

CHARTING CHANGE

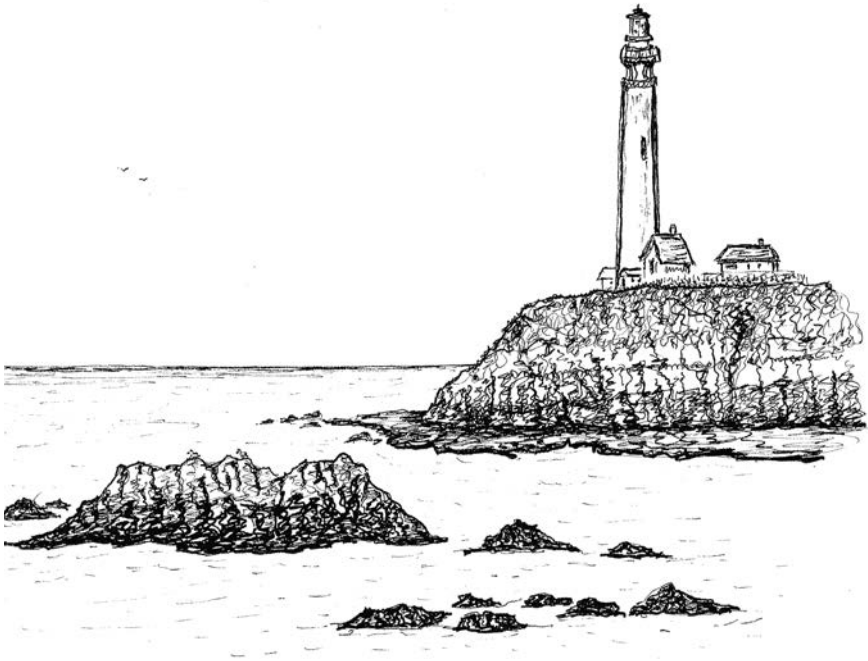


A Visual Toolkit for
Making Change Stick

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CHAPTER 1

Changing Change



“Does the change you’re proposing inspire fear or curiosity? Fear steals energy from change; curiosity fuels it.”—Braden Kelley

The Accelerating Pace of Change

The world is changing all around us at an increasing rate, and individuals (and organizations too) are struggling to cope with this ever increasing pace of change.

In fact, figure 1.1 highlights how over the past 50 years the average lifespan of a company on the S&P 500 has dropped from 61 years to 18 years (and is forecast to shrink further in the future).¹

CompUSA and Circuit City used to be strong consumer electronics and computer retailers; now they're gone from the business landscape. Blockbuster Video used to dominate the video rental business; now it is a footnote in textbooks on disruptive innovation after being displaced by Redbox and Netflix. Kodak failed to transform its business to succeed in the digital age. Walmart and McDonald's both failed to change their business models and product offerings to suit the markets in Germany and Bolivia, respectively, and had to go out of business in those countries.

Technology is changing faster, and consumers are adopting new technologies faster than ever; consumer behaviors are shifting more quickly, and even political movements are happening with sudden swiftness. Remember the Arab Spring and how fast Egypt collapsed?

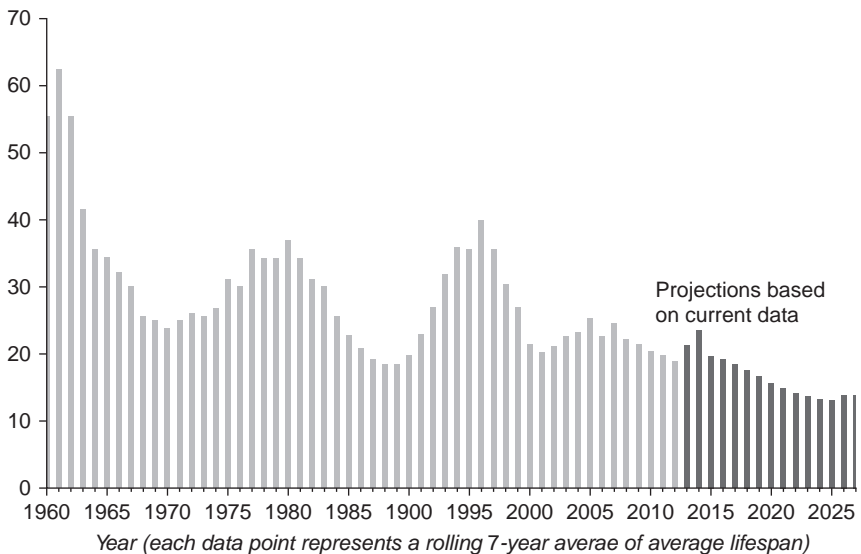


Figure 1.1 Average Company Lifespan on S&P Index in years (rolling 7-year average)

Source: Innosight/Richard Foster, "Creative Destruction Whips Through Corporate America," 2012.

It took nearly 90 years for the automobile to reach 90 percent of US households, but only 20 years for the mobile phone to reach that same milestone. The increasing pace of technology adoption by consumers leaves marketers feeling like they have an ever shrinking window of profit potential with each successive product launch.

While it is possible to enter a market too early, you can survive this tactical error if you enter in a small way instead of committing to a global launch with grand promises to customers. However, much more damage comes to organizations that enter too late. As leader of your organization, you must constantly strive to be faster at discovering new market insights and adapting and aligning your organization to fulfill newly discovered market needs more quickly than the competition; otherwise you might find your company locked out of your customers' set of primary considerations.

Avoiding Deadly Change Gaps

Of course, nobody wants to go out of business, but the fact is that your organization will likely have to change its sign from "Open" to "Closed," permanently, if it develops one or more of the following change gaps:

1. Your speed of internal change is slower than the rate of external change (including business, geopolitical, social, and economic changes in the world around you).
2. Your speed of innovation is slower than the competition's speed of innovation, including:
 - a. market analysis (gathering of insights and inspiration)
 - b. invention (creation of innovation source material)
 - c. design (building a potential solution around an invention)
 - d. development (taking the design and creating a scalable, launch-ready solution)
 - e. test (evaluating with customers whether the solution works as designed and scales as intended)
 - f. evolution (launching the solution into the marketplace with open eyes and ears, pivoting/improving as necessary)
3. Your resource flexibility (information, financial, physical, and human) is less than that required by the changes the organization faces.
4. Your hiring speed is slower than the speed of your growth.
5. Your speed of decision making is slower than what is required to keep up with the changes.

What other change gaps do you see as you look at your business or those of your competitors?

If companies are going to launch the products and services that consumers want, when they want them, managers are going to have to close any of the change gaps identified above that apply. Only then will they be able to maintain the rate of

accelerated change necessary to survive in today's ultracompetitive marketplace. And if this is true for businesses, it is also true for nonprofit organizations and governments. The pace of societal change is accelerating. Just because an organization doesn't have a profit motive doesn't mean it doesn't have customers or that it can fail to exhibit the behaviors necessary to cope with continuous change.

The Need for Organizational Agility

In this new reality, organizations are going to need to change how they change, to increase their organizational agility, to increase the flexibility of the organization, to create a culture of continuous change and simultaneously inhibit the appearance and/or growth of the aforementioned change gaps.

One way to do handle these challenges is to take a more agile approach to change (see figure 1.2), to adopt some of the values and principles of the Agile Software Development methodology, and to use those to create a set of what could be described as agile behaviors within the organization. If you are not familiar with the Agile Software Development methodology, I have included below the Agile Software Development Manifesto from <http://agilemanifesto.org> that details the values and principles of Agile Software Development. As you read through the manifesto I hope you'll see that the values and principles can easily be applied to other endeavors outside of software development, whether to the project management discipline of your organization or to your larger change initiatives.

Manifesto for Agile Software Development²

We are uncovering better ways of developing software by doing it and helping others do it.

Through this work we have come to value:

- Individuals and interactions over processes and tools
- Working software over comprehensive documentation
- Customer collaboration over contract negotiation
- Responding to change over following a plan

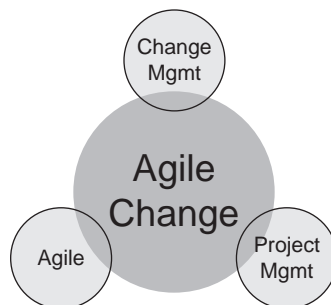


Figure 1.2 Agile Change

That is, while there is value in the items on the right, we value the items on the left more.

Principles behind the Agile Manifesto

We follow these principles:

1. Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.
2. Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.
3. Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.
4. Business people and developers must work together daily throughout the project.
5. Build projects around motivated individuals. Give them the environment and support they need and trust them to get the job done.
6. The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.
7. Working software is the primary measure of progress.
8. Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.
9. Continuous attention to technical excellence and good design enhances agility.
10. Simplicity—the art of maximizing the amount of work not done—is essential.
11. The best architectures, requirements, and designs emerge from self-organizing teams.
12. At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

You will see in figure 1.3 that constant change sits at the center, Agile Values providing the initial direction for an organization with a committed goal of becoming more agile. Radiating out from Agile Values as you pursue success

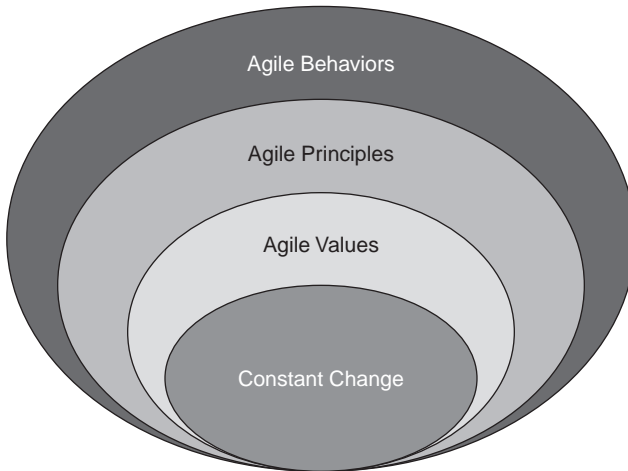


Figure 1.3 Agile Change Framework

in coping with constant change will be the Agile Principles. Ultimately you can't live the values or follow the principles if you don't exhibit behaviors that express those values and principles. Unless your organizations begin to behave in a more agile way, the potential of truly becoming more agile will go largely unfulfilled.

It is because of the challenge of behaving in a new way that I encourage you to make a move toward a formal pursuit of organizational agility. To help you in this pursuit, I will introduce elements of the Change Planning Toolkit™ in this book and make selected components available for download on the website www.charting-change.com.

Using this new set of tools and processes will not only make change seem less overwhelming, but it will also help you build alignment, get everyone on the same page for change, and create a more agile organization as adoption of the tools spreads.

Making Change Less Overwhelming and More Human

Change typically feels very cold and impersonal. Often when we think about change, it is something that we look at as being done to us, not something that we are part of.

Change frequently feels like a mechanical effort, not a human one. An effort often accompanied by a sense of dread as we recognize the need to start doing things differently. But given the anticipated number of moving parts, we're often unsure of where to begin. This typically leads to:

- an invasion of outside consultants;
- more work for the internal people charged with supporting the external consultants;
- a sense of unease and instability within the organization;
- the creation of reams of paper documents and hundreds of PowerPoint slides with pretty charts and graphs and tables that only mean something to a select few;
- the inevitable flood of emails, all-hands meetings, and mouse pads with cute slogans.

Change is overwhelming for most people, and this leads to inaction and preservation of the status quo until the pain of the status quo becomes too much to bear, or the promise of the change becomes so enticing that people are willing to drop their resistance and begin engaging in the activities necessary to realize the intended outcomes of the change. This dynamic is sometimes referred to as the burning platform,³ and contrary to popular belief, Daryl Conner did not use the story to say that there must be an emergency before people will feel compelled to act. Instead, he

likes to highlight four drivers relevant to the burning platform concept that can help shift people from inaction to resolute forward momentum. They include

1. current problems
2. current opportunities
3. anticipated problems
4. anticipated opportunities

What if change wasn't so scary and we could compel organizations to change in advance of any crisis? What if we could visualize the opportunities and benefits of change as vividly as people's understanding of the status quo? What if we could begin a change effort after identifying a promising idea, without encountering what is often a painful level of resistance? What if we didn't see change as intimidating because we feel empowered with an understanding of how change works? What if the rapid pace of change was part of the corporate culture, expected, and accompanied by a widespread feeling that it is possible to continuously change (unlearning and relearning as we go)? What if we were inspired by change instead of being scared by it because we believe the organization has the tools to help us successfully plan and execute a change to improve the organization or its potential for success?

Instead of imagining what all this might be like, we can live this ideal if we give people the tools and teach organizations how to use the tools to plan and execute change in a more collaborative, more visual, more kinetic, and more human way.

We must accelerate the trend of more kinetic and visual thinking in business, a trend started with tools such as mind mapping, graphic recording, and the business model canvas. Humans need to move, to discuss, to tell stories, to draw, and to contribute to the changes that will affect them and their subordinates and colleagues. When we all sit at our desks and type into our word processors, spreadsheets, and presentation tools, it is too easy to exclude others from the process and protect the status quo.

When we leave the safety of our cubicles, offices, and job descriptions behind and come together into a common space with a common language and a set of common tools to engage in a common dialogue about what changes are needed, how they will affect each individual, and how to best achieve them, then the walls come down and the uncommon becomes possible.

When we engage people's minds, bodies, and feelings then change becomes, well, more human.

Prototyping Change

There are many different trends, methodologies, movements, and ways of thinking that are converging at this moment in history to elevate and reinforce the role of

the prototype in achieving everything from a successful startup to a blockbuster product launch.

These methods include design thinking, lean startup thinking, hack days, 3D printing, the maker movement, hacker culture, agile methodologies, and the minimum viable product (MVP). For those of you not familiar with design thinking, there are some highlights in figure 1.4.

The key concepts to remember about design thinking are:

- seeking to understand (empathizing often through observations and questions);
- defining the problem (or your point of view) in the right way;
- considering every possible solution before choosing one;
- prototyping your preferred solution, getting feedback, and repeating.

If it is a smart idea to prototype a new shopping cart or a new hospital room layout before building it, then why would it seem unreasonable that we should prototype our desired change in the same way?

The Change Planning Toolkit™ uses a collaborative, visual, and kinesthetic process I've developed to get people planning their change efforts in a new, more effective way. I will introduce the process and the visual elements throughout this book, giving your team a way of producing a mock-up what a potential change might look like. In the process you can identify some of the barriers you might face, capture the assumptions you're making at the outset, your view of what the future state might

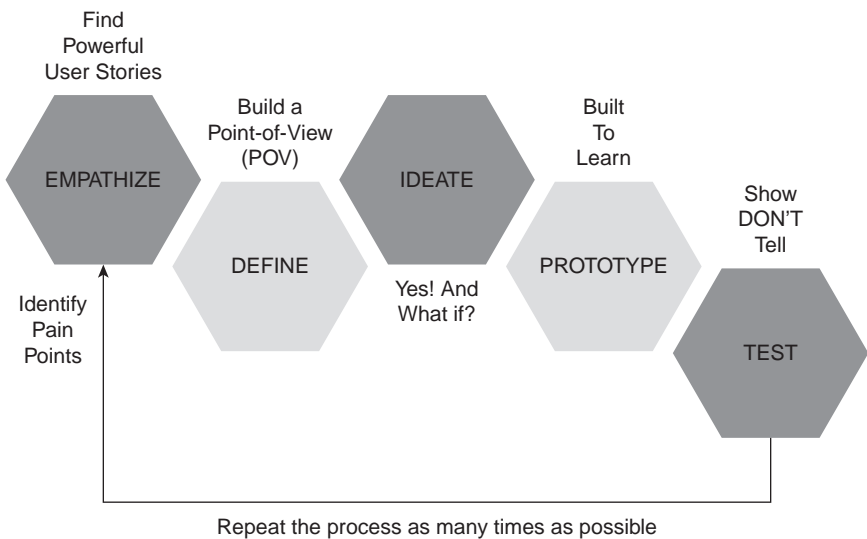


Figure 1.4 Design Thinking Cheat Sheet

Source: Guido Kovalskys and the Stanford University dSchool.

look like, among other things. We'll look at how to best investigate, discuss, agree, and document each change component as we progress through the book.

As you use my Change Planning Toolkit™ to kick off your next project or your next change initiative, keep thinking about what the minimum viable progress might be in order to maintain momentum. This is very similar to the idea of a minimum viable product, which is a key lean startup concept popularized by Eric Ries, author of the bestselling book, *The Lean Startup*.⁴

Minimum viable progress means that for projects and change initiatives to be successful, it is necessary to have a successful planning session where strong buy-in is achieved at the start, and it is equally important to show a level of progress sufficient to maintain the momentum and support for the project or change initiative you worked so hard to achieve at the start.

This is where those agile principles we highlighted earlier in the chapter come into play. The goal of our change or project planning efforts should be not just to prototype what the change might look like, but to also build a plan that breaks up the work into a cadence the organization can cope with and successfully implement into a new standard operating procedure. Many thought leaders extol the virtues of quick wins and that every project or change initiative should focus on them, but I believe structuring your project or change effort into a series of sprints will give you a sustainable flow of wins (and thus momentum) throughout the life of the project.

And in the end, momentum wins.

Creating Capability for Continuous Change

The accelerating pace of change and the increasing need for innovation to remain competitive calls for companies to shift the mindset of the entire organization to not only accept continuous change, but to embed it as a capability and competitive differentiator for the organization.

In the information technology area there is a big move underway as increasing numbers of software development organizations move from waterfall software development methodologies to embrace the agile method. But in the rest of the organization, most people still operate in a way that resembles the waterfall software development methodology, with each part of the organization doing its part and throwing its work over the wall for the next department to catch.

There are signs that this is changing, as some departments in an increasing number of organizations are looking at how they also can apply agile methodologies to their area, or apply lean thinking or design thinking or even lean startup thinking. The goal with all four of these methodologies is to focus more on value, customers, and experimentation. In the end, these methodologies lend themselves better to continuous change than our traditional ways of doing things, but they are not enough.

To truly create a capability for continuous change in organizations, we must help everyone understand the need for changing how we change and commit to doing

things differently. We must look for the tools and processes our organizational culture is least likely to reject and adopt them at a speed that will limit organizational resistance to change.

We must seek to replace fear of change with curiosity about the new tools and processes that can help organizations achieve this new capability. We must then train as many people as possible in using the new tools and processes in order to replace that curiosity with understanding.

As people become more comfortable with new tools such as the Change Planning Toolkit™, participation in change efforts will become richer and more meaningful; people will begin to trust the processes more, and the speed of change in an organization will steadily increase.

Eventually, people will become so comfortable using the tools and working through the process that as they finish planning one change initiative or project, they will be ready to begin planning the next one, and with their experience and learning they will contribute to their organization's evolving overall change capacity. When this tipping point is achieved, the knowledge of the new change tools and processes will be easily disseminated throughout an organization by these new passionate champions. When this stage of evolution is reached the organization will have truly built the capability for continuous change.

Summary

We often think change is something being done to us, not something we are part of. Change is overwhelming for most people, and this leads to inaction and preservation of the status quo until the platform is truly burning.

But if companies are going to launch the products and services consumers want, when they want them, then companies must identify their change gaps and work to close them.

In this new reality we all face, organizations of all types are going to need to change how they change. One way to do this is to take more of an agile approach to change, to adopt some of the values and principles of the Agile Software Development methodology and use those to create a set of what could be described as agile behaviors within the organization.

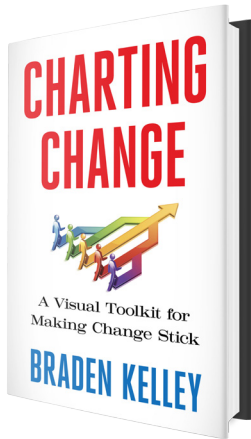
To help you in this pursuit, we will introduce a collaborative, visual Change Planning Toolkit™ in detail in this book, and on the website www.charting-change.com you will find downloadable versions of select toolkit components.

We must accelerate the trend of more kinesthetic and visual thinking in business, a trend started with tools such as mind mapping, graphic recording, and the business model canvas. Humans need to move, to discuss, to tell stories, to draw, and to contribute to the changes that will affect them and their subordinates and colleagues. When we engage people's minds, bodies, and feelings then change becomes, well, more human.

Prototyping change is important too, and the Change Planning Toolkit™ gives you a way as a team to produce a mock-up of a potential change. It will also help you identify some of the barriers you might face, capture the assumptions you're making at the outset, and give you a view of what the future state might look like, among other things. To truly create capability for continuous change in our organizations, we must help everyone understand the need for changing how we change and commit to doing things differently and get people comfortable with this new set of tools.

CHARTING CHANGE

A VISUAL TOOLKIT FOR MAKING CHANGE STICK



£19.99 **£14.00** | \$30.00 **\$21.00**
March 2016 | Hardback
9781137536952

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There are two things we know about change, that it is inevitable and that it is hard. Organizational change is accelerating and companies know they need to be more agile and capable of continuous change. This presents a huge challenge for most organizations. Let's face it. Initiating change is a scary, overwhelming process that we often all try to avoid because we lack the tools to make the process more human, collaborative, visual, and digestible. That is about to change. *Charting Change* was created to give managers the tools they need to organize desired changes in a way that steps a group of people through the change planning process, accumulating buy-in and an understanding of what it will take to execute, all along the way. Everything about this book, from the chapter page illustrations to the toolkit itself is designed to make change more accessible and more human, blending the technical and artistic elements of its pursuit.

Readers will learn how to effectively plan for change and will be provided with best practices for organizational change. The accompanying website: www.charting-change.com provides readers with downloadable versions of select toolkit components designed to be printed on a variety of paper sizes, including:

- ▶ The Change Planning Canvas™ itself
- ▶ A visual project charter informed by the Project Management Institute's (PMI) PMBOK that can be used in your traditional project management efforts
- ▶ A handful of Change Planning Toolkit™ components highlighted in the book
- ▶ A visualization of the Association of Change Management Professionals' (ACMP) Standard for Change Management

Once you are done reading *Charting Change* you will approach any big change with confidence.



About the Author

Braden Kelley, author of *Stoking Your Innovation Bonfire*, has been advising companies on how to grow their revenue and cut their costs since 1996. Braden is a popular keynote speaker, workshop facilitator, and thought leader on the topics of continuous innovation and change, speaking frequently to enthusiastic crowds around the world. He works with clients to create innovative strategies, digital transformations, and increased organizational agility. Braden has published numerous commissioned white papers and more than 500 articles for online publications (including articles translated into French, Spanish, Portuguese and Swedish).

He received a BS from the University of Oregon in 1993 and an MBA from London Business School in 2004.