

Part I. Understanding Systems Change

Frankly, most leaders know very little about the ways their world (at neither the global or organizational level) when it comes to changing things. This leads to misunderstandings, false expectations, poor leadership, and often, loss of jobs, credibility, or influence.

There are four basic forces that result in Changing a System. These are fundamental. Every leaders should learn them and know how to use them. Use the wrong approach and wrestle with the ugly wounds of failure. Master them and the future will beckon for you. (these are not presented in priority order)



1. Create or Ride the Force of a Crisis

After surveying thousands of leaders in our workshops over the years, we quickly learned that most leaders manage change by riding the coattails of a crisis, or actually creating the crisis.

People respond to a real crisis (not a fake one) with speed and unity if a leader corrals these forces of human nature. Think about some crises you've faced: war, hurricanes, floods, tornadoes, earthquakes, fires, epidemics.

Adroit leaders know how to mobilize people and ride this big wave; diminutive leaders quake or simply fail to capitalize on the opportunity. Often belief systems are challenged.

2. Thought Leadership Elevating Force

Nothing is so powerful as an idea whose time has come – it's an old saying, and, in many respects it is true – if you come with a the right package at the right time. Timing and message is crucial. Also, people must trust the value of the idea and the leaders who advocate it.

The American Revolution is a perfect of example of the right package of leaders (founding fathers) combined with the right thinking (Age of the Enlightenment) with good strategic plans (U.S. Constitution). The U.S. Civil War is an example of the wrong thinking (slavery) at the wrong time.

3. Market, Social & Financial Driving Forces

Change will also occur when Market Forces (Customers), Social Forces (i.e. Civil Rights, etc) and Financial Forces (Economic Issues) generate momentum. Often these link with #2: Thought Leadership.

4. Governmental or Political Forces

Government Regulations, Tax Policies, and Incentive Programs can also spearhead major changes in thinking among the populous. Political shifts to the right, left, or center can create laws that set new standards, ethics, punishments, and ideals of social justice.

Part II Resistance to Change & Innovation

Most people resist change – primarily because their experience the past has been so awful. Many leaders flunk out when trying to change things, leaving others to dread the “I’m going to change you!” pledge.



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 III. 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

Part IV. 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)

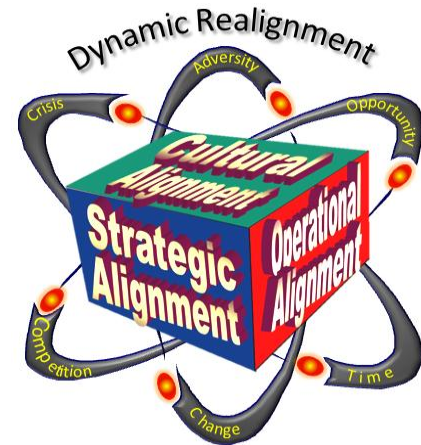
- Sense of Urgency to avert Danger or Unfulfilled Need (i.e. Customer Need) or Threat of Extinction (slow or fast)
- Broad Action/Timing Required to avert Danger

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

Applications of Alignment Architecture

