

## Part I. Resistance to Change & Innovation

### *The Deadly Seven Sins*

#### **1. Insufficient Value Proposition**

- *Needs Measurable Impact above Hurdle Rate*

#### **2. Too Much Uncertainty & Fear**

- *Uncertainty & Fear too High, Distrust the Messenger /Leader*
- *Too Little Safety, Security, Recognition or Compassion*

#### **3. Too much Ambiguity & Complexity**

- *Brain's Pattern Recognition & Prediction Capability is Confounded by Complexity or says "No Way!"*
- *Insufficient Training/Knowledge/Education/Understanding*

#### **4. Too Little Engagement**

- *Those who must Support Change feel Left out, Isolated, Castigated*
- *Remember: "People Support What They Help Create"*

#### **5. Too Little Leadership**

- *Neither Senior Leaders nor Peers are Strong Advocates*
- *Remember: Innovation Needs Champions*

#### **6. Too Little Evidence**

- *Need a Pilot Program to demonstrate value & concrete evidence*

#### **7. Rewards & Measures Reinforce Old Behavior**

- *Must realign Rewards & Metrics to the new desired behavior*



## Part II. Critical Steps in Orchestrating Collaborative Innovation & Transformation

### 1. Compelling Rationale

- Sense of Urgency or Need
- Gap between Today's Reality and Tomorrow's Requirement with some measure of the Magnitude of the Gap
- Clear Value Proposition or Danger

### 2. Leadership United

- Strong Voices aligned in their call to action
- Use of the Influence of Authority & Peer Groups
- Willingness to change voiced by those "in the know"

### 3. Clear Vision & Strategic Pathway

- Strategy to Win vs Competition
- Specific Goals & Targets
- Can-Do Attitude

### 4. Integrity of Actions & Words

- Constant Communications
- Leaders are Fully Engaged in as living symbols of the new vision

### 5. Build a Foundation of Trust

- Ensure change is Safe, Secure, Fair, Honorable, and Ethical
- Engage those who will be part of the new strategy in developing its implementation

### 6. Address Resistance to Change

- Training Programs to inform and enable
- Lower the Threshold of Risk & Fear
- Define New Standards of Behavior
- Simplify the Transition

### 7. Create Evidence & Belief

- Give the Skeptics something to deny the Cynics
- Gain Traction with Quick Wins

### 8. Align Measures & Rewards

- Ensure new metrics & rewards match the new vision and behavior (old measures must change)
- Ensure required results are multi-dimensional (financial, attitudinal, behavioral, creative, etc.)
- Reward & Recognize individuals & teams that produce the right results the right way

# Key Factors for Success

## Organizational Transformation

### Launching Organizational Transformation Initiatives using the Four Alignments

Here we provide a “generic” outline for Organizational Transformation (e.g. our framework for what others poorly call “change management”). This is provided only as a place to start thinking..

#### 1. STRATEGIC ALIGNMENT

##### a. Compelling Rationale (Logic)

- Requirement to Adapt/Change (Dynamic ReAlignment)
- Gap between Today’s Reality and Tomorrow’s Requirement
- Measure of the Magnitude of the Gap

##### b. Urgency (Emotion)

- Sense of Urgency to avert Danger or Unfulfilled Need (i.e. Customer Need) or Threat of Extinction (slow or fast)
- Broad Action/Timing Required to avert Danger

##### c. Clear Vision, Value Proposition

- Precise “picture” (vision) of new approach (framed in the 4 Alignments)
- Value Proposition that inspires & specifies what will be delivered by when

##### a. Action Required & Strategic Pathway

- Strategy to Win vs Competition – Extend to entire Value Chain, including Suppliers, Delivery Partners, and Customers (now & future)
- Specific Goals & Targets, Measures of Success
- Innovation Required (technical, process, integration, etc.)

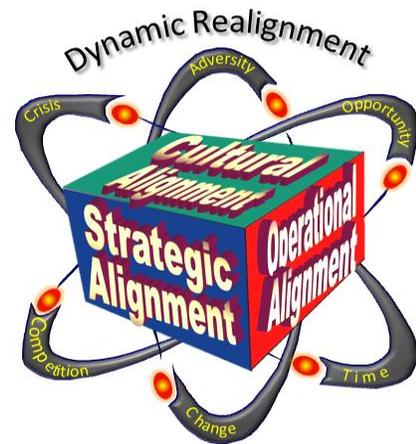
#### 2. CULTURAL/LEADERSHIP ALIGNMENT

##### a. Leadership United

- Strong Voices aligned/united in their call to action
- Can-Do Attitude with emphasis on Teamwork, Trust, & Innovation
- Use of the Influence of Authority & Peer Groups  
*Willingness to Change* voiced by those “in the know”
- Identify “Champions” (who believe in the Strategy) to Execute  
Ensure Champions have Executive Sponsors (“godfathers”)
- Empowerment of Key People & Influencers

##### b. Leaders Build a Foundational Culture of Trust & Teamwork/Collaboration

- Ensure Collaborative Leadership Style to provide spirit, handle complexity (only collaborative leadership can generate synergy)
- Continuous Emphasis on Integrity of Actions & Words
- Ensure change is Safe, Secure, Fair, Honorable, and Ethical



# Key Factors for Success

## Organizational Transformation

- Engage those who will be part of the new strategy in developing its implementation *before* announcement (refine strategy to ensure success)  
*People Support What They Help Create*
- Constant Communications about the Strategy, Rationale, and Culture needed to Achieve the Strategy -- Focus on Teamwork as the means to achieve the Strategy (beware – only the right type of communications)
- Ensure Human Resources have Capability (capacity & competence)

### c. Address Resistance to Change

- Engage Stakeholders & Power Bases
- Training Programs – New Skills & Capabilities
- Lower the Threshold of Risk & Fear, Build Trust/Teamwork
- Define New Standards of Behavior
- Simplify the Transition -- complexity kills transformation
- Release Non-Performers, Cynics, Resisters, Clean up cultural snags
- Transform Conflict into Innovation (using Dynamic Differential Energy)
- Communicate Frequently with open Feedback Loops

## 3. OPERATIONAL ALIGNMENT

### a. Transform Strategic Intent & Value into Adaptable Projects

- Strategic Initiative must become a system-wide Project with tangible Deliverables, Milestones, Roles, Responsibilities, and Accountability
- Select Collaborative Project Leaders who understand 4 Alignments
- Ensure Adaptability at local level to account for local variation (Don't Micro-Manage)
- Turn Breakdowns into Breakthroughs with Learning & Innovation
- Emphasize Collaborative Innovation, Excellence, & Team Performance

### b. Devise Pilot Projects to Create Rapid Evidence and Belief

- Focus on Best Collaborative Practices, Preselect Champions & Team Players
- Beware of TransActional Short-Comings of Project Management
- Gain Traction with Quick Wins – Pilot Projects  
(Give the Healthy Skeptics something to deny the Negative Cynics)
- Develop Key Learnings for use in larger projects
- Show where it (or parts of it) worked or failed & why (conditions for success)

## 4. DYNAMIC REALIGNMENT

### a. Identify Potential Breakdowns

- 85% of all Breakdowns are Predictable
- Most Breakdowns occur at points of flux or at interfaces
- Turn Breakdowns into Breakthroughs – Learning & Collaborative Innovation
- Use Collaboration to Adapt to Changes in Environment & Manage Complexity

### b. Institute Fasttime Processes

- Remove Non-Value Added
- Streamline Process Flow, Remove Silos/Barriers
- Ensure Cross-Functional Alignment and Teamwork

# Key Factors for Success Organizational Transformation

- Create Feedback Loop to Strategic Planning
- c. **Collaborative Innovation**
- Engage key stakeholders (internal/external – i.e. customers, suppliers, partners)
  - Use Collaborative Innovation Best Practices to maximize potential
  - Use Diversity & Trust to generate ideas that morph into better solutions
  - Test ideas in pilot projects to generate learning (no such thing as failure)
- d. **ReAlign Structures, Measures & Rewards**
- Ensure Organizational Structures support the new vision & value delivery
  - Ensure new metrics & rewards match the new vision and behavior |  
(old measures must change otherwise old behaviors & thinking will prevail)
  - Ensure required results are multi-dimensional (financial, attitudinal, behavioral, creative, etc.) (Use Balanced Scorecard – Strategic Return on Investment for Strategic Initiatives)
  - Reward & Recognize individuals & teams that produce right results the right way
- e. **Initiate Field-Scanning Process (see around corners & over the horizon)**
- Early Warning System to Detect Changes/Shifts in External Environment
  - Determine if ReAlignment is Required (reactive, pro-active, pre-active)
  - Form Alliances to Gain Early Insight/Access/Advantage to shifts

