

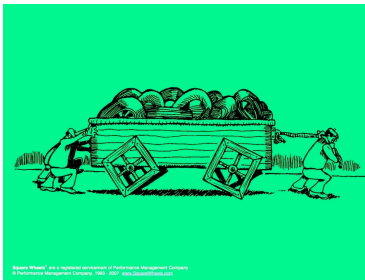
Performance Management Company

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This newsletter: **Strategy Implementation**

This newsletter focuses on issues of implementation of strategy initiatives, which are notoriously difficult to accomplish.

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Take a look at our steadily expanding blog of posts on performance



Strategy Implementation:

Three weeks ago, I headed to India to deliver a series of seminars and workshops to senior managers of major global corporations. Most interesting was that I am building on the work of a good friend of mine, Robin Speculand.

Robin has published a series of books on implementation that align closely with my approach. He also uses both my Square Wheels tools and my Lost Dutchman exercise as part of his toolkit.

Influenced by Robin, I created a series of illustrations on engagement, alignment and visions and coaching that will build leadership effectiveness on this critical issue. The seminars went really well and we made some solid points on strategy.

Generating strategy is Really Pretty Easy. Implementation mostly fails.

Scott's Direct Experience:

In my experiences as senior vice president of operations of a large and basically bankrupt retail firm, changes had to be made. One of the things we did was to purchase a large block of stock from the former owner's estate with the pledge of company assets and the use of a 401k ESOP (employee stock ownership plan) to pay down the loan. It was a very innovative and creative way to help us generate a new employee culture.

One of my key roles was implementation of that initiative. We did a wide variety of communications programs to show the people the benefit of ownership (we matched employee contributions) and we showed them what it meant to make money.

Many of the workers assumed that sales equaled profits, not understanding the cost of goods

sold, the overhead of rental and inventory, the impacts of shrinkage, etc. So, we spent a great deal of time communicating and educating. My 13 District Managers became facilitators, losing their "accountants" mentality. We also identified a wide variety of Best Practices that impacted customer service and retention. In other words, we reshaped the entire culture through communications, visions, ownership, understanding and education.

Most importantly, we changed the way we measured store performance and individual results, implementing much improved performance feedback systems and instituting a variety of intrinsic motivators. We took the stock from 2 to 32 within a span of three years!

It is about Engagement / Ownership:

I have written extensively on the theme of employee engagement in my other newsletters, most notably **PMC Newsletter One** and on our blog. If people are involved and engaged, the organizational culture is much more amenable to change and your strategy initiatives are much easier to communicate.

But the reality of so many workplaces is that people are *not* engaged and *not* involved and they have little sense of ownership. If that is true, why should people WANT to change to implement a new strategy?

So, it makes sense to look at the workplace culture when one starts to think about implementing strategy change. Any good business culture will drive the right kinds of behaviors and support change and improvement.

Ownership:

When you focus on generating a more positive collective mindset and more engagement with a shared focus on improvement, you help people validate the business purposes of your new strategy and you can more easily involve them in its implementation.

You cannot do things TO people and generate positive change; it must be done WITH them.

By clearly indicating that you expect this to be accomplished, the roadblocks will be worked out and the Round Wheels will be more easily implemented. They will expect you to be there for them, coaching and supporting them as need be. Otherwise, they will not take individual risks of changing nearly as smoothly.

As Steve Jobs used to say, **“Culture beats strategy all day long.”**

The Model of Change

I have used a simple behavioral model of change for many years, with the understanding that incremental changes in these four factors will generate incremental changes in behavior. Since I have written about this at: www.squarewheels.com/content/teaching.html, this explanation will be very brief.

Change Model

- The attractiveness of the **Vision of the Future**
- The current level of **Discomfort with the way things are**
- The individual or group's previous **Success with change**
- The peer or workgroup **Support for the change**

By making the vision more attractive, we increase the likelihood that change will occur. By making people less comfortable with the way things are now, we increase the likelihood that change will occur.

Generating a sense of teamwork along with a feeling that previous efforts to improve have been successful, we increase the likelihood that change will occur.

All of these four factors, individually or in combination, work to help people make better workplace choices and commitments to do things differently.

Our approach is that change is best implemented with the managers are fully onboard and when they can also function as **facilitators** for the improvement process. This is something that simply cannot be delegated, since workers respond to their managers directly and look to them for acceptance, direction and guidance. Managers facilitating must be an integral component of your

implementation strategy to drive change and improvement. The messages they send to their people are absolutely critical.

Remember that involving and engaging people in workplace improvement is a very natural and seamless way to generate intrinsic motivation. People **WANT** things to work better in most workplaces, unless they are somehow trying to get even with management.

The Work of Others

Robin Speculand is one of my colleagues and has repeatedly published his thinking on strategy and its implementation in his many books and presentations.

In Robin's book, "Beyond Strategy," he talks of "Board Approval" on Page 1. By this, he refers to the orientation of the senior managers toward supporting the new strategy.

The way my mind works, I immediately reverse two letters and come up with *Broad* Approval and the understanding that we need widespread approval and understanding of the issues and opportunities in order to generate buy-in and commitment. He may be more "right" than me, but he also addresses many of my thinking points in his other chapters.

In his book, he expands on the themes of leading implementation through his Compass, whose direction points include:

- People
- Business Case
- Communications
- Measurements
- Culture
- Process
- Reinforce
- Review

I probably stress engagement more than Robin, feeling that it is relatively easy to address through facilitation and team building and

good employee training and retention practices. But People are certainly a critical factor in any change initiative, one that may be overlooked by senior managers.

Generally, people are viewed as one of the bigger barriers to change or improvement – that people are “resistant.” I agree, they will be resistant if they are not engaged and involved and when they feel they are being pushed for no reason. In fact, one of my more common metaphors is that of **Spectator Sheep**:



You would know them as the ones that stand around, saying Baaaa and not being *actively* involved in the work. They are not supportive.

If there is no buy-in for change, then one can readily expect many to actively work to maintain the status quo of the workplace, since it keeps so many threatening things less threatening in the minds of the average performers.

The reality is that few people will take a leading-edge-innovating point of view – most appreciate the steady state of things. Unless people have a great reason to change, most prefer no change:

**Change is Good.
You go first.**

Dilbert

Remember:

**Life is a series of habits
occasionally disturbed by a few
thoughts.**

and

**Many a false step is made by
standing still.**

Robin talks about Business Case (Biz Case) and Communications. Sure, we need to justify WHY we are looking to change things and if we do that well, which you have probably already done with other managers, then you have already begun the sales process. Be sure that this continues...

Negative frameworks will not drive positive behaviors or support. Risk avoidance will not support optimal implementation strategies of individuals or groups but will cause more “wait and see” kinds of responses.

There are two basic ways that people will change. They will respond to force, and they can make a choice. In the former, we push people, sometimes simply demanding that they change, which can cause compliance and resistance that shows up in many ways.

If we can help them to choose to change, it often works a lot better and has fewer side effects. That often requires coaching, training, facilitating, peer pressure or other kinds of influences to shift the force field that determines their current behavior.

Engagement in the change is a common *positive* driving force. And when combined with supportive, performance-enhancing feedback systems, we can improve results along the lines of expectations and measures.

Choice also tends to generate ownership and “*Nobody ever washes a rental car.*” Ownership is a very positive thing when it comes to accountability for behavior and commitment to get things done right.

Realize that much of this shift is

accomplished at the manager / supervisor level which is where we want it anyway. There, we can keep the informational loops operating about any issues present regarding the new behaviors as they impact the missions. We can identify any negative side effects (unintended consequences) and deal with them efficiently and with fewer problems.

Remember, a **desk is a dangerous place from which to view the world** and it is much better to have “hands-on” problem diagnosis at the moment of contact than to rely on some reporting process to identify problems.

Change by Choice also allows much more behavioral flexibility when it comes to getting things done at the front lines of the organization. Instead of rigid compliance with (erroneous) policies and procedures, we can allow people to make intelligent decisions and feed those problems and solutions back up through layers of management (instead of them being hidden).

Measuring Performance

In my long, broad experience in implementing workplace results / improvement (1978), ***feedback and measurements are the most critical factors in driving improvement.***

My belief is that the most important factor is actually the feedback and that most companies do not do this well at all. I use a Feedback Analysis Checklist that has 14 items and that provides self-correcting (and engaging) performance feedback about the job performance. I recently wrote up a little about this on my blog and will post up the entire tool if there is enough interest.

A good feedback system

supports self-correction and optimization of behavior toward better results. Combined with good measurement systems, that is often enough to generate the self-motivation and focus on mastery that drives human performance. On my website is an article on High Performance and Flow.

Motivation – Focus on the Intrinsic Motivators!

One issue where I disagree with Robin Speculand's thinking is in the area of reward systems.

Robin lays out pretty normal versions of using extrinsic reward systems, as I read his writings. Me, I am much more focused on using the *intrinsic* rewards of mastery and peer support and teamwork, along with engaging, positive performance feedback systems, to drive *continuous* continuous improvement in results and to help in aligning people toward new expectations and goals.

It is easy and traditional to talk about pleasure and pain as the motivating factors for people in the workplace. Many think of the workers as "hired hands" without brains and that extrinsic rewards will sustain focus and accountability. There are lots of studies showing that the negative impacts of such rewards do much to quash initiative or produce unanticipated behaviors.

We need to work hard to involve and engage people in a more "attractive vision of the future" to help generate intrinsic drive to improve and manage problems and roadblocks. Extrinsic rewards are just not sensitive enough to potential sidebar issues and often generate inadequate or unethical behavior. For me, it is a focus on Visions that will drive more of the behaviors that you want to

implement your strategies. We need to continually stress the importance of it through our observable actions and we need to restructure how things are done so that the new behaviors and choices are supported and the older, undesired ones can slowly extinguish themselves from what gets done.

Where do Square Wheels and Lost Dutchman's Gold Mine fit?

First, both are great tools for generating perspective and discussion of behaviors and desired change in the workplace. They work seamlessly to set the stage for improvement yet are not dogmatic and rigid insofar as how they can be used.

Square Wheels are all about how, "Things really work" and are designed to generate discussion about what is not working smoothly and what needs to be discussed. As part of the metaphor, we also have the Round Wheels that already exist in the wagon – what we can call Best Practices. These can be used, but may or may not already be working.

The wagon puller's vision is quite different from that of wagon pushers, and by clarifying visions and generating involvement / alignment, we can begin to change direction and force (if desired) and better motivate everyone to move forward.

Square Wheels are just one of the Performance Management Company tools that can be easily used to facilitate discussions around the issues of change and improvement, teamwork and collaboration. It can link to issues of workplace procedures as well as identifying areas needing improvement. It can be easily used to involve and engage people and to improve communications as well as facilitations. It also has

a unique coaching spin that can be used when individuals need redirection.

Square Wheels can also help in Roadblock Management and other aspects of aligning visions to behavior and will generate a sense of teamwork and involvement; they are easily facilitated and linked. Lost Dutchman's Gold Mine is one of the premier team building games in the world. It's unique focus on a shared collaborative vision of the goals and the focus on risk-taking, resource management and alignment allow it to link neatly to a strategy implementation.

Each table makes choices, and they generally choose to go-it alone without any support of the game leadership or the other teams. This is a marginally effective strategy, since all of the teams share a common goal. In the play and in the debriefing, it is quite easy to link organizational issues and challenges to the play of the game and to then design good ways to communicate about alternative collaborative behaviors or to discuss and reframe the desired outcomes and expectations. The metaphors in the play of the game relate neatly to the issues of strategy implementation and we have a special debriefing that takes full advantage of these benefits.

Colleagues in India (EduRiser) and in Japan (WorkHappiness) and Robin Speculand (Bridges) and I are collaborating on a complete package for strategy implementation purposes. We will have a financial training package for improving decision-making on business performance issues (including people and profits) and we will have a collaborative back-end that helps improve communications within a company and between leaders in our network.

We will be using Lost Dutchman's Gold Mine and the Square Wheels tools in the implementation toolkit, along with our Roadblocks Management tools, programs on alignment and clarifying expectations as well as tools for generating congruent measurement and feedback changes for workplace change.

Innovate & Implement

We are quite pleased to offer our newest organizational development and training tool to our customers. I&I is a Square Wheels game, using the metaphor of replacing SWs with round ones as the reason for playing.

In the game, players move around a game board with the roll of a die. As players follow different routes, they must enter rooms, uncover and solve a problem related to innovation or implementation, and uncover what might be a round wheel.

On discovering all four round wheels, they must race back to the starting point in order to complete the game. They are working against a timer and have a process to follow for each of their turns. The more efficiently they can work together, the more effective are their movements.

Play also requires collaboration, the sharing of problem solving cards. So, a level of planning and a smooth process for moving information and resources between the players at each table is a necessity.

The game is designed for a

table of 3 to 4 players and each of the tables is an independent game, so the exercise can scale up to very large groups since little on-the-floor facilitation is required for control. Since each table is working against a central clock, the group is all completing the exercise at the same time.



www.performancemanagementcompany.com/Innovate_Implement_p/4.htm

I&I has a strong and robust design and the metaphors built into the game about problems and problem solving are solid.

Players view a PowerPoint slide program that covers the rules and procedures, they have time for questions, and they then play a short trial game to insure that they understand the flow of the process. Then, you start the clock and play begins.

It is bundled with our typical extensive debriefing materials, along with a number of our different bundles of Square Wheels tools.

We guarantee that you will like how the game plays and that you can readily link the issues and opportunities

represented by the transition of Square Wheels into round ones to your organizational improvement or engagement initiatives.

Godzilla Meets Bambi

Yeah, we went crazy. But I got inspired to show some of my thinking about why innovation and motivation get squished in so many organizations and my colleagues at EduRiser in India put my initial thoughts done in PowerPoint into a short Flash animation.

This is a 2-minute video of some thinking about people and productivity and innovation and leadership and all of those organizational development things. And it ends in a somewhat predictable manner.

Click on the icon below to go to the website and view the animation.



www.performancemanagementcompany.com/Godzilla_Meets_Bambi_s/66.htm

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