

Leading and Learning, Inc. ® is a 45-member **organizational management consulting firm** based in Los Angeles with clients across the U.S., Canada, Europe and Asia. We support leaders during change processes with focus on organizational change management, leadership development, and personal, professional effectiveness. Our client roster includes CEOs and other leaders in corporations and organizations spanning **banking, utilities, manufacturing, hospitality/entertainment, hospitals/health systems, technology/aerospace, service industries, government and nationally-based nonprofits.**

***EACH MONTH, LEAD-ZINE®**, the on-line electronic leadership newsletter of Leading and Learning, Inc., focuses on a specific leadership/ management topic.*

Articles are contributed by Dr. Billie Blair, President of Leading and Learning, Inc., and the LLI team of organizational professionals. Other professionals with specific expertise join the LLI staff each month offering national and international perspectives. These combined views provide informative, focused and balanced perspectives on the **Lead-Zine®** topic-of-the-month to our readers – approximately 250,000 CEOs, executives, and other leaders.

Managers and Leaders of companies and projects are continually planning, or executing, or controlling change. This month's issue is significant as it focuses on **"The Winds Of Change", and the Five Basic Precepts of Change.**

♦ *For those wishing to contribute to a Lead-Zine® issue* contact the Lead-Zine® editor, Eli Isaacs:
eli@puzzlespress.com

Need to make a CHANGE ?

- Career Changes
- Business Changes

LLI's new Pro-Change Tools offer expert help from our professionals:

www.leadingandlearninginc.com

*"When things change,
you have to change things!"*

March 2008 – "Case Studies: Organizational Change"

Billie G. Blair, PhD

March, the month that is said to "roar in like a lion" is an appropriate month to talk about winds of change. For this month's issue, we've asked our contributors to weigh in to describe case studies that have brought about effective organizational change. Our corporate clients are currently working on various forms of organizational change. Most of these will be dramatic changes that result in reforming their companies. As organizations are reformed, the management team will want to ensure that the five basic precepts of change are adhered to.

► One, Understand the Direction – We spend time with our clients in determining what the change demands actually mean. Effort is devoted to building a strategy system that will sustain the whole organization* through turbulent times. No direction is set until the groundwork has been carefully laid and the ramifications of making the changes are well-understood.

► Two, Find the Forward Path – Trying to institute change can sometimes lead to tangential and unproductive paths. Our work is focused on assisting clients in analyzing the value of each potential change to the corporation as well as what the benefits and cautions are of each in order to select the pathways best aligned for forward movement.

► Third, Select the Best Actions – Taking the time to select tactical approaches that will be able to fulfill the organizational mission ensures that changes will be brought to successful fruition. Actions must be integral, meaningful and tenable.

► Fourth, Select the Best Actors – Planning for effective change requires that a premier team of actors will be available to carry out designated actions. Making new plans without anticipating orchestrated change for employees is a formula for failure. We assist our clients in assessing their employee pools to discover new placements and new potential.

► Fifth, Select the Best Metrics – Reliable processes for measurement and analysis will be needed to determine if changes are following prescribed courses and achieving desired outcomes. Our firm offers an array of highly effective metrics such as Earned Value Management Systems and Critical Path Management to assure change achievement.

** See: Dr. Blair's latest book*

**ALL THE MOVING PARTS:
ORGANIZATIONAL CHANGE MANAGEMENT**

IS AVAILABLE IN THE LLI STORE AT:

www.leadingandlearninginc.com

NOW AVAILABLE

Leading and Learning, Inc.'s
latest

FastPocket

Earned Value Management: Techniques and Applications

available at

WWW.LEADINGANDLEARNINGINC.COM

*TO ALLOW US TO FOCUS COMPREHENSIVELY
ON THE SELECTED TOPIC-OF-THE-MONTH*

THE LEAD-ZINE NOW

INCLUDES MULTIPLE PAGES!

IN THIS ISSUE

*ENJOY THE WRITINGS OF AUTHORS
WHO DISCUSS VARIOUS ASPECTS OF*

Strategy and Change Execution

*THE CONTRIBUTING AUTHORS THIS
MONTH TALK ABOUT:*

“Making Meaningful Change”

Charlie Fewell
Charlie Fewell & Associates

“Accelerating Strategy Execution”

Steven Infanti
Vice President for Communications and Marketing,
Harrisburg University
and Executive Development Associates

“A Story of Two Boards”

Ron Norelli, CEO, Norelli & Company

“A Just-In-Time Solution That Worked”

Brett Bardsley
Marketing and Public Relations Specialist
VitalSmarts

Making Meaningful Change

Charlie Fewell, Charlie Fewell & Associates

It was late in the company's fiscal year and the management team was analyzing all the reports available, forecasting the current year's sale ad profits. They had performed all the normal rituals: forecasting, planning and creating "stretch" goals. You know the drill. The forecast predicted 2% growth, year over year. The industry predicted growth of 1-3%, so they were performing within the industry expectations. But, wait, the leadership team was not content with average growth. So what was the answer? The sales and marketing departments felt that each was doing all they could – where was the growth going to come from? This was where I entered the picture. The Vice President of sales asked me to assess the current condition. Because this was a wholesale operation with over 50 distribution depots, some of them thousands of miles apart, we needed something that could make an impact across the board. I suggested a couple of simple but highly effective solutions to inject some energy into the teams and reach those growth targets:

◇ **Create scorecards for the sales team that develop new selling behaviors**

The new scorecards helped the sales team to focus clearly on existing opportunities within the current customer base. The research revealed that 20% of the customers purchased 80% of the volume that each sales person was responsible for maintaining and growing.

The new selling behaviors encouraged the sales team members to prospect for additional volume within that 20%. The most loyal customers were simply not purchasing as much as they could. The investigation we performed revealed that the sales team could get much more from them. Thus, a new focus and selling cadence was implemented.

◇ **Make it possible for every sales team member to win**

This may sound simple, but if you have a situation where only one member of the sales team can 'win,' you need to redesign your rewards program. After redesigning the sales incentive program in this instance, we empowered each sales team member to work toward increasing sales with every customer, simply because winning was now possible.

Hope is a unique motivator, and this team worked like never before to achieve their goals. The results spoke for themselves: Eighteen months later, the company had experienced double digit sales growth in an industry forecasting a 1-3% growth. So much for aiming for the industry average!

Accelerating Strategy Execution

Steven Infanti
Vice President for Communications and Marketing
Harrisburg University
and Executive Development Associates

Behind the walls of a Fortune 100 company, rolling out new direction can be a little like turning around a fleet of cruise ships – slow and fraught with potential wrecks. Organizations of all sizes are concerned with not only the ability to roll out strategy but being swift enough in the market to execute. So, instead of rolling out a new strategy created by top management through traditional communication processes (speeches, town meetings, videos, etc.), this organization engaged the top 250 executives in a “Creating Our Future” workshop to both improve the strategy and build unity and alignment.

Initially, top management agreed to stamp their new strategic approach as a “draft” and to roll it out at the workshop. Then, groups of 25 cross-functional teams added their input and created the critical success factors for implementation. These groups presented the improved version back to top management. Those 250 executives were then assigned teams to roll out the strategy in a cascading approach.

With the help of an online tool, these 250 executives were able to not only communicate the new strategy, but also to build teams across multi-functions to collaborate and execute the strategy quickly. They were able to make changes happen in eight months as opposed to a multi-year process of re-emphasizing strategy. The process used weekly status meetings, time-lines and critical action items making the teams accountable for forward progress. Further, the process allowed the teams to quickly identify organizational hurdles to success. Because the teams used cross-organization members, they were able to change processes to avoid the pitfalls.

This organization repeats this same process every two years. The company credits the workshops with movement from mid-industry to top financial performance rankings and significant stock price and P/E increases. They also feel that collaboration across functions and business units has significantly improved. And that this positively impacts the effectiveness of their executives and their ability to serve customers.

A Story of Two Boards

Ron Norelli, CEO, Norelli & Company

In today’s more closely-scrutinized environment for corporate oversight, it is not enough for a Board of Directors simply to meet procedural and process compliance standards of corporate governance. Getting the processes right, having the proper committees who follow the rules, and making timely disclosures, while important, don’t guarantee quality decisions for the business and financial success for shareholders. A Board adding real value must go beyond “best practices” basics. They must mentor and challenge a management team, demonstrate the willingness to ask the difficult questions, keep a steady eye on the horizon, establish high standards and performance expectations, and bring solid experience in the functions necessary to creating new enterprise value.

Despite similar inputs, processes and honest and well-intentioned efforts at both of the two Boards profiled below, what seemed to be similar governance approaches did not produce like outcomes.

One, though organized and run according to prevailing standards of good governance, fell victim to the “Trap of the 3 Ds – Denial, Distractions and Delay.” As a result of indecisive leadership (and notable absence of Director independence) on the part of this Board, the company’s performance began deteriorating substantially, negative trends were continuing, and little seemed to be going right. The combined burdens of acquisitions, too much debt, an MIS conversion gone astray, and global supply issues were dragging the company into what became a survival crisis, ultimately leading to a disastrous outcome for the business and its stakeholders.

The second Board was staffed by Directors with significant and relevant hands-on track records whose contributions to the company rose to the level of an intangible asset on par with intellectual property. And, not coincidentally, a majority of these Directors were also “independent,” having had no previous ties with either one another or anyone within the company. This Board has remained adept at driving proactive business strategies using change to the company’s advantage and effecting improved performance. The Board’s effectiveness is considered a major reason why the company has used its opportunities well and has come to enjoy the “best of times.”

A Just-In-Time Solution That Worked

Brett Bardsley
Marketing and Public Relations Specialist
VitalSmarts

Lockheed Martin's Tactical Aircraft Systems (LMTAS) was meeting to find a lower-cost solution for a must-win bid. This multimillion-dollar deal spelled not only a promise of future profits but also the continued viability of the company.

After hours of wrangling between some of the brightest managers in the company, the teams split up with no hope of a viable solution. Both the business development and estimating teams were holding unfair perceptions of each other, resulting in a gridlock on cooperation. Their infighting and politics smothered creative thinking and bogged down the decision making process. The LTMAS president estimated that their chances of success were slim, but as a final resort he guided the team in discovering the long-standing behaviors that were preventing great ideas from being translated into positive change. One of the most prevalent problems was that employees did not feel comfortable in speaking up and giving candid feedback.

Over the next few months, senior management leaders held biweekly classes with their direct reports to learn how to hold effective discussions. Opinion leaders were also identified and their assistance was solicited in supporting the organizational change process.

In a survey administered nine months later, improvements in targeted behaviors exceeded thirteen percent. But more importantly, results improved markedly. The ultimate catalyst for cultural change proved to be the engagement of the informal opinion leaders.

Changes in culture became even clearer as the company underwent assessment for the coveted Shingo Prize for manufacturing excellence. Not only did LMTAS win that prize, but the company was applauded specifically for its breakthrough approaches to increasing employee involvement as well as management's ability to lead and influence the organization toward measurable improved performance.

And, finally, LMTAS won the ultimate reward – the \$200 billion Joint Strike Fighter contract.

We hope you have gained value from this month's Lead-Zine.
Your comments are always welcome.