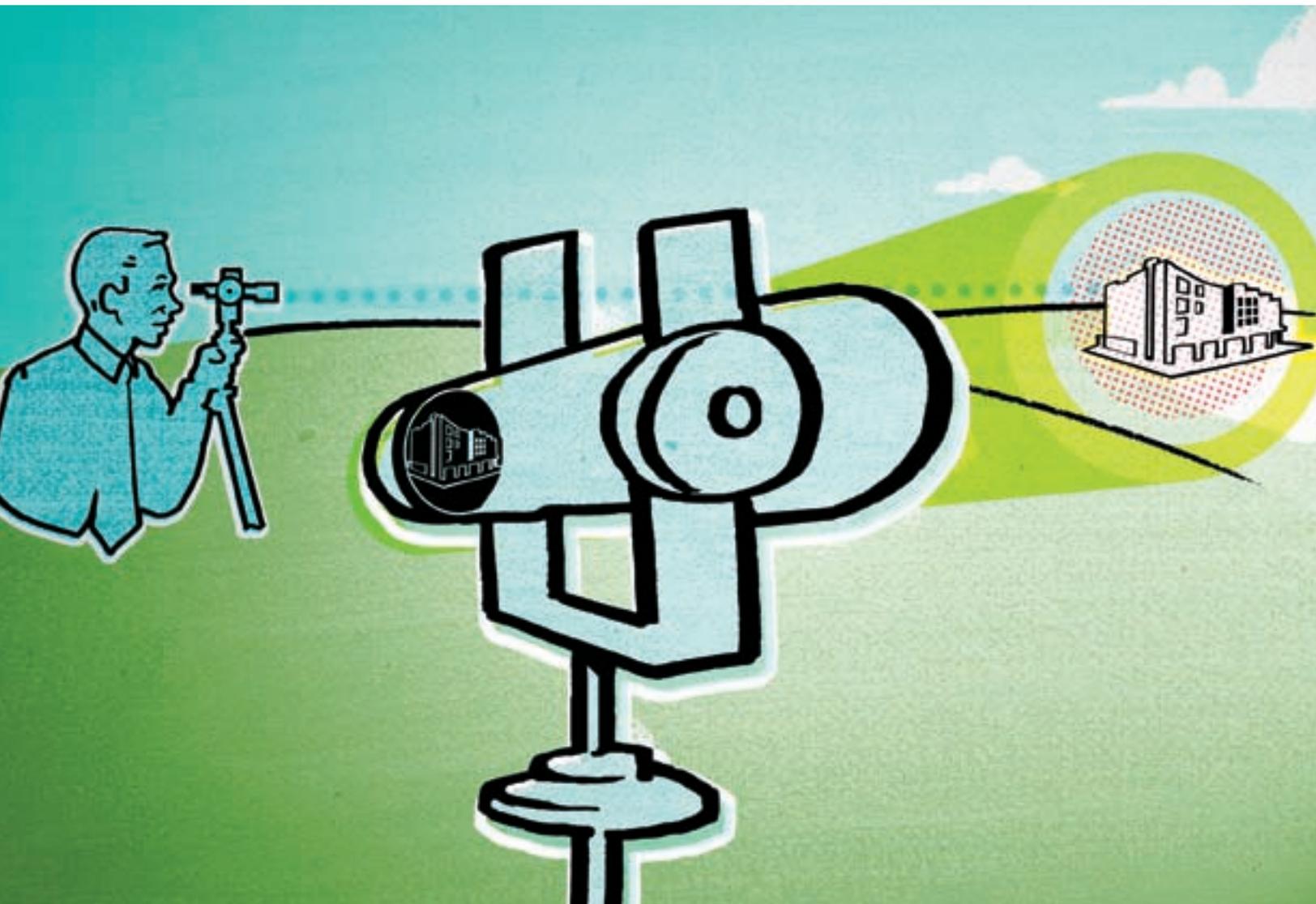


Creating the Future

BY JOHN McCREIGHT

Major organizational change—not incremental improvements, but dramatic, sea-change shifts to pursue ambitious new goals and meet major challenges—is hard. Our consulting firm has helped government agencies, corporations, and other organizations evaluate and carry out plans for large-scale strategic change and learned some important lessons in the process.



AN EFFECTIVE PLAN FOR CHANGE IS NOT JUST A BLUEPRINT; IT IS A STORY THAT MUST CONVINC AND INSPIRE THE PEOPLE WHO HEAR IT.

- Organizations only achieve strategic goals if their members understand them, and why they are the goals that matter.
- Members of the organization need to understand their particular roles and responsibilities during the journey to the desired future state.
- Understanding and commitment are not the same; change leaders must foster both.
- The change strategy must be a compelling story, not just a plan.
- To get where you're going, you have to understand where you are now, the change timeline, and what end-game success will look like.

Most of this seems obvious. *Of course* people need to understand the goal and the plan for reaching it. Leaders of change efforts point to speeches by the CEO and piles of documents to show that they have informed their organizations about the plans. They will note that their senior management teams have signed on to the plan—sometimes literally, by appending their signatures to the change document, like signers of the Declaration of Independence, committing themselves to its principles.

But making speeches and publishing documents do not mean that the content has been understood and embraced—nor that the often dramatic implications of proposed change are understood. Communication is more than documents and pronouncements; it is a dynamic process that includes as much listening as talking. Understanding comes from dialogue—question, response, and comment—that brings what you mean and what your audience thinks you mean in line with one another. In addition, you need to enrich what you think with what your audience knows. This dialogue builds the trust and respect that can lead from understanding to committed action.

The 3 x 5 Card Test

Soon after an acquaintance of ours became the head of a well-regarded educational institution, we paid him a visit to

congratulate him and to tell him that we would be happy to apply our competence designing and managing strategic change to his new organization, if he thought that would be useful.

“I respect your abilities,” he said, “but I don’t think I’ll need your services. We already have a strategy.”

He showed us a handsomely printed binder of materials that laid out the plan, complete with mission statement and a detailed list of objectives. It was signed by all the organization’s department heads.

A few months later, he called. It would be an exaggeration to say we were waiting for the call, but it didn’t exactly come as a surprise.

“We’re making no progress on our strategy,” he said. “I don’t understand why nothing is happening. Would you come and take a look?”

The first thing we did was analyze the strategy materials and develop hypotheses on change challenges. We then interviewed the heads of departments, asking them to help us see the organization through their eyes. We asked them to tell us what they thought it could and should be doing differently in the future, and when and how.

We learned the most from what they didn’t say. No one mentioned the strategic plan. It was simply not a part of their thinking about their current work or what they hoped to do in the future. When, finally, we asked them directly about the strategic plan, they admitted that they were aware of the existence of what several referred to as “the leader’s strategy.” Clearly, it was not *theirs*.

We brought the leader and the department heads together for a meeting and passed out 3 x 5 inch cards to everyone. We asked each department head to describe the organization’s strategy on one side of the card, and their individual and department’s role in carrying it out on the other. Descriptions of the strategy were all over the map; explanations of individual and department roles in carrying it out were similar only in their vagueness.

Part of the point of this exercise was to dramatize the extent to which the strategy, painstakingly described in a document signed by all present, had not been communicated—not absorbed by the people who were expected to carry it out—and to show that those leaders had not “signed on” to the plan, though their signatures were on it.

Communication and Commitment

That 3 x 5 inch card meeting was the beginning of real communication. It began the dialogue about what the strategy should be, why it mattered, and what roles the departments and department heads should play in carrying it out. Together, they developed a change timeline and measurable milestones of success. Understanding and commitment grew out of a process that was both intellectual and social. The back-and-forth discussion—the questions, responses, suggestions, arguments—clarified the leader’s plans and brought them to life. It also changed them as department heads reviewed the plan in light of their individual experience and the needs and aims of the groups they led. The process of being heard and involved, not dictated to, began the trust building that genuine commitment requires.

Telling a Story About the Future

Engaging the people who will direct the work in the planning and implementation process is essential to understanding and commitment. So, of course, is the quality of the strategic plan. It must be ambitious enough to inspire action but practical enough to be possible—a stretch, but energizing and *really* important. It must be compellingly described. It must tell a *story* about today and the future that people can enter into and re-tell to others, including their families, to inspire action.

A technology client we partnered with had spent hundreds of thousands of dollars developing its plan for the future. A group of nearly sixty executives worked off site for ninety days to write the strategy document. As in the case of the educational institution, the result was physically impressive: a six-inch-thick

binder, professionally written, designed, and published, with beautiful color graphics. The change strategy focused on five areas: new talent, improved governance, new technologies, improved technology infrastructure, and new processes for handling the massive quantities of information they expected.

Goals and milestones were laid out in impressive detail. Yet, even the organization’s leaders, who had invested so much time and effort in the plan, were uneasy. They asked for our help before they presented it to their organization’s funders.

We spent weeks examining the plan and conducting interviews with senior executives to get their view of the strategy. Not surprisingly, the plan was less well understood than the executives who hired us hoped, and support for it—in terms of passion, and funding and talent commitments—was even weaker.

A chief problem, we quickly saw, was that the plan told no compelling story about what the proposed changes would achieve. It was full of painstaking detail about what would happen in different departments and units, about structural changes and new technologies to be purchased. Missing, though, was any vivid sense of customer needs and what competitive threats and important opportunities the plan was meant to address. The plan was all about *what* would change; it largely ignored *why* change was necessary and why it would be worth the effort. It was full of dry details and abstract generalities about the future, but it never painted a vivid picture of what working in the future organization would look and feel like. Importantly, the plans were less than honest about the pain such change would cause.

There were problems with details of the plan—critical phases without sufficient funding, lack of clarity about how some phases supported others, lack of measurable milestones—but these weaknesses were less important than the lack of a compelling answer to the question, “Why does this matter?” An effective plan for change is not just a blueprint; it is a story that must convince and inspire the people who hear it. Like most good stories, it must have a hero. The crisis, challenge, or opportunity the organization is facing has to be vividly described, along with

the intelligence, creativity, tenacity, and other resources required to overcome the threat and triumph in the end.

Triangulating on Truth

To lead organizations to a desired future, everyone critical to success needs to understand current truth—the resources you can count on and the weaknesses holding you back. We call the process of developing that understanding “triangulating on truth,” because you must look at the organization from a variety of perspectives to learn the truth about it. No one person or group has the whole picture.

We interview dozens, and sometimes hundreds, of people to develop a full picture of an organization. Interviews include employees at all levels, plus investors, customers, partners, suppliers, and, often, competitors. We insist on the confidentiality of all those conversations to encourage people to say what they believe, not what they think their bosses, customers, or others want to hear.

Even without the fear of retribution, many people want to put a positive face on things, to emphasize the good and downplay the bad, and not talk about unrealized opportunities. But ignoring hard truths only prevents or delays dealing with them.

Years ago, when we consulted for the police department of a major metropolitan area that suffered from a high crime rate, we rode along in squad cars on eight-hour shifts to understand what police officers really did and why. Riding with vice officers during one evening shift, we realized that everything we were seeing—the drug busts, the roundup of prostitutes—had been carefully choreographed to make the point that more officers were needed. Though well-intentioned, this “show” threatened to undermine our consulting analysis: If we didn’t see the real problems, we wouldn’t be able to offer advice on solving them. To get to the reality, we sometimes stayed on for the next eight-hour shift, which had not been planned in advance. Sometimes we switched from the officer we were officially shadowing to another officer, who happened to stop at the same coffee shop for a break at the same time.

Triangulating on truth also means getting the perspective of

people outside the organization. During that same engagement, we interviewed a local newspaper reporter who was disparaging the mayor’s efforts to improve the department’s performance. Her criticism included important hard truths the city needed to hear. We also interviewed a 22-year-old burglar in his jail cell to understand why crime was his career choice. In a city with limited employment opportunities for young men without a high school diploma, the fact that a burglar had a one-in-ten chance of being arrested, and approximately a one-in-a-hundred chance of being convicted, made burglary a rational career-choice gamble. We learned from him that discouraging crime depends on changing those odds, which led to recommendations that needed to get to high-crime areas more quickly and improve case building to increase conviction rates.

The human tendency to tell mainly the good news is matched by an equally powerful tendency to focus on the evidence that supports our beliefs. Successfully triangulating on truth means not only noticing contrary, uncomfortable, or minority views but paying special attention to them and giving them particular respect. Like a good scientist, change leaders should look for disconfirmation of their hypotheses more energetically than for support. We have seen change efforts fail because leaders clung to the good news and ignored the warning signs. The first and biggest step in solving problems is to recognize them.

Major change is hard. To achieve it, change leaders need determination, patience, trust, tenacity, and good listening skills. They need a compelling goal and the understanding and engagement of the people who will make it happen. The commitment to seek and see the whole truth about an organization is essential for success in large-scale, *sustainable* change. ●

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