

LEADING TRANSFORMATION FOR RESULTS

Successful transformation requires a well-designed plan, support for it from across the company, and a culture that will drive its execution. It needs to be clear enough for consistent interpretation, yet flexible enough to adapt to the workforce and the company's changing environment.

TEAM EXERCISE

Write the plan in such a way that everyone can grasp and get behind it. Try simplify every segment into three key elements to make it memorable.

01 DEVELOP THE PLAN

Start with what you have

Use the private equity buyer's deal as the base for your strategy guide. They already did the hard work of analysis and projection and designed the beginning and desired end state for your plan.

Set the strategy goals from the top but let middle managers define the component pieces of how the goals will be achieved and by whom. Tap into the knowledge of the organization. Involving others in the design of the plan will help them believe in the change you are driving.

"If you can get pieces of the strategy built further down in the organization, it is much easier to get the buy-in at a future point."

- Dick Mumma

Remain flexible

Allow space in your plan for rapid adjustments. While COVID-19 ravaged the short-term expectations of many businesses, it also provided opportunity. Many companies used the need for urgency to pass high risk plans that ultimately fortified the company's long-term viability.

Have a clear purpose

Provide the context for the people you work with. Be clear about the 'why' behind the strategic plan. Explain the implications of driving transformation versus not so that the strategy becomes personal to everyone in the company.

CASE STUDY

Know what drives people.

LifeSafer produces interlock devices to prevent people driving under the influence of alcohol.

Dick and the other executives thought that preventing drunk driving and reducing road deaths was the best platform around which to rally workers. However, after further investigation, they found that the true motivator was building and maintaining the legacy of the business.

Providing that context is decisive for people's motivation and can help them make better judgments and commitments than they would otherwise. Make them part of the mission to sustain the long-term viability of the business.

“Going to the employees and explaining why you make the decisions that you make shows a level of vulnerability from the executive. People react extraordinarily well to that.”

- Dick Mumma

Rank individual projects

Prioritize projects by how well they deliver the plan and focus only on the top few. If one project can deliver the plan, then run only that project, although that is rare. Work on and measure only what is important to delivering the plan.

Limit transformation

The failure rate of organizational transformation is rising, mostly because leaders try to do too much. Choose which disruption to focus on. You cannot win them all. Pick the transformation where you can make a difference.

02 GET ORGANIZATIONAL BUY-IN

Understand motivation

Do not assume that you know what motivates your workforce. Find out by speaking to people at all levels and build the plan around what drives them. Connect each component of your strategy to a personal need of individuals to get buy-in throughout the organization.

PERSONAL EXERCISE

If somebody brings an idea directly to you as the CEO, identify which leaders in the company would be most affected by the idea.

Encourage the person proposing the idea to speak to those leaders first and then bring a revised version back to your table.

Once the practice is established among the top leadership, encourage senior leaders to do the same with their direct reports.

“If you look at the Fortune 500, half the companies that were there in 2000 are not there today. The sustainability of the business is more important to people because their livelihoods are really contingent on that business surviving.”

- Dick Mumma

Partner with founders

Founders are a great asset to the business if they are still involved. They are big broadcast towers and hold important institutional knowledge. It is crucial to get their buy-in and overcome any conflict caused during the transition of management.

Founders will typically buy into the reason they agreed to sell the business. They seek a second return from their involvement, and many will be motivated by plans that clearly communicate the financial modeling.

Break down siloes

Founders provide the connective tissue across the organization. Yet, this can also leave growing companies with overly autonomous siloes or a habit of communication going upward in search of favoritism.

“To get people to interact, especially cross-departmentally, you've got to be working the building on a constant basis.”

- Dick Mumma

PERSONAL EXERCISE

Use questions to respond to the ideas of board members that are disconnected from the business or that you disagree with. Ask, for example:

- Tell me more about the data you are looking at?
- What leads you to that idea?
- What might I be missing?

Responding with a question is sometimes the best way to get underneath the thinking of a board member and get to better conclusions together.

Encourage spontaneous connections between departments. When holding an important meeting or addressing a problem, bring in key people from other areas of the company that may be affected or could provide a different perspective. Take the heads of all departments to the factory floor.

Once the habit is set by leaders, people will automatically start reaching out to each other and connecting in the hallways.

Include your board

Do not assume that all board-members are solely motivated by financials, especially those later in their careers. Understand the business and emotional needs of each of your board members. Shape your communication practices to meet those needs.

Interact with the board-members proactively outside of the board meetings. Seek their overall experience if they are willing to give you time in a consultative setting.

03 BUILD A CULTURE OF ACTION

Give teams autonomy

Allow your teams to make decisions in their area of expertise. Free up creativity and create a proactive workforce by asking questions rather than imposing your own solutions. Your teams know the answers but may be reluctant to share ideas for fear of being slapped down.

Hold teams accountable

Implement the plan through teams rather than individuals to encourage widespread responsibility. Assign direct accountability to the team leader, but have the reports done by the entire team working on each project.

Celebrate milestones as the achievement of the entire team. Environments become toxic where people feel their survival is based on individual performance or on their relationship with their seniors. Individualism leads to competition among workers, lower risk taking, and less creativity.

Get in the dirt

To drive transformation, you need to understand the culture and the product. Get onto the factory floor. You do not need to be an expert in every area, but you do need to know how things work.

Be ready to pivot

Speed is a competitive advantage. Successful transformations happen in organizations whose cultures allow them to make fast, market-based, fact-based decisions.

Enable teams to assess the change in the environment quickly and act on it before competitors do by setting up guiding principles for decision making. For example, rank stakeholders by priority so that everybody knows where to focus first. Set rules about how much information is needed before taking a decision.

Push the guiding principles throughout the organizations to ensure consistency and promote autonomy.

“If I have an organization that's moving and I throw a crisis in it, I can handle it. If I have an organization that's static and I throw a crisis in it, it becomes very difficult.”

- Dick Mumma



Leaders Advancing Leaders

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