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You Don't Need a Grand Strategy to Achieve Organizational Change

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Introduction

Usually, when we think of transformation, we think of it as a shift in the fundamentals of a business, like Lee Iacocca's turnaround at Chrysler or Steve Jobs' return to Apple. Unfortunately, managers often overlook skills-based transformations, which can be every bit as important — and often more so — than higher-profile initiatives.

Much like strategic transformations, skills-based transformations often run into stiff resistance. For example, even though practices such as design thinking and agile development have become well-accepted among management theorists, they can still be devilishly hard to get adopted throughout a large enterprise.

Perhaps most importantly, managers need to understand that transformation is not about decisions made in a boardroom, but about what happens on the ground. To succeed, transformational efforts need to empower line-managers and employees with more than just lip service, but with real resources that help them solve the real problems that come with adopting new practices. Here's how you can succeed where many fail.

Start With A Small, But Meaningful Project

Managers looking to implement a skills-based transformation are understandably excited about the potential, and many want to start with a big kick off. Yet that approach often backfires. While the idea of transformation inspires some, it terrifies others. So a major push in the beginning will often provoke fear among many who aren't ready for change, and those people will often work to undermine your efforts. In my experience helping companies transform, I've seen that successful transformations rarely begin with a lot of noise.

For example, Procter & Gamble's PxG initiative, which is reinventing how digital technologies are deployed to solve problems across the company's research organization, began with just one small project. "At the beginning, there were just three of us working on a project: One in R&D, one in manufacturing, and one in IT," John Gadsby, who heads up the PxG program, told me. "We knew that we could work together in a better way. Through experimentation and iteration we were able to reduce the time for a key process from weeks down to hours. That got our work noticed."

Don't fall into the trap of thinking that just because you're starting small what you're doing isn't meaningful. Debbie Chamkasem, who helped lead data giant Experian's transformation from a traditional technology architecture to the cloud, stressed this, saying that though Experian's first projects were small, they weren't easy. "Our first projects were low risk and quickly generated real business results," she told me. "That helped us build word of mouth and got others excited to work with us."

Work To Attract, Not Overpower

One common mistake that managers make is to encourage adoption through a series of incentives, such as bonuses, designed to encourage employees to embrace change. These tend to be problematic, because they make it easy for people to pay lip service to the initiative, but not truly adhere to its principles. This type of passive resistance can be every bit as damaging as outright opposition.

A much more viable approach is to identify those who are already enthusiastic about change and empower them to drive the transformation themselves. For example, the food giant Mars Inc. recently embarked to create a "User Centricity" movement that aims to indoctrinate design thinking principles across the global organization. Instead of trying to bribe or coerce employees, the team created educational programs, such as a "Design Thinking Bootcamp," that people could opt into. "We basically offered to help people solve their problems for free," Deborah Madelaine, who helps lead the "User Centricity" program at Mars Inc., told me.

Madelaine also pointed out how the educational programs became a powerful recruiting tool. "At workshops, we were able to identify people who were enthusiastic about the movement we were trying to build," she said. "They came up afterwards or sent us an email. We would then recruit them to join our movement and help us bring others in too."

"You have to attract, not try to overpower," Gadsby from Procter & Gamble's PxG initiative stressed. "Change can't be a corporate mandate. People have to want to join in. There has to be an element of fun and joy to it all."

Scale Through Empowering The Network

While managers often plan initiatives to be linear, hierarchical, and based on persuasion, my experiences working with companies undergoing transformations suggests that initiatives actually succeed by growing through informal networks, which are non-linear. This allows them to start slowly, but then scale very quickly through empowering advocates to share their excitement with others, who can then bring in others still.

One highly effective strategy that successful skill-based transformations use is to create resources that support those who are excited about change. For example, at Experian, Chamkasem worked to set up an "API Center of Excellence" team that helped plan, build and implement solutions to run in the cloud. Procter & Gamble's PxG initiative has weekly calls with each of its six nodes at innovation centers around the world.

Often more important than direct empowerment from the center, however, is the development of tools that allow peer-to-peer reinforcement, through shared learning and shared experiences powered by technology that enables the movement to scale. For example, at Philip Morris International's FastForward program, which seeks to evangelize lean enterprise and design thinking principles throughout the company, has set up a number of resources to support its far-flung network of enablers.

"We could never have scaled FastForward if it had stayed centralized," said Vincent Ducret, who heads up the initiative. "So we created solutions, such as an online portal and groups in services like Microsoft Teams and SAP Jam that the local markets could use to share best practices, encourage each other and help the program grow and anchor it into employees' DNA."

Reinvent Norms And Values

One thing that every successful skills-based transformation has in common is how profoundly it affects organizational culture. Again, this isn't achieved through elaborate communications strategies or lip service (none of the initiatives noted here even has an external website), but through empowerment.

As Experian's Chamkasem told me, "Many thought that moving products to the cloud was risky. Now, the cloud has become a standard for us in every business unit across the globe. That has enabled us to pursue some exciting new business models that wouldn't have been possible with a traditional architecture." It was real business results, rather than persuasion, that made the difference.

How a Transformative Culture Wins

Eventually, transformation becomes self-sustaining. "In the beginning we had to sell ourselves in. Now, they're coming to us," Procter & Gamble's Gadsby told me. That's what a truly revolutionary change looks like, with people internalizing the change to such an extent that they make it their own.

You know a transformation has been achieved when it begins to seem mundane and ordinary, because it has become so embedded in the systems and processes of an organization that it comes to be considered the standard way of working. As the global activist Srdja Popović told me, "If you are successful it should be difficult to explain what was won because the previous order seems almost unbelievable."