

Five Pillars for Leading Successful Transformational Change

The promise of transformative business growth is alluring. It's the big jump. The great leaders legacy is successful transformational change.

Yet delivering change that leads to transformational growth is difficult. Every day we talk to CEOs who are frustrated with talk about change but limited results. Some are clear about what to do but find resistance from colleagues battling in the day-to-day trenches.

Over the past 5 years, we have watched and worked with over 50 companies attempting business growth transformation. Some have been successful. Others have been complete failures. The rest fall somewhere in-between. All have high stakes and high stress levels in common.

Even the most capable CEOs can struggle. Many when confronted with leading change feel out of their comfort zone. Others thrive and find unexpected resilience and resources. The tapestry can be sketched into a pattern. In our experience successful transformations have five pillars as their foundation.

Pillar 1: Create relentless urgency of the need to transform

The first pillar raises awareness of the compelling need for change. It's the 'aha' moment that screams – we can't keep doing things the old way any more. The trigger can be an unexpected opportunity, customer demand, declining margins or new product evolution. Life's too short. Business as usual is not good enough. Perhaps at the beginning just the CEO and a few others see it.

Frequently an external objective business diagnostic process helps to draw others in and surface deeper and clearer challenges. It identifies the real organizational issue. It goes beyond symptoms and gets to root causes. It helps stamp out destructive denial amongst the leadership team. Other times it paints major opportunities so clearly that it's almost dangerous for the company not to pursue them.

Often this relentless urgency is driven by the credibility and passion of a leader who has undergone some profound changes. Sometimes it's a leader who has started to transform himself, is clearer on his values and knows what he really wants.

We have seen CEOs amplify the urgency through the creation of burning platforms, unreasonable deadlines and passionate intent. They drag their teams out of their comfort zones. Others distill the critical challenges down to no more than a handful of priority questions e.g. *How do we grow to ten times bigger than we are today? How do we dominate and win this new emerging market?*

Pillar 2: Deepen the desire for transformative change

True change leaders know their work is just starting. They anticipate resistance before it arises. Desire is often heightened through external demand for change. Sometimes a clear performance or opportunity gap is the trigger. In others it's a huge customer or market opportunity or threat. They use a triple affect to deepen the desire for change

1. First they **create a picture of a better future** when these big challenges are overcome. Their new vision is exciting and motivates the team. It creates big scary challenges. Normally it's a blurry vision at the beginning. It takes others to clear the

fog a bit and simplify. A simple test is asking team members to explain the vision in two minutes – if you get clarity and consistency great. If the question results in a scramble for laptops to try to remember the vision, the transformation effort is doomed.

2. Then they **connect the change to setting a handful of objectives** that are tightly linked to key challenge questions. This connection ensures over time that the whole company becomes involved in the transformation. If doubling sales is the issue – they might set clear objectives – treble new qualified leads or half the time to introduce new products. They bake these objectives in and get commitment to them. They agree measures and targets to bring these objectives home to the day-to-day reality of their team. They bake this into the financial budget. These targets are pursued relentlessly and simple metrics are adopted. They stretch people, make them uncomfortable and accountable.
3. Finally, savvy leaders also work hard to ensure **they build a coalition of influencers** all who recognize the WIIFM (what's in it for me) of the proposed transformation.

Pillar 3: Gain new knowledge and learn new abilities fast

In most successful transformations we have seen, the rate of new knowledge and ability accelerates. Sometimes it's as simple as a feasibility test or experiment that shows a better way. The team starts learning and gets the confidence and momentum for change because they believe a better way is possible.

Outside consultants may help with new conversations and processes. New capability and expertise may be brought into the company. Early adopters may start trying new things whilst the cynics wait on the sideline. Good CEOs lead the transformation from the front.

Sometimes training programmes are introduced to fix knowledge gaps. These can be templates that others have used successfully to get teams up the knowledge curve. Peer action learning, meeting in coaching groups and other initiatives all help.

Pillar 4: Walk the talk – show lots of action

Transformation efforts that succeed translate new knowledge into activity, not big long documents. We often hear leaders frustrated that progress is not fast enough. This is their demand for action. These leaders talk about their vision for the future 100 times more than in companies that don't transform. They ensure that all company activity and communication ties back to their vision.

One client CEO who prior to the transformation effort cared little about customer service, suddenly became its greatest advocate. He spent time on the shop floor talking to workers about how their work impacted on the customer experience. He picked up paper from the floor, workstations were tidied and walls were painted, all to improve the quality image. He invited customers on tours of the plant. His behavior became a real symbol of customer service. He introduced net promoter score and moved his customer service manager, as he was too slow to change. The message became clear. We are serious. Customer service is number one!

Pillar 5: Reinforce the transformation – one step at a time

Successful growth transformations have metrics, measures and accountability – they don't mistake activities for results. They set tough targets and Basecamp horizons. Weekly and

monthly reviews keep everybody on track. The transformation is communicated relentlessly at all company events. Changes are rooted deeply into the company. The transformation is baked into budgets, mindset and branding. It becomes *'the way we do things around here'*, rather than the *'change program'*.

Metrics are measured. Achievements are rewarded. Root cause for lack of adoption is tackled head on. Feedback is sought from employees regarding what is working and what is not. Often the diagnostic that was done at the beginning of the process is repeatedly to assess progress.

Clear signals are given that the 'best people' are committed as resources to the key transformation activities. The Board is fully bought in. Above all business results are tracked. The mindset and the culture changes consciously – the leadership team defines new behaviours and ensures they are followed.

Insight in Brief

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Insight in Action

Transformative leaders are not afraid of mistakes. They reward those who are developing new abilities and skills quickly. They help those who are slower on the pick up. They don't stand on ceremony and most importantly they lead from the front.