

PAUL ADAMS & MIKE STRAW

- The -
LITTLE
BLACK BOOK
- of -
CHANGE

THE 7 FUNDAMENTAL SHIFTS FOR
CHANGE MANAGEMENT THAT DELIVERS

*'A "must" for those intent on delivering - and sustaining - true
transformational change in their organizations. I highly commend it'*

Mike Hughes, Director General, ISBA (The Voice of British Advertisers)
and formerly CEO, Guinness GB

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MANAGEMENT THAT DELIVERS

Paul Adams and
Mike Straw



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"Managers wishing to be successful in bringing about change will enjoy reading this book through twice in one afternoon and then start putting the suggestions and guidance into practice that evening. It is delightfully lean: it contains just the material needed for the purpose and leaves out unnecessary verbiage."

Professor Richard Lamming, Manchester Business School

"Anyone who has to make change happen in an organization will find this book invaluable. Paul Adams and Mike Straw show how to deploy powerful change ideas and techniques in simple, practical, manageable ways with lots of examples and useful summaries – a terrific handbook for delivering change."

Neil Rodgers, former Chief People Officer, Egg plc

"This book is a 'must' for those intent on delivering – and sustaining – true transformational change in their organizations. The real life case studies described in the book provide a compelling demonstration of the effectiveness of their approach, which is explained in clear, concise terms. I highly commend it."

Mike Hughes, Director General, ISBA (The Voice of British Advertisers) and formerly CEO, Guinness GB

"The powerful principles in this book will forever alter how leaders approach change and empower teams to deliver outstanding change by cutting through the noise and focusing on breakthrough results. A must-read!"

Andy Weymann, Medical Director, Smith & Nephew

"In a time where change is exponential, leading change is an essential skill for every modern leader. This book, drawn upon insights gained from real business experience, is a refreshing alternative to existing 'run of the mill' and more academic approaches. It is highlighting, in a very accessible manner, the importance of contextual adaptation and of human centric design. A page turner, full of inspiring examples, practical analogies and down-to-earth advice on how to design and implement change in an effective, more engaging and sustainable manner."

Caroline Vanovermeire, Founder of Effra Consult, former Director Organisational Development – Global Support Functions, Barclays PLC and Principal at Heidrick & Struggles

"Need a primer on engaging your team and managing through change? This volume has what you need. As a practitioner with over 25 years of business experience leading change, I've had the pleasure of working with both Paul and Mike over the last decade plus. These two have seen it all, and now they are sharing their knowledge and experience in an accessible, practical book. Follow their guidance – it works...and enjoy the read along the way."

Elizabeth S. Bolgiano, SVP Human Resources, AMAG Pharmaceuticals, Inc

A NOTE FROM THE AUTHORS

Some individuals never reach the level of success they are capable of or aspire to.

Even good companies can struggle, and even the most talented individuals can fall short of what they could or wish to achieve. We have been fortunate enough to work in leadership positions where we were able to achieve great results, alongside talented fellow leaders and staff. It's time to share some of that experience with others like yourself who aspire to great things.

We have had the chance to work with many fabulous organizations, CEOs and inspiring leaders, we wanted to capture the common principles that make transformation successful. After all, so many organizations see the need for change and understand the urgency, but somewhere between that insight and the actual action needed, there is a gap.

We have worked with each other for many years and experienced many of the case studies we share with you. Our aim is both to help others improve, and to provide a new and broader perspective for those looking to deliver effective and transformational change. This book is committed to true transformation, to enable leaders to predictably and

consistently make extraordinary things happen by design, again and again.

We would like to thank all those who were involved in the real-life experiences mentioned in this book, and we hope that when they read the contents it brings back good memories. We also give a big thank you to all the staff at Achieve Breakthrough who have committed to developing the heart of the Breakthrough work. Their commitment has meant we have been recognized again and again as the place to go to unleash the power of people to deliver remarkable performance.

We would also like to mention Achieve Breakthrough's sister organization – Inventing Futures. Inventing Futures provides young people aged 9 to 24 with new ways of thinking and acting, shifting ambition, mindsets and behaviours to enable fulfilling lives. One of the purposes of this book is to support our aim in developing young leaders through providing leadership programmes. You can find out more at www.inventingfutures.org.

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INTRODUCTION

Why does it take so long to turn an organization around, only to see people revert right back to pre-existing ways?

Unfortunately, this is an all-too-familiar story, regardless of the type of change being introduced; whether it is a new vision, integrating organizations, transformation and organizational performance, change in ownership structure or internal restructuring. However, it is possible to turn an organization around quickly and to create a new future – one where people think and behave differently and deliver extraordinary results together.

Who should read this?

- This book is written for those who wish to deliver change effectively. Whether you are an aspiring senior executive, a middle manager, board director or chairman; it provides a practical, insightful guide to understanding your organization and inventing something extraordinary.
- It is not about "run of the mill" change programmes. It is about delivering extraordinary results – *something that is not at all predictable if results are purely based on past experience.*

- We will give you insights into creating significant shifts in the way people think and behave. This guidance can be applied to any area you wish; from improving service levels to cost reduction, innovation or increasing market share. You can also use it for achieving specific objectives, regardless of whether you are a profit or not-for-profit business.
- This book is based on *real* business case studies, and is written with the aim of being grounded and accessible, rather than purely from theoretical models or processes. We have experienced the business examples shared here first hand through 25 years of implementing and facilitating transformational change with both senior executive and middle management teams.

During these 25 years, we have worked with a multitude of different organizations, including Microsoft, Novartis, Roche, AstraZeneca, PepsiCo, Diageo, Smith and Nephew, Marks and Spencer, Unilever, IBM and Heineken, NHS Hospitals, central and local government and private equity-owned companies such as Talaris and Quintiles.

Inventing something extraordinary for your organization

WHY IS DELIVERING EXTRAORDINARY RESULTS SO DIFFICULT?

If you write down all the things you need to do to successfully transform your organization and achieve superior performance, most lists will include:

- Have a clear vision and strategy.
- Restructure.
- Improve processes.
- Empower people.
- Be creative and take risks.

At one level we wouldn't disagree with this, but the real issue is the level of thinking that is required.

"The real voyage of discovery consists not in seeking new landscapes but in having new eyes."

Marcel Proust

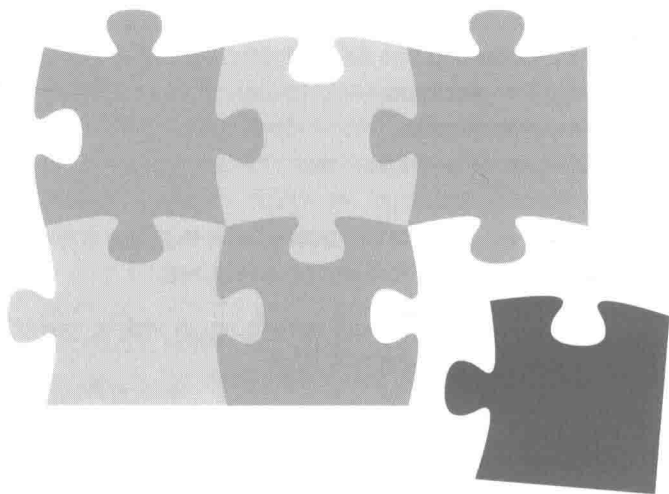
It is not about all the activities people do to transform their organizations, it is often our belief that vision, structures, processes and methodologies will in themselves lead to superior performance. However, a recent survey¹ by Boston Consulting Group showed that 75% of transformation efforts fail to deliver on their promise.

"75% of transformation efforts fail to deliver on their promise."

This book addresses the central issue of *why* they fail and what gets in the way of success.

This missing piece of the jigsaw is our ability to fundamentally change the mindsets, attitudes and behaviours of how the organization works – the context that the organization holds.

¹ Source: Why Transformation Needs a Second Chapter – BCG Oct. 2013.



The power of context

Let us first explain what we mean by context.

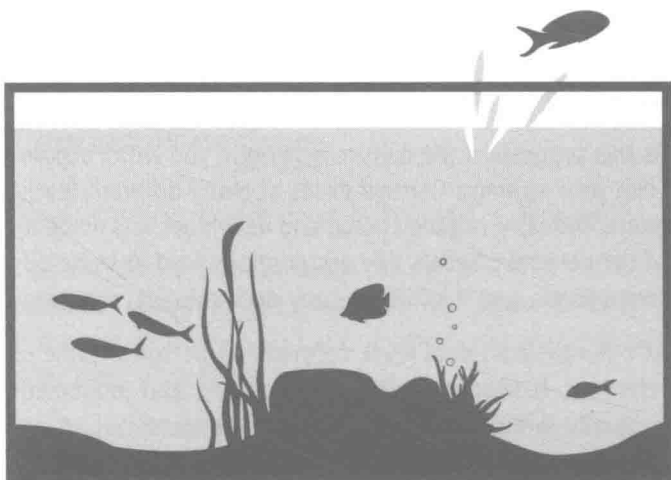
Context is the invisible environment in which we live and work, shaped by a variety of different beliefs and behaviours. To illustrate this, let's consider the example of this picture of fishes swimming in a fish tank. What do you see?

People tend to see fish, rocks and some plants, but they rarely notice the water itself. Context is like the water in the aquarium; rarely noticed, yet critical to our existence. If the water is toxic, everything dies!

If one of the fish jumped out of the aquarium, we can only imagine what they might see for the first time ... the water, and the size and shape of their tank. Yet, when you're in

the "water", you can feel the frustration, but don't necessarily have access to means of changing it. This dynamic is essential to understand because the water determines whether the fish are thriving, or at best surviving.

Consider the last time you joined a new company – the organizational context or culture is evident to you ... but after a while it disappears into the background and becomes "just the way things are done around here".



In organizations, people often comment or complain about "what it's like to work here", or how easy it is (or isn't) to get things done. In doing so, what they are actually describing is the context or environment in which work takes place. Often we spend a lot of time creating new processes in an attempt to make things easier. But have you ever noticed how all our best efforts to make

improvements usually fail to actually transform the situation?

Like the water in the fish tank, no matter what those fish do, the water still affects them. To put it another way, no matter how much those fish move around, interact and make decisions, they will still always be affected by the water. Context colours everything in an organization. People often refer to this as the organization's culture.

"Culture eats strategy for breakfast."

Peter Drucker

As this suggests, if the culture isn't right, you won't accomplish your strategy. Context exists at many different levels: global, industry, organizational and individual. It is made up of the collective beliefs and assumptions held at these different levels, and it influences any decisions that are taken.

At a purely individual level, context is a person's frame of reference. It shapes their views, opinions and judgement – usually without them even being aware of it. Like our fish, unaware of the tank they are in, individuals operate in a wider context.

Consider someone who is accustomed to working for a high-tech start-up being asked to work at the local hospital. This person will probably be used to an environment characterized by comfortably taking their own decisions and creating quick solutions to any problems that arise. They may also be unaccustomed to stringent health and safety procedures.

So, faced with a patient who needs their medication urgently, this person is unlikely to consider the chain of authorization and the required routines in order to administer the medication safely, as this is not the environment they have grown up in. They may therefore decide to act on their own initiative, because their "frame of reference" would be guided by their experience working for a high-tech start-up company, coupled of course with their life outside of work. This is not because of any limits in capability but is more a demonstration of the power of the context of the unwritten tenets of a medical environment.

Context is decisive

So what exactly do we mean by "context is decisive"?

Context shapes an individual's perceptions. It is the foundation on which people construct their understanding of the world, and when you alter context you automatically alter their subsequent actions.

A change in an individual's frame of reference leads to different thoughts, actions and behaviours. The wider context determines if these actions and behaviours will be effective. If you wish to change actions and behaviours, a new context may need to be created to enable people to see a new perspective, which can then open up the possibility for transformational change.

Recognizing and understanding both the organizational context and an individual's frame of reference is a critical step in leading and delivering transformational change.

The power of context

The challenge

In the 1990s, a leading alcoholic drinks company had a business problem that prevented growth in international markets. Due to controls by international tax authorities, it was not possible, economically, to provide the company's international customers with the ability to place a single order for a number of products from multiple manufacturing sites around the world. What appeared to be a simple problem had challenged the best people in the company for well over a year with no progress. Customers had to pay more for their supplies and the company's associated internal operating costs were high.

The approach

To seek a solution, business consultants were recruited and internal teams were assembled to find creative ways to develop business processes and computer systems and a way of working that would satisfy tax authorities (Europe and the IRS in the USA) that the appropriate controls were in place to meet their requirements. The company's annual tax payments were significant (multimillions).

The context surrounding this problem was that protecting the company's tax obligations was the

highest priority. The internal tax team was highly skilled and experienced in this area. Their expertise would therefore guide and influence the project team's design of a solution, by providing the boundaries and constraints within which consultants and internal teams had to operate. The power of the tax team with their expertise and knowledge was a force field that influenced the company's decisions both directly and indirectly. Just like the water in the fish tank.

The frame of reference everybody worked within was that international tax is a complex area best left to the tax team. In addition, they would manage all communications with the tax authorities to ensure best practice and that compliance was maintained. Project staff were informed of the need to ask the tax team for their authorization for any new process or procedures that had an impact on tax.

The result

Fortunately, a new member of staff joined the company who had not yet been conditioned and influenced by the context and need for tax department authorizations. After understanding the problem he decided to make contact with the IRS in the USA and then discussed the company's

problem and asked some related questions. The IRS responded by stating that the policies and procedures had been updated 18 months ago and there was now more freedom in accounting procedures that would make it easier to provide their international customers with the required improvements in ordering and supply.

The rest is history. A solution for customers was introduced. However, only after spending millions on a project to develop and introduce the most advanced systems and accounting solutions in order to solve a problem that was not there.

The "context" had been guiding the company's approach to decisions. The context was decisive. The related frame of reference had led to assumptions that were out of date. Ask yourself: How often does our frame of reference lead to powerful and poor assumptions? How often do we assume that those with "expertise" know the right direction to take?

If the new member of staff had not joined, millions would have been invested to find a suitable solution that aligned with the context and frame of reference of the internal staff. In short, you must seek to understand the context, and the associated frame of reference, then continuously test the underlying assumptions.