Principles for Managing Organizational Transformation

- **Uniqueness** – Because no two locations are exactly alike, no single solution will produce the same results everywhere. Trying to push a "fully cooked" program in from the outside simply doesn't work. Sustainable transformation is possible only if the solution is tailored to the unique situation, and the local leadership is pulling for change. Pull for change comes from the willingness to take responsibility for the success of the business, an honest assessment of business realities, the realization that continuing along the current course won't produce the desired results, and the willingness to experiment with something different.

- **Engagement** – If the workforce doesn't support the transformation, it will be difficult to achieve and impossible to sustain. People only engage their hearts and minds on a voluntary basis. Although engagement seems like a cultural issue, just focusing on behavioral changes doesn't lead to lasting engagement. People become engaged through open and honest conversation about where the business is headed, clear direction on how they can contribute to its success, the autonomy to take initiative, and the opportunity to perform work that is personally meaningful to them and of value to the business.

- **Discipline** – If managers don't lead the transformation, the organization won't go anywhere at all because it will go everywhere at once. Without the fundamentals of clear focus, disciplined execution, sustained effort, and accountability for results, people's efforts will be fragmented, their energy will be diffused, and breakthroughs will be impossible. Discipline doesn't stifle initiative, creativity, and job satisfaction. It channels them into productive results.

- **Simplicity** – The conventional reaction to greater product and process complexity is to develop more complex management systems and more sophisticated information technology to support them. However, the more complex the management systems are, the more attention and resources it takes to maintain them, leaving less attention and resources for doing the work itself. Simpler structures are actually more effective in managing complex and turbulent environments, because they allow people to see clearly what is going on around them and respond quickly. The more complexity there is to manage, the simpler the management structures need to be. The key is to stay focused on the few, core organizing principles that are at the heart of the business, removing all the clutter that's getting in the way.

- **Leverage** – Most managers try to make as big a difference as possible by improving as many things as possible, as much as possible. Managers also assume that because everything is interrelated, they need to change everything at once. Unfortunately, transformation isn't a linear or additive process. Focusing on too many things all at once, everywhere at once, doesn't produce a breakthrough, it only produces more complexity and turbulence to manage, leading to stress and burnout. Actually, the fact that everything is interrelated makes it possible to change many things at once by focusing on only a few key points of leverage, where a small amount of effort will make the biggest difference. An experimental or "hot house" approach that allows natural interest in impressive results in one area to create pull from other areas is far more effective than a "Normandy invasion," provided that it focuses on systemic issues.

- **Systematic abandonment** – The natural tendency in transformational work is to focus on what's new. However, if the organization fails to weed out old assumptions, policies, and organizational structures that have outlived their usefulness, it will be impossible for new systems to take root, and the result will be chaos and confusion. The process of unlearning and undoing is the most difficult, and probably the most important, work of transformation. It can't be tacked onto the agenda of regular business meetings. It requires adequate space and time for people to think together about what's getting in the way of moving forward.