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Greedy for Change

One of the more memorable lines from the 80s-era movie industry is Gordon Gekko's *"Greed, is good!"* from the 1987 film *Wall Street*. Whether you agree or disagree, the salient point is that a desired behavior was identified and then developed and sustained through motivation and reward.

As business strategy, the slogan is long retired. But as a communication device, Gekko's statement remains powerful and effective–simple and visceral. Would it not be desirable to have a similarly effective way to stimulate organizations to achieve ongoing success in the face of all the challenges and opportunities they face today and tomorrow; be they recognized, emerging, predictable, or unforeseen?

Consider: "Change is good!"

Typically, *change* is regarded as something that is done *to* us, imposed from some nefarious external source. The implication is that change is undesirable, uncomfortable, unplanned–something to be resisted, even inoculated against as a harmful bacteria. But history shows that the truth about change is quite the opposite. Consider IBM, GE, HP, Cisco, Southwest Airlines, and Gulfstream, for example. These are companies that, by *embracing* change have prevailed and prospered through enormous shifts in their environments and businesses, whether they were driven internally, externally, or both.

On the other hand, consider Polaroid, Braniff Airlines, Eastern Airlines, DEC, and the original ATT–companies that failed, having been unable to adjust to the challenges (and opportunities!) they faced.

Though many unique factors apply in each case, it is undeniable that how each company dealt with *change* was a major determinant to its future. In fact, the ability to manage change is perhaps the single most powerful characteristic that differentiates business winners and losers.

Managing Change

But what exactly does it mean to *manage change*? One idea is to accomplish change by edict. For example, "Tomorrow (or next week, or next year…) we *shall* be different from today and therefore everything will be better!" Maybe that would work in a zoo where placing fighting animals in separate cages will restore calm. It is unlikely to work, however, in an organization of people, functions, and processes.

At the other end of the spectrum we might suggest: "You are all good people, so just keep doing what you are doing and we will prevail!"

Buggy whips anyone? Clearly, there must be something more to this.

The underlying assumption here is that any change should be beneficial to the organization or business. If so, then why is change so often resisted and so difficult to achieve?

Coupled with the human tendency to be emotionally more comfortable with the *known* vs. the *unknown*, maybe Sir Isaac Newton provides a clue from physics: Bodies at rest (or in motion) tend to remain at rest (or in motion)–unless acted on by some external force. In business, this can well translate to the natural tendency to “Just keep on keepin’ on!” Anything that is so *natural* to people easily becomes *habit*–a whole set of habits, in fact. Together these then establish what we would generally describe as *culture*.

So, to effect change in a business organization, we really need to understand that it is the organization’s culture that must be addressed–with respect to both the source of barriers to change as well as a vehicle for achieving change. The essential question is: “How?”

Successful culture change is actually a consequence, the *product* of the relentless application of a set of disciplines that yield information, insights, and actions that collectively move an organization from one *place* to another. Those *places* can be products, processes, people, or results–any element of the business.

The *trick*, as Newton has shown, is that it takes an external force to make this happen. In this case, that means an external source of the required disciplines. In some instances, that might translate to *New Management*–often bringing in someone from the *outside*. Such action either explicitly or implicitly acknowledges the need to be untied from the existing habits–culture–of the organization, e.g., Lou Gerstner with IBM; Alan Mulally with Ford; Jim McNerney with Boeing; and even Bob Nardelli with Home Depot.

In those cases, the general view is that the new *driver* must quickly apply new disciplines (before he or she gets absorbed into the existing culture), and demonstrate their ability to achieve rapid change in such a way that shows clear advantages of the *new way* vs. the *old way*. When this works, the results are often greeted with much fanfare. The fanfare suggests that it is particularly noteworthy to see habits (and cultures) change from the *inside* (even with *new* insiders).

Change-help

Given the stakes, internal change agents will find engaging external help to manage change works best. Such *outsiders* routinely take on such *risks* (as defined internally) of crossing functional lines and challenging *sacred cows*. Along with the discipline methodology, external change agents bring knowledge and experience to help deal with unique situations, be they process, organizational, or political.

There are a variety of change-agency consultants available in the marketplace today, and they each bring a separate set of tools, consultants, and methodologies. In seeking assistance, be sure to work with a team that is committed to results, delivered by a team of advisors that have clearly *been there* themselves at the highest levels of management and is willing to tie at least a portion of their fee to a measurable return on investment.

Through a successful internal-external change partnership, organizations can come to understand the true nature of their culture, define how it must and can be different, and ultimately demonstrate through tangible results that “Change is good!”

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