

S&S ORANGE PAPER

THE SECRETS OF THE 16%

HOW TO SERVICE YOUR PLANE MID FLIGHT AND
TAKE YOUR PEOPLE ALONG FOR THE RIDE.

VOLUME II

CHANGE IS HARD

THE FACT THAT 84% OF TRANSFORMATIONS FAIL IS SIMPLY TOO HIGH.

The fact that 84% of transformations fail is simply too high. S&S was created with the vision to end failed change. We created the ChangeReady 6 Assessment to help organisations determine whether they are prepared to be successful, and if not, the remedial actions to take and get back on track.

Previously we looked at three metrics:

Delivery: create a modern delivery engine that's predictable by identifying the 'Steel Thread' and delivering value cycles every 90-days. Use storytelling to secure a 'yes' to the first step, and overcome the friction caused by the fear of a "this is something new" mentality.

Customer: meet the current and future needs of your actual customer by building a community of users and mapping your customer journey. Then balance instinct and insights to overcome friction caused by a "we know best" mentality.

Value: shift your focus away from financial performance and towards customer outcomes, by understanding the pain points you can overcome and identifying the right opportunities to exploit. Then define your goals clearly to overcome friction caused by a "we already focus on value" mentality.

READ PART ONE OF THE ORANGE PAPER HERE

In this paper we look in detail at how the successful 16% approach:

Strategy: create an adaptive operating model to focus on continuous improvement and remain relevant. When change is accepted as an investment in the future, it overcomes friction caused by a "can we do it for less?" mentality.

Leadership: don't fetishize leadership. Instead, be humble and take a modern approach to facilitate knowledge sharing and use the wisdom of the team. Then know how to define priorities to overcome friction caused by a "If we think it, we will do it" mentality.

People: listen to individuals, value their contribution and create the right working environment for them to thrive. Then encourage people to experiment to overcome a "we embrace failure" mentality.

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Focus

Strategy
Leadership
People



STRATEGY

CREATE AN ADAPTIVE OPERATING MODEL TO FOCUS ON CONTINUOUS IMPROVEMENT

We imagine an operating model to be beautifully colour-coded, ordered and show the journey from 'as-is, to-be'. But the reality is, it's a mess. Target operating models are based on lots of assumptions, confine the outcome and fail to account for ongoing environmental changes.

When an organisation embarks on a traditional transformation, it delivers slow time-to-value, with overruns in time and costs as the outcome quickly becomes out-of-date. Engage a traditional management consultancy, and you'll end up drowning in slideware about a target operating model that's impossible to implement. And perhaps the biggest risk is you end up changing things that aren't actually broken.

By taking a different approach the successful 16% accepts change as a constant - they iterate at every stage, rather than focus on a goal that may fail to still be relevant in the future.

FOLLOW AN EMERGENT STRATEGY

It's highly unlikely that everything within your business is broken. When the pandemic hit, it may have shone a light on all our flaws - but it also highlighted where change would have the biggest impact. Through a 'normative' approach to change, you study the system to identify what's wrong, and focus on fixing those parts.

The pandemic also gave us an appetite for quick change and rapid delivery. The best way to streamline your business to make it nimble (agile!) and able to react to change at pace, is to follow an emergent strategy. Success is dependent on the data and insights you gather to objectively prioritise projects. And the strength of the team to execute.

ACTION: CREATE AN ADAPTIVE OPERATING MODEL

Switch your mindset from metamorphosis-style change to continuous improvement, which is informed by data, analytics and customer insights. Work out the 'Steel Thread' that binds change and then create a 'Glass Tube' - a highly visible but protected environment that brings a cross-functional team together and allows them to grow a new micro culture.

Free your team to learn through doing.

In creating an adaptive operating model:

- Strategy is highly objective, based on hard data rather than gut-feeling.
- People can look in the Glass Tube, but they can't touch and slow the pace of change.
- The team is part of creating the change - it's not done 'to' them.

ACTION: CREATE A STRATEGY

Most organisations have ambitions, goals, values, a slick operational forecast, a catchy tagline - but don't actually have a strategy. A business needs a purpose, something that should take at least 100-years to achieve and leaves room for innovation so the business doesn't feel constrained and risk becoming irrelevant.

Provide the 'what' and 'why', but leave the team free to focus on the 'how'.

In creating a strategy with real purpose:

- People understand what's needed and the importance of their role.
- You involve everyone in the business and gain the potential to achieve better outcomes.
- The business stands for something meaningful that allows it to grow.

OVERCOMING FRICTION: "CAN WE DO IT FOR LESS?"

It happens all the time. Organisations engage the expertise of management consultants, who create a great strategy and the first thing they do is ask for a discount. Your project is doomed to fail before it's even started because you're working towards an outcome with insufficient funding and resources to get there. And your confidence in the leadership is diminished as the person gave in to your demands rather than push back to justify the price.

The successful 16% accept change as an investment in their future, because continuous improvement will eradicate inefficiencies ongoing, as well as ensure the business remains relevant today and tomorrow.

HOW TO ACCEPT CHANGE AS A CONSTANT

Through the Glass Tube your exemplar team will prove how to make incremental changes that have a big impact.

You can't be distracted by 'the big shiny'. You must focus on how to fix flaws in the business and remove barriers to success.

Involve people in that change, and they want to take ownership and buy in further to your vision for the future.

LEADERSHIP

A LONE VOICE CANNOT CHANGE AN ORGANISATION

In every situation people look for a leader to act as a catalyst to spark the change. This leader doesn't necessarily have to be a line manager or member of the senior leadership team - they don't even need to hold the title of 'leader'. They simply need the authority, direction and clarity to produce a groundswell of change.

When change comes from within, people feel a part of it, want to be involved and take pride in the outcome. Focus on the finer details - like a process for how you structure a meeting, onboard new employees, communicate internally, or reward and recognise staff. It might not be the 'sexy' side of leadership, but often it's the small things that really have the biggest impact.

The successful 16% are humble and accept they don't have all the answers. Instead, they know how to listen and involve their team to reach better outcomes.

ALWAYS 'SPELL IT OUT'

We assume that everyone in the business has the same understanding of the organisational culture, working practices and everyday habits. We think people know how to run a meeting, how to learn and how to seek out new experiences, and assume our partners and suppliers are treated the same.

And yet we never articulate these finer details.

Be explicit and talk about how you operate to secure a shared understanding of your organisational culture and ensure you truly live your values.

ACTION: DON'T FETISHIZE LEADERSHIP

The idea of 'leadership' is surrounded by myth. The idea that we need a hero means we set people up to compete rather than collaborate. The belief that the leader has all the answers drives top-down leadership. And the concept of 'power' discourages experimentation. The reality is we are all leaders because we're all capable and culpable.

View leadership as a behaviour, not a role.

When we break down the leadership stereotype:

- Your leaders aren't wrapped in an ivory tower, set up for failure.
- The business is humble and accepts that good ideas can come from anywhere.
- Continuous learning becomes a core competency.



LEADERSHIP

ACTION: TAKE A MODERN APPROACH

Traditional management theory, which is very process-driven, doesn't work in today's knowledge-based economy. To thrive in the modern world, leaders must promote experimentation, facilitate knowledge sharing and encourage change through their actions - such as replacing a 30-slide presentation with a one-page summary to spark a discussion.

Embrace continuous learning to retain a competitive edge.

In taking a modern approach to leadership:

- People feel inspired, valued and motivated.
- The business is open to new ideas and experiences to help it learn and grow.
- Leaders commit to making the vision a reality, rather than simply being involved.

OVERCOMING FRICTION: "IF WE THINK IT WE WILL DO IT"

Rational thinking and logic doesn't work with human beings. We know we should eat healthy and exercise more, and yet we don't always do it. We know rational thinking doesn't work and yet the majority of organisations still choose to adopt this approach.

The key function of leadership is the ability to make effective decisions.

The first decision is to define the priorities. Many leaders have a long 'to-do' list, but it just dilutes the ability of the team to deliver. A good leader makes the tough call on what the 2-3 key priorities are, and turns down anything else that doesn't contribute to those outcomes.

HOW TO MAKE BOLD DECISIONS EASIER

Take an iterative approach. Lead change with a guiding coalition that learns through doing and takes change one step at a time. At each stage, reflect on what has/hasn't worked and apply the lessons learned.

It is empowered change because with every step you question:

- What were the assumptions we made when we started to do this?
- Are they still valid?



PEOPLE

LISTEN TO INDIVIDUALS AND VALUE THEIR CONTRIBUTION

A big contributor to failed change is people who aren't bought in to the vision of success. At Board level, the role is all about strategy. But unless the vision is articulated in the right way, as it filters down through the organisation it's hard for people to see the individual role they have to play to make it happen.

Leaders need to inspire. They need to ensure the team understands what needs to happen and why, know how to connect each role with the organisation's overall purpose, and be able to speak to individual motivations.

The successful 16% articulate change in the right way because they focus on making it meaningful to each person.

CREATE THE RIGHT ENVIRONMENT FOR PEOPLE TO THRIVE

We need to stop applying a 'one-size-fits-all' approach to how we run our businesses. 'Agile', 'waterfall', 'kanban' - your people need them all. Remember, as a leader your role is to ensure your people know WHAT needs to happen and WHY, but it's up to them to decide HOW they work best.

The right work environment isn't about fancy coffee machines, snack cupboards and office toys. All you need to do is invite people to bring their whole self to work and empower them so they have the freedom to do their best work and feel they make a valuable contribution. organisational culture and ensure you truly live your values.

ACTION: FOCUS ON DIALOGUE

You could have the best strategy in the world, but the challenge is always in how we communicate it. The words we use are so important because different departments and roles speak different languages. So forget the flashy straplines and focus on how to use words that resonate to start a dialogue across the business.

Keep communications simple and provide the right context.

In using the right words to talk about strategy, you:

- Communicate with clarity and in a way that matters to each individual.
- Encourage the right behaviours in your people.
- Create a great place for your people to work

ACTION: BE HUMAN

In many ways, lockdown levelled organisations by humanising people. Through video conferencing we've been allowed a glimpse 'behind the scenes' to see into our colleagues' homes, meet the kids, and be interrupted by the barking dog. It's made us realise that while our careers contribute to a rich and fulfilling life, we aren't 'just' an employee, leader or colleague.

Invite people to bring their whole self to work and create a 'win-win' situation for all involved.

In showing your human side, you:

- Encourage honesty and transparency across the business.
- Instil confidence in your abilities with the Board.
- Really listen to your team.

OVERCOMING FRICTION: "WE EMBRACE FAILURE"

Have you ever uttered these words? In reality, no one loves to fail. It's highly demotivating, costs precious time, effort and resource, and doesn't get the organisation any further towards its vision of success.

We can absolutely learn from failure, but we should never encourage it.

HOW TO CHANGE YOUR MINDSET

Tell people to 'experiment'.

When you experiment it's impossible to fail because the outcome is learning. You might not hit your end goal, but you always move one step closer towards it.

And the added bonus is that the whole business is focused on continuous improvement - which results in operational efficiencies, a better customer experience, and a great place to work.

An aerial photograph of a winding asphalt road with white dashed lines, curving through a dense forest. The trees show autumn colors, with many yellow and orange leaves. In the background, there are snow-capped mountains under a cloudy sky. The overall scene is a mix of natural beauty and a sense of a path leading through a changing landscape.

ARE YOU READY FOR CHANGE?

CHANGE IS NO LONGER A CHOICE – IT'S ESSENTIAL FOR YOUR SURVIVAL.

But how do you ensure your organisation is ready for a world of disruption and continuous improvement?

DETERMINE HOW CHANGEREADY YOU ARE IN 7-DAYS

We created the ChangeReady 6 Assessment through the work we've done with the successful 16%. When you know how they invest in finding new, different or better ways to solve problems, you can apply those lessons learned and ensure your business is set up for success, rather than at risk of wasting significant time and money.

The ChangeReady6 Assessment predicts how likely a company is to succeed in their change, based on 6 key metrics:

THE CHANGEREADY 6



Strategy

A clear direction that's well understood by the whole organisation, with a Steel Thread that runs from the strategy to the teams' day-to-day work is a critical first step to being ChangeReady.



Leadership

Great leaders inspire their teams. They genuinely understand how to lead through change, they encourage continuous learning, empower people and create accountability for the change.



People

Engaged teams take ownership of change and nurture a cultural shift through the organisation, ultimately leading to a truly sustainable change.



Customer

When customers are at the heart of change it creates a strong relationship between them and the organisation that's based on trust and mutual respect. Change is co-created and ensures value is delivered for everyone.



Delivery

Teams experiment and learn within a flexible governance pattern. The focus is on supporting the fast and effective delivery of value.



Value

Organisations are set up to deliver sustainable benefits to customers regularly, at least every 90 days, and more frequently if possible.

BE DIFFERENT, BE CHANGEREADY.

We all have a responsibility to flip the script and reverse the shocking trend that sees 84% of transformations fail. It's in our control to be one of the successful 16%.

Follow an emergent strategy and create an adaptive operating model that allows you to embrace change as a constant. And ensure you have an actual strategy so people understand what needs doing and why.

Take a modern approach to leadership and promote experimentation and knowledge sharing. Focus on how to embed culture and deliver 'brilliant basics' by listening, involving the whole team and being explicit about.

Articulate change in a way that matters to each individual. And create the right environment for people to thrive and empower them to do their best work and feel they've made a valuable contribution.

GIVE US 90 DAYS

If you're ready to be the change agent that makes a difference, sign up for our ChangeReady6 assessment. Within seven days we will confirm your likelihood of success. 21 days later, you'll have a plan for any remediation actions to ensure you're ChangeReady and in the best possible position to successfully embrace change.

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