key factors which inhibit and which help change. In order to personalise this tool to your own particular situation you need to think of a time when you imagined change would be welcomed. Your perception of the change was that you assumed that resistance would decline and acceptance would quickly follow. We bet the opposite occurred and many of the positive things you thought would happen never materialised.

What actually happened was that it was too easy to focus upon the positive factors – those that drive, support and help change – to the detriment of those that inhibit change from taking place. Believe it or not, the sheer presence of the helping factors actually can increase the intensity of the factors which inhibit change.

Think back to a time when the expected results of a change were not evident. You may have noted that in those circumstances some people became even more stubborn and resistant to the changes you were trying to introduce. Resistance became even more intense. At times like this informal pressure groups appear and generally things don't happen as you planned. You can avoid this by planning your way through resistance. It is our belief that if you fail to plan, you plan to fail, when driving significant change. By using the powerful and simple tool of Force Field Analysis, (as one of many alternative tools which have been developed as part of a Rapid Improvement strategy) especially with core constituents of the change, you will gain essential leverage to create the desired effect. Instead of focusing solely upon strengthening the helping factors, we believe you should rather focus almost entirely, at first, on



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Cultural Transformation

diminishing the impact of the hindering factors. This is an easy tool to use and can be extremely helpful when looking at strategic change and working with those who are key constituents of the process. It is our experience that specific tools are not necessarily drivers of change, rather it is the application and sustained use of those tools that works.

So think of a time to use this tool. Pick a problem that you would like to work through. Use Force Field Analysis to diagnose the key issues which either hinder or help change and then test with those who are impacted by the problem. Those who are central to the problem are those who provide the most valuable data. The activities you may want to pursue include:

Stage 1: *Define future desired outcomes*

Complete a statement of desired outcomes which best reflects the end state you are striving to achieve. Now that you have this state clear in your mind, define the key characteristics which reflect this state and rate where you consider you are on the chart. It is critical to know where you are going and also fully understand where you are starting from.

Stage 2: *Brainstorm hindering and helping factors*

With the input of others, carefully Brainstorm all the factors which inhibit or improve things so that you can achieve the end state. Now agree on a method to assess the intensity of each of these factors and assign these a value.

Stage 3: *Work on diminishing the hindering factors*

Agree those factors which most hinder change and agree strategies for overcoming resistance. It may be politically wise to develop a multiple approach to diminish some of the less serious problems rather than working with the key issue. Corporate Politics will no doubt guide your good judgement on what is the most practical action you can take.

Energy, Vision & Focus

We believe that there are fundamentally two key forces within any business which determine the degree of change which can be implemented effectively. The most important is the force or 'energy' which staff display. Change will never take place without a solid force of 'energy' which permeates the culture of a business. A firm commitment to drive and challenge the old ways and replace them with something rigorous, innovative and vibrant lies in the energy inherent within the hearts and minds of the people who form the company. To be really successful requires an enormous amount of energy and requires strong vision, direction and

focus. This energy for change is reflected in the degree of activity and forward thinking displayed in behaviour and actions and the development of a winning 'can do' attitude.

Conversely, large, sleepy, bureaucratic structures emit a trickle of energy which depicts their capacity to act. Energy is reflected in the enthusiasm of the people who drive the culture. If you end up with a slow moving organisation it is probably managed by equally slow managers with little energy.

However energy by itself does not always propel us forward. Boundless energy, by itself, is of little value and does not guarantee success especially if there is a lack of focus. Ensuring that there is a strong direction – reflecting a vision for the business – is central to effectiveness when managing change.

Creating a Compelling Vision: Critical Steps

It is important that focus and energy are aligned and that the direction in which change is driven is clearly articulated. It comes as no surprise that in many change initiatives the goals of culture change are ambiguous and not clearly communicated. This is a critical issue when the key criterion is speed of implementation. Investing time and energy into making the process of continuous improvement tangible and concrete is time well spent. Below are ten factors which highlight the degree to which cultural change goals should be focused.

- ❑ Effective, speedy change is based upon there being a shared desire among the key players in the process and this should clearly demonstrate that they really want and value the end state or goal. Managers who articulate this goal should be enthusiastic and express their personal commitment to the culture change with passion and real enthusiasm. A damp squib reaction is of little value. If the goal of culture change is not compelling or is, in any way, vague in its description then it is highly unlikely that it will be achieved. If the goal is vibrant, bright, easy to understand and represents the feelings of the organisation then it will be understood by all those who receive the message. Equally managers should demonstrate a real commitment to the process whereby change is driven.
- ❑ Managers have to truly believe that the company and staff have the ability to achieve the goal. It has to be realistic and fit within certain constraints. However, this sometimes can create difficulties, often because managers fail to focus upon challenging goals – failing to stretch themselves beyond their corporate comfort zone. Individual ambition and misplaced self confidence often create self limiting beliefs which constrain choices, challenges and creativity.

Threats to the Organisation

- ❖ Failing to respond to the demands of the Global economy
- ❖ Believing that yesterday's answers are appropriate for tomorrow's problems
- ❖ Speed of decision making is too slow to keep up with the speed of information delivery
- ❖ Failure to understand and incorporate market intelligence into the corporate strategy
- ❖ Pace of customer & consumer expectations increasing at an accelerating rate
- ❖ Inability to develop flexible strategies for a changing world
- ❖ Believing that managers currently have the expertise to operate to the demands of the future
- ❖ Failing to grow and develop an infra-structure to drive and implement change
- ❖ Developing short term strategies and plans for organisational improvement rather than developing a strategic commitment to continuous improvement.

- ❑ Culture change goals must be written down in simple to understand language. For instance, the Vision of *Pepsi* to 'Beat *Coke*' is instantly understandable as is *McDonalds'* Vision to have a retail outlet within 'a ten minute drive' anywhere on the globe! These very simple goals are visual and can be easily understood by anyone in the organisation.
- ❑ Define now how you will benefit from achieving the cultural or behavioural goal. Focus upon exploding and communicating the benefits of the change to everybody. This is a key area for improvement in most businesses. Getting senior staff to articulate the short and long term benefits of the corporate change to shareholders, customers and the staff is central if people are to understand why you are pursuing the needed changes. The more benefits that managers can articulate and communicate to key constituents the better. If you can only find one or two benefits which accrue to the business and shareholders it is unlikely that staff will buy into the process with enthusiasm.
- ❑ To assess how long it will take you to achieve a goal is dependent upon where you are in terms of culture change. Managing the gap becomes easier if there is a clear understanding of the steps which have to be taken. If you are a long way from achieving your goal, in cultural terms, then you need to break transitions down into discrete steps which become sub goals – their achievement becoming the foundation for incremental change.
- ❑ Set a deadline for the completion of projects or sub projects and review these constantly. Adopt a critical attitude and understand whether you are getting closer or further away from your goal. This means you will need measures to assess progress. Ensure your goals are tangible and quantifiable.
- ❑ Identify the key barriers to achieving your goal and who the key players in the organisation are. Who can help you – either to facilitate change or open doors. Ask yourself who are the opinion formers and align yourselves with them with the purpose of winning their support.
- ❑ What knowledge will you need to help yourself and others achieve your cultural goal. Who is important in the power stakes and how reliable and resilient are they likely to be in supporting you and your team.
- ❑ Have a clear image of how you intend to achieve your goal. It is desirable to describe how things will change and what the core characteristics of this change will be. Imagine what others will see – what will be different – what others will say and what attitude they will portray in reflecting the changes to others.
- ❑ Win the support of others to write a detailed action plan reflecting roles and responsibilities and ownership. Too many implementation plans remain within the heads of senior managers or the implementation team. When writing about achieving the goals write about them as a certainty.

Summary

Starting with the end in mind is central to any change initiative. This requires a major investment in planning and focusing thoughts towards influencing a solid change in the culture of the organisation. Investing in prevention is still an element of the change process which is undervalued by many. There is still a negative attitude which permeates management thinking in that *"there is never enough time to prevent problems arising but there is always enough time to fix things after they have gone wrong"*! This firefighting culture is evident in all too many businesses – creating enormous rework costs and fuelling conflict between functions.

A planning culture rests on people being prepared to work together in cross functional teams – where 'win-win' is the only option. And note that in order to commit diverse functional groups to a common goal requires a firm and solid view or vision of where the business is going. Investing in creating a strong and tangible vision is often vital to engendering the teamwork necessary to make change stick.

When tackling change remember to focus upon diminishing the power and intensity of the negative elements and devise innovative strategies to deal with the major factors which hinder change.

Understand that you get what you focus upon. If the goal uniting the core team members charged with changing the culture is loose and colourless with little substance, then there is every likelihood that this vision will not motivate others. Focus upon direction and drive.

When setting a vision or goal, always ensure that it is tangible, measurable and realistic. Focus upon harnessing the energy of the business and directing it towards the desired end state. This must be the first stage in working towards change. Change which people can see, hear, feel, commit to and believe in. ■

