

kinetik solutions



# **Creating the right DNA to sustain transformation**

---

**February 2009**



## What Does Implementing and Sustaining Change Feel Like?

---

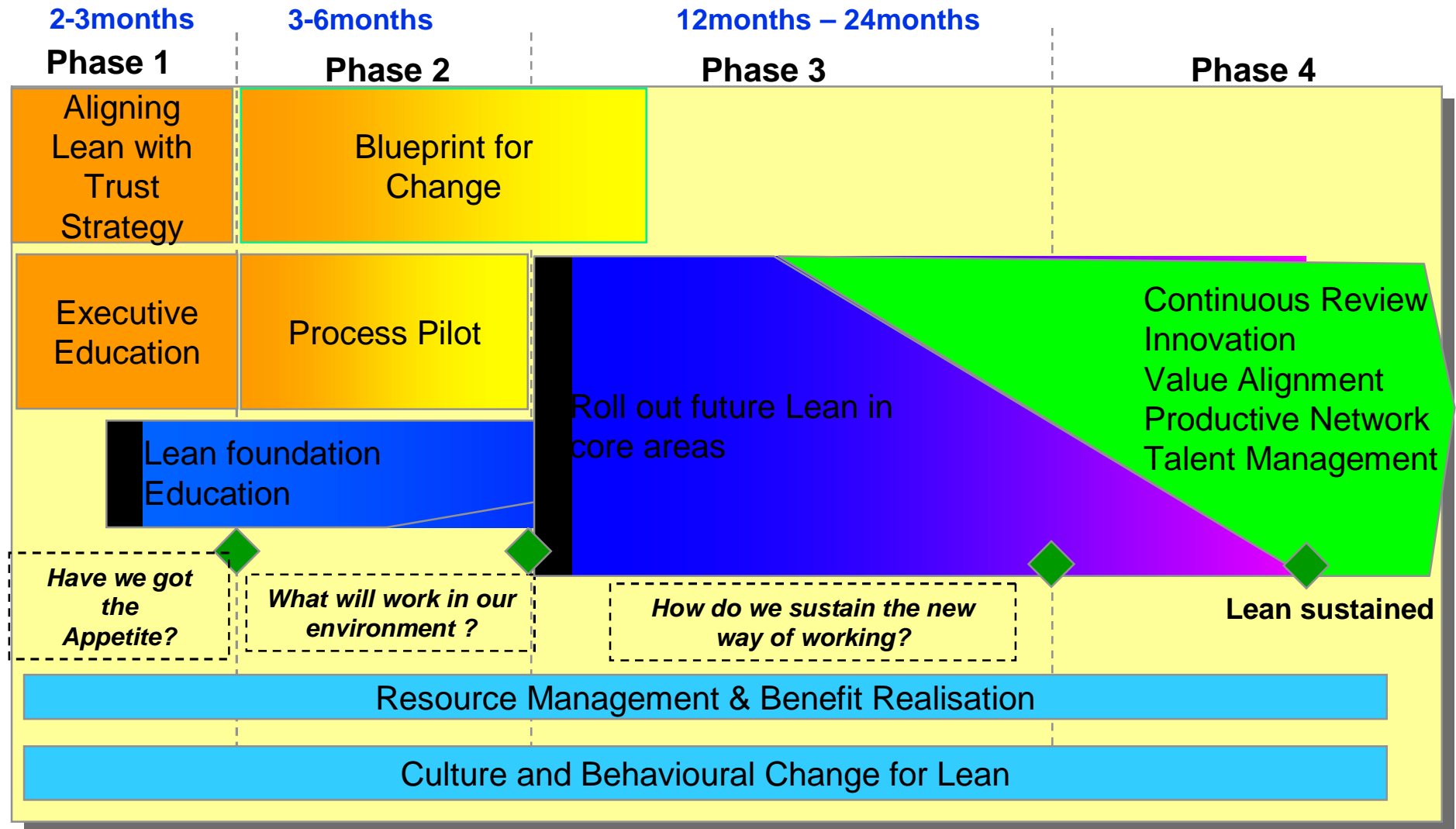


**“The brutal fact is that about 70% of all change initiatives fail”**

*From Cracking the Code of Change. By: Beer, Michael, Nohria, Nitin, **Harvard Business Review**, 00178012, May/Jun2000*



# Sustainability process is key to long term benefits of Transformation





# The next step up from Lean is around an Enterprise Approach

## “Lean sigma” Approach

- Deliver maximum value with minimal waste
  - Remove waste from whole supply chain
  - Focus on creating flow to fit 80% of customers value
- Excellent Product and Service Focus
- Continuous Improvement
- Use Metrics for Alignment
- Good Example: Toyota

## Enterprise Approach

- Deliver Better Value/Expectations but balance with resource management
  - Achieve satisfaction and delights , as planned for all customers
  - Continuously manage customer expectations
- Excellence Value adding focus on customer process
- Continuous review, thinking and learning together then Working Together
  - Continuous Investment
- Using Values for Alignment
- Good Example BMW/Google



## For transformation to be sustained the following behaviours needs to in the DNA of an organisation

---

- **Embedding and Living out Company Values**
  - Ensure that senior management are seen to live out values – ‘walking the talk’
  - Communication difficult discussion in line with values
- **Iterative Design and Piloting Approach**
  - Continuously test approaches and adapt a mode of fast failure
- **Local decision making by high performance teams**
  - Lean Design must drive decision down to the people that add value
  - Management must learn to ‘let go’
  - Frequent and fast reviews
  - Fast flow of information Bottom to Top
  - Nothing is hidden, information can be acted upon
- **Customer involvement in change**
  - Good contingency/scenario plans
  - How to manage future shocks without breaking the system – recession, stock outs, market dynamics



## **Support Systems and Innovation will further sustain lean-sigma**

---

- **Creating a Knowledge sharing Lean Network**
  - Liaising with other organisations to create an external network of support (e.g. GE)
  - Embedding organisation memory on Lean Sigma (building systems and processes for this)
- **Establishing Talent Management**
  - Ensuring people who have the values and capability to grow are nurtured (moving away from skills based judgement only)
- **Creating Capacity for Innovation and Creativity**
  - Understanding customer values and value streams and aligning the organisation
  - Creating the space for bottom up innovation



## **Fast Failure is a part of growing**

**“Acceptance of failure is an integral part of innovation efforts as long as its fast failure”**



***Jerry Immelt, Chief Executive of GE***



## How important Piloting is



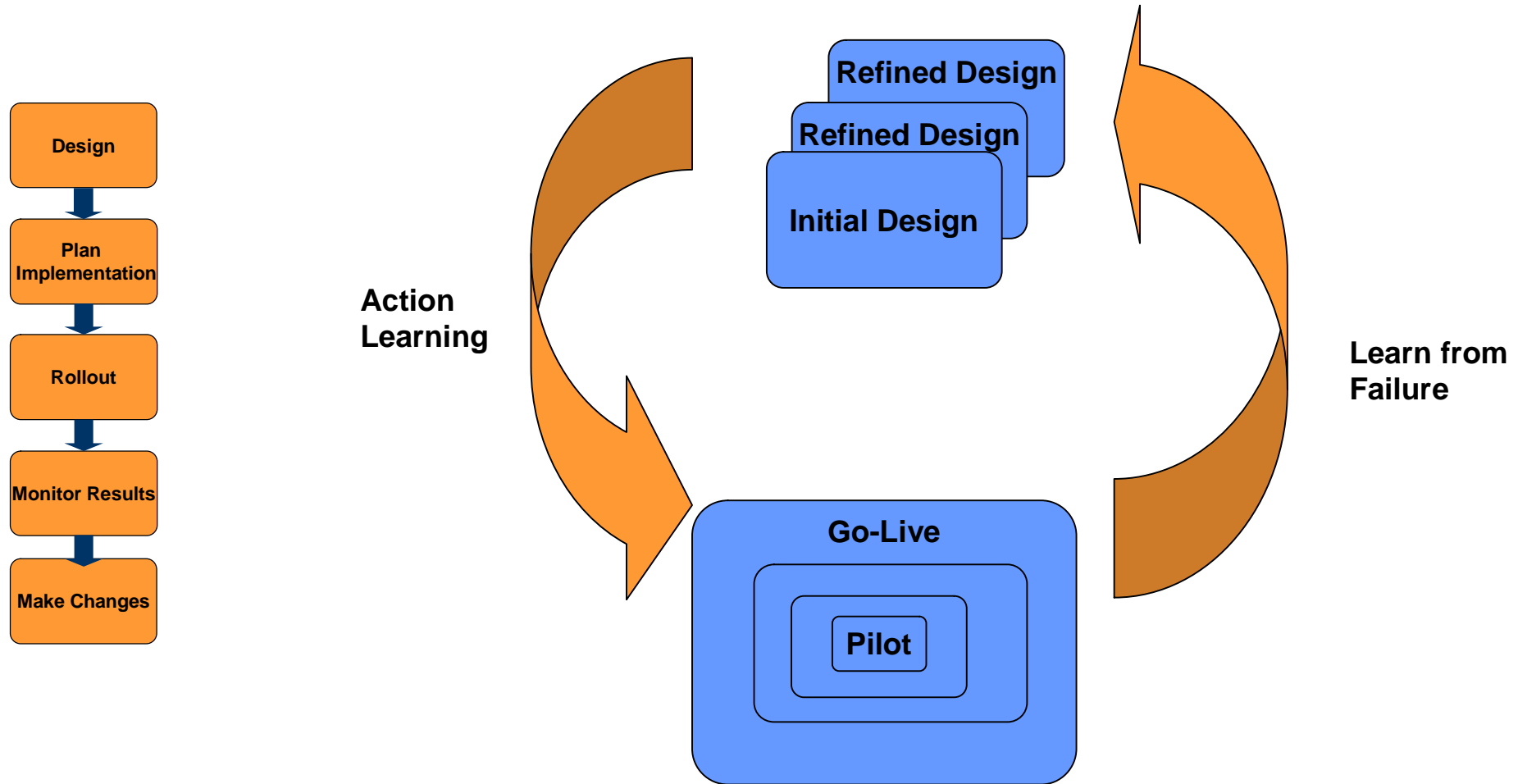
**“If I were to pick one issue I would have done differently, it is that, having recognized the importance of testing (piloting) and having designed six months of testing, we subsequently compromised on that”**

**Willie Walsh – Chief Executive of British Airways**





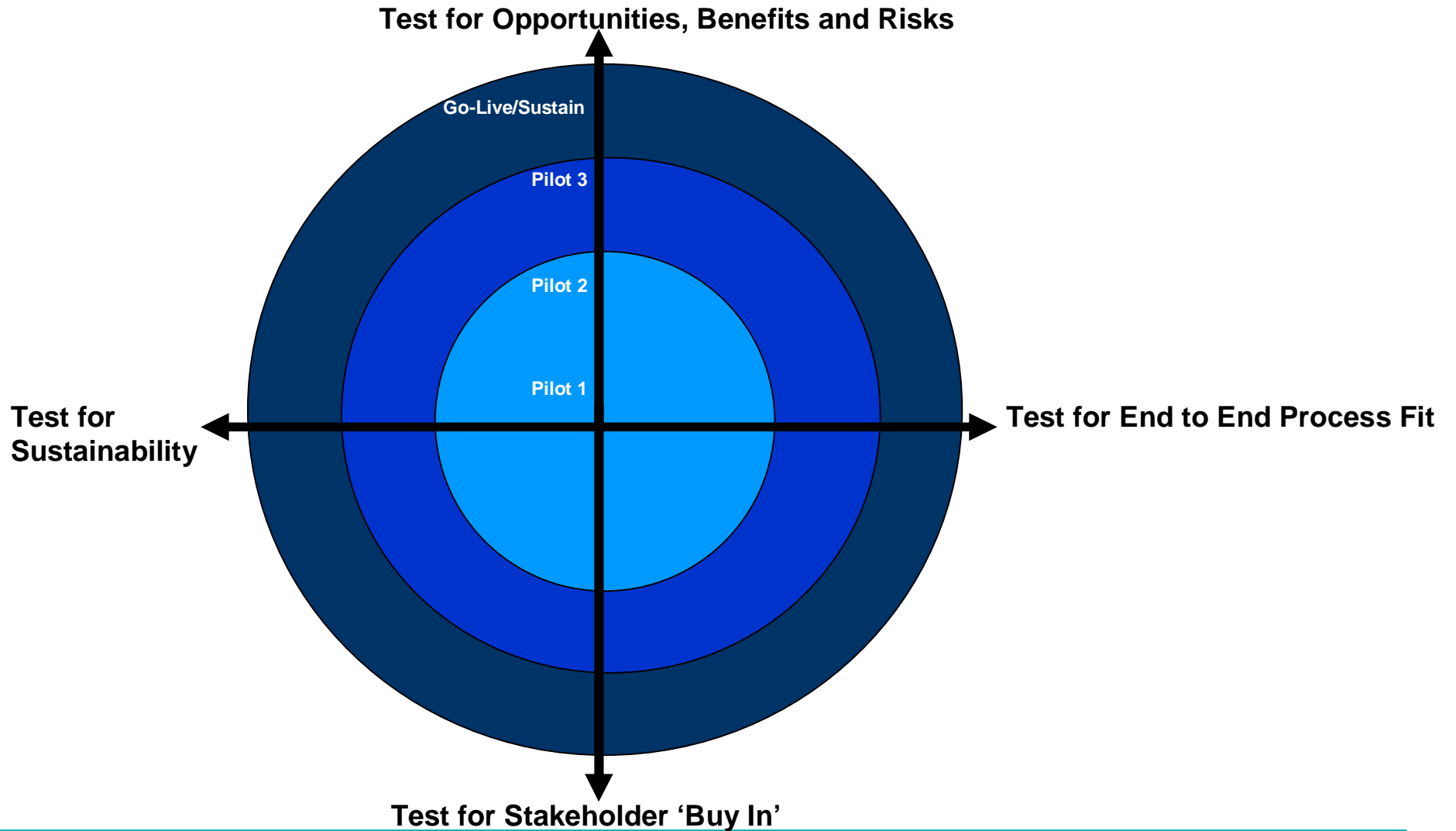
# Implementation and Design should be inherently connected



**TRADITIONAL**



# Piloting will test in Many Dimensions





# High Performance Teams are radically different to traditional teams

	Team	High Performance Team
<b>Leadership</b>	Single Leader	Shared Leadership
<b>Ownership</b>	Individual	Mutual
<b>Purpose</b>	Specific	Highly Focused
<b>Development</b>	Some	Continuous Development
<b>Meetings</b>	"Lets Discuss a problem"	"Lets Make Decisions and Act on Them" based on agreed assumptions
<b>Relationships</b>	Good	Strong and Deep
<b>Aspiration</b>	More then sum of individuals	Beyond Expectation
<b>Size</b>	Varies	< 8

Tailored from article by Source Harvard Business Review By Jon R. Katzenbach and Douglas K. Smith Aug2005

**"A high performance workplace can expect to achieve a 20 per cent increase in productivity and profitability" Chartered Institute of Personnel**



# Better Way of Change Management is by natural teams working and thinking together

Traditional Approach to Change “TOP DOWN”	Positive Deviance Approach to Change “BOTTOM UP”
Leadership as a Path Breaker	Leadership as an Enquiry
Outside in	Inside Out
Deficit Based	Asset Based
Logic Driven	Learning Driven
Vulnerable to Transplant Rejection	Open to Self Replication
Flows from Problem Solving to Solution identification	Flows from Solution Identification to Problem Solving
Focused on the Protagonists	Focused on Enlarging the network

- Leader Facilitates the search for a better way of working, stakeholder work together to execute
- Stakeholders find internal best practise and ways of leveraging
- People ‘act’ into a way of new learning by reviewing outcomes regularly
- People bought into ‘change’ from start of journey as they are involved in design
- New opportunities identified due to better thinking and solution space is expanded
- Works with people beyond the conventional boundaries associated with the change

Source HBR May 2005  
Pascale and Sternin – “your company secret change agents”



# Pure Extrinsic Motivation creates a culture of short term movement and sub optimisation of the overall system

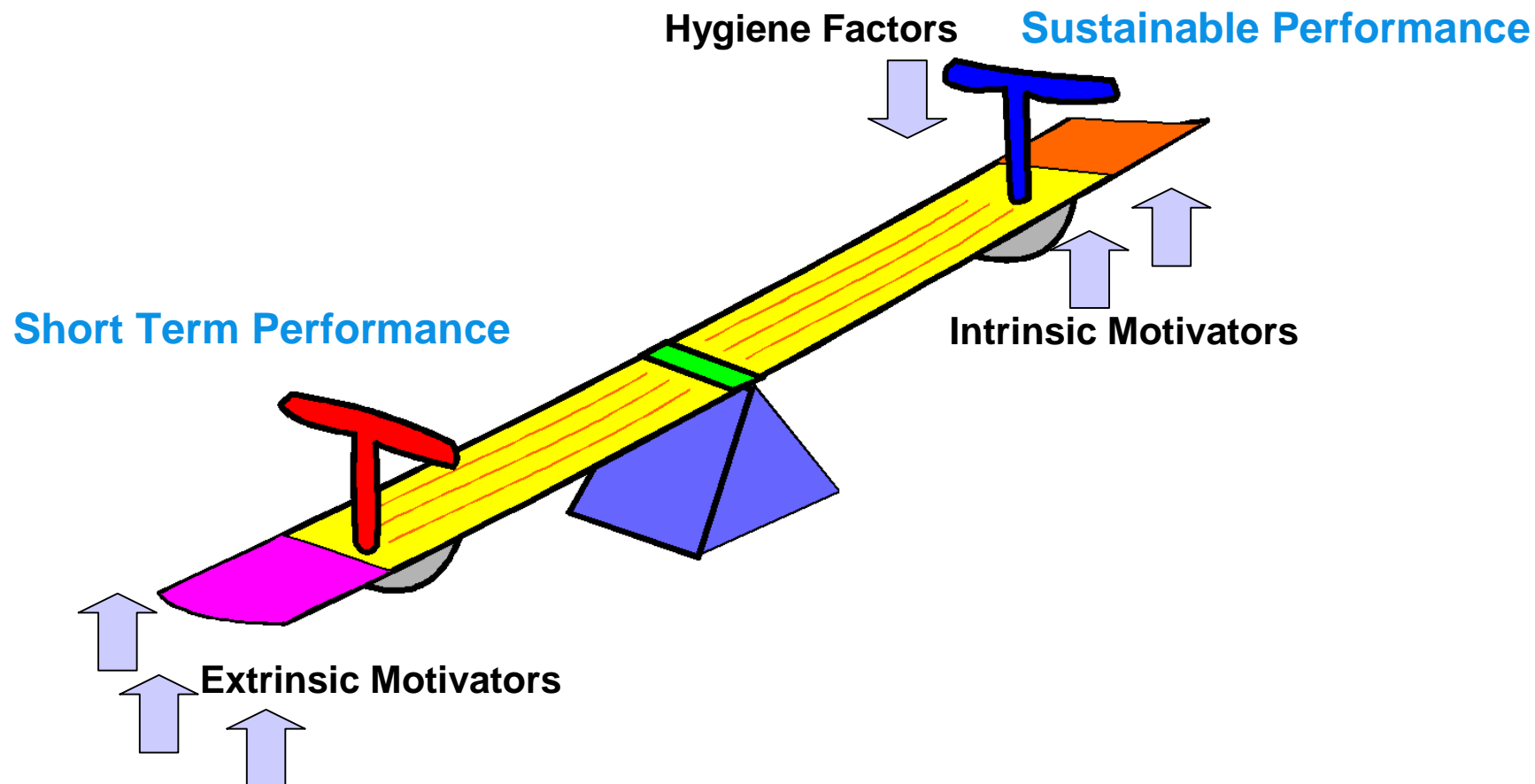


Image from truman library USA



# Focus on Intrinsic Motivation with a touch of extrinsic for sustainability

---

- **Extrinsic Motivations (rewards etc) leads to movement to meet motivation**
  - At any cost including destruction to the system (e.g. banking system)
  - When the rewards is taken away the ‘movement’ stops
- **Intrinsic motivation is based on inner needs of human beings**
  - Achievement, Recognition, Learning, Advancing, Helping
  - Supports deep human need to add value/make a difference
- **Hygiene factors will also affect motivation**
  - Fair Salary, Security, Respect

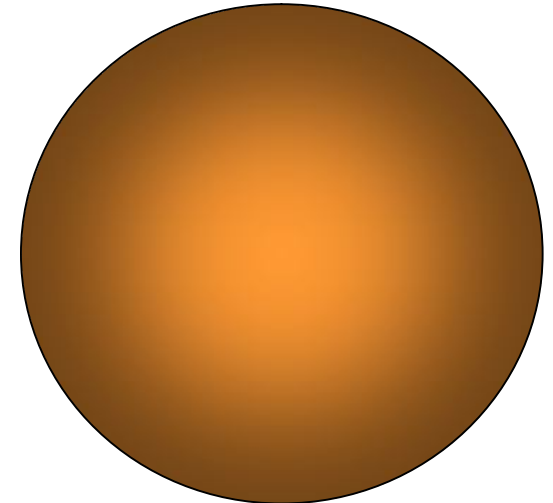
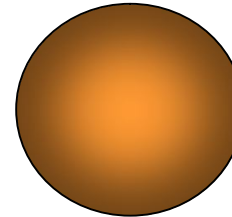
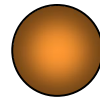
*Intrinsic motivation can be easily destroyed by overuse of extrinsic motivation*



# They are several ways of knowledge sharing that benefit and organisation

“Doing the thing Right”

“Doing the right thing”



Data

Information

Knowledge

Understanding

Wisdom

Eight people in this room

Five people in this room over 50

I wonder if they all play golf

Aha! People over 50 would like to play golf more

Perhaps coaching sessions for over 50's with spouses will encourage sustainability in follow on of playing golf

Thinking is more than knowledge gathering, its about 'doing the right thing'

Source Russ Ackoff

Confidential not to be used without consent

[www.kinetik.uk.com](http://www.kinetik.uk.com)



**Lean sustainability is all about creating high performing teams**

---

**“Plan with the people,  
Begin with what they have,  
Build on what they know,  
Of the best leaders,  
When the task is  
accomplished  
the people all remark  
We have done it ourselves”**



***Lao Tzu***