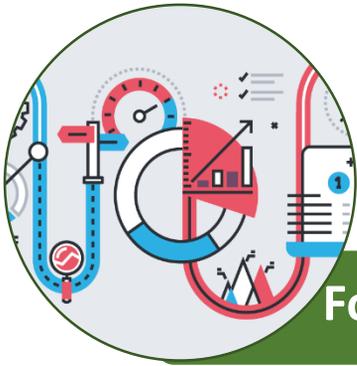


# TRANSFORMATION MANAGEMENT

– Five Pillar Model <sup>SM</sup>





## Foreword

Multiple studies and articles have been written about the low success rates of change and transformation initiatives.

We at Enabling Excellence postulate that organizational transformations can indeed deliver sound business results. But, this can be accomplished only when a comprehensive set of initiatives are designed and implemented simultaneously.

Organizations operate as a dynamic system evolving continuously, as against a static entity frozen in time. A piecemeal approach to change – perceived to be simpler and manageable, invariably delivers sub-optimal results.

As Peter Drucker once said, “Only three things happen naturally in organizations – friction, confusion and under-performance”. Through this document, we aspire to share a holistic and systemic approach to break this inertia, and be successful.

### Why Transform?

Current times are characterized by volatility, uncertainty, complexity and ambiguity. Evolution of consumer habits and requirements, changes in regulatory environment, rapid development of technologies, and radical changes in business models across industries is transforming the business environment at breakneck speed.

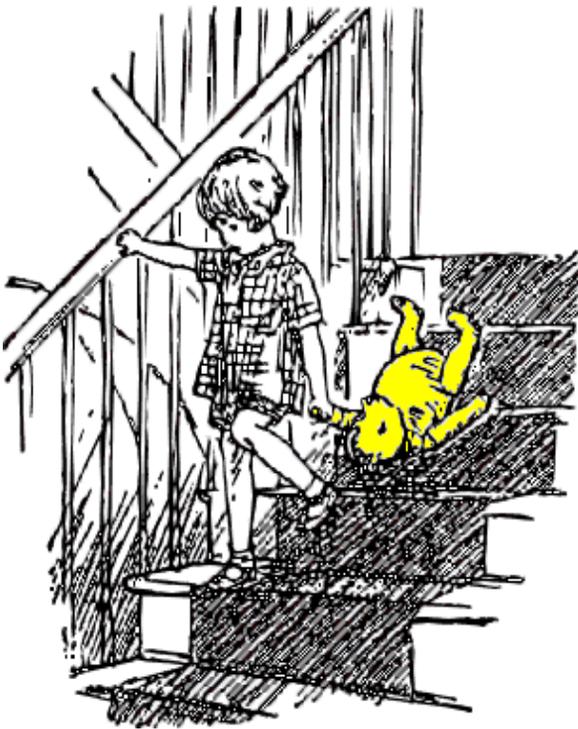
*"Change is the norm; unless an organization sees that its task is to lead change, that organization will not survive."*

To survive and exist in this dynamic environment, organizations need to rapidly transform and adapt themselves. Review of alignment with customers' ever-changing needs and expectations, and retaining competitive advantage is no more a leisure activity to be pursued at convenience.

## Why Transformation Efforts Fail?

Transformational efforts fail when the leadership and the executives responsible for driving change do not grasp the necessary and sufficient conditions for success. They often hope that the change efforts will consistently add up and create a more effective organization at a later time and space. Seldom, organizational realities unfold this way.

It's important to view an organization as a system. If not, possibly then one would see brilliant doctors and committed nurses, yet failing health care. Likewise, often we end up having wonderful departments that operate well themselves, but the organization suffers as a whole.



*'... bump, bump, bump, on the back of his head, behind Christopher Robin*

*It is, as far as he knows, the only way to come downstairs, but sometimes, he feels that there really is a better way, if only he could stop bumping for a moment and think about it.'*

**- A.A. Milne**

## Pathways to Successful Transformation

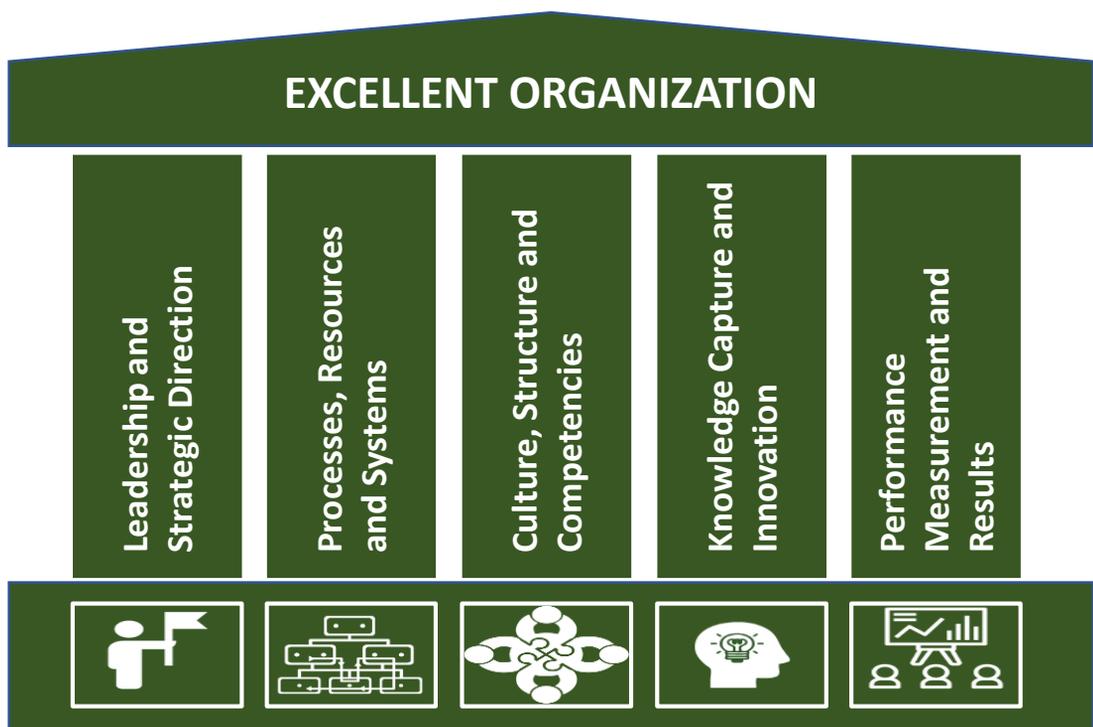
Organizations successful in transforming themselves do so by launching a comprehensive set of strategic and operational initiatives.

Holistically identified, and mapped to a simple yet comprehensive transformation framework, these multiple and simultaneous change initiatives are scientifically interlinked and sequenced to ensure effectiveness.

As Peter Senge said, "Systems thinking is a discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing 'patterns of change' rather than static 'snapshots.'"

Leveraging our decades of change and transformation experiences with several organizations of different sizes, and across industries and geographies, we at Enabling Excellence have developed a holistic Five Pillar Model<sup>SM</sup>.

The model addresses the necessary conditions for a rapid transformation geared towards producing sound and sustainable results.



When these five pillars are simultaneously decoded, designed, and deployed, the transformation efforts successfully enable creation of an excellent organization.

# 1

## Leadership and Strategic Direction

Leaders set the agenda. Effective leaders envision an energizing and inspiring future, crystallize it, and passionately communicate it. Through carefully selected words and imagery, leaders communicate a purpose. A purpose higher than just the financial goals.

To ensure the vision, mission and values are not just based on beliefs and ideology of few people, effective leaders develop statements of direction with involvement of a critical mass. This process enables inclusiveness of multiple perspectives, avoidance of biases, and provides for a holistic view. This is an essential first step towards building organization-wide ownership towards an envisioned future.

A team aligned to a common higher purpose is the foundation of a well-knit team.



The Five Pillar Model<sup>SM</sup> places extra-ordinary emphasis on the process adopted to develop a shared strategic direction. Equipped with a list of structured interview questionnaires and relevant data collection templates, we diagnose the “as is” leadership values and impact, and the shared strategic direction.

Effective leaders, in general, inspire people, create a culture of involvement, build ownership, empower teams, ensure continuous improvement, and hold people accountable. Leadership traits such as flexibility, openness, timely decision making, and ability to quickly learn accelerate the change process.

*“While the individual leadership styles may vary, the values need to be grounded in sincerity, authenticity and integrity.”*

## 2

# Processes, Resources and Systems

To effectively manage the eco-system which extends beyond the organizational boundaries, leaders conceptualize, establish and implement integrated rules and policies, processes and systems, and plan for resources and desired behaviors.

Processes define the activities that need to be done in a specific manner to convert input resources into output results. Thus, if output results are not up to expectations [effectiveness], or the resource consumption is not as per design [efficiency]; or the process is not predictable enough [variability], it's time to deep dive.

*“Processes add value by providing a sense of daily direction needed by the people.”*

While people spend most of their time “working in the system”, for a learning organization it's important that people spend time “on the system” as well. We at Enabling Excellence use structured approaches for end-to-end and system wide improvements and problem solving for driving efficiency and effectiveness.



For rapid results, we strongly recommend linking processes to specific process owners who in turn are responsible for maintaining and improving respective processes, and using “task-force” approach – where domain / subject matter experts (SMEs) and problem solving experts collaborate to diagnose, analyse and implement improvements.

Through use of tools such as process and value stream maps, responsibility accountability matrices and control plans, an organization should evaluate and enable solutions to ensure that the strategy, processes and organizational structures are aligned for effectiveness, efficiency and continuous improvement.

# 3

## Culture, Structures and Competencies

Organizational behavior gets driven by three factors: (1) Culture, (2) Intrinsic Human Nature, and (3) Individual Personality.

*“Culture, learnt through imitation of people in position of power and authority manifests itself in the daily behaviors, rituals, and actions that get rewarded. “*

For an organization, Culture defines “how things happen here”.

Leaders desiring change in people’s behavior need to pay close attention to the existing culture and their own behaviors.

For change to germinate, leaders need to – set behavior expectations openly, communicate expectations repeatedly, set examples as role models, align actions with words, provide timely feedback, reward desirable behaviors, and take action against undesirable behaviors.

Research and experience shows that organizations excel when they develop a culture that seeks to improve transparency, collaboration and teamwork. This provides for a strong sense of partnership, and reinforces trust, openness, accountability and respect. The results are far more robust, when seamlessly pursued with suppliers, partners and customers as well.

Structures need to be aligned to the strategy. For example, an organization desirous of making innovation a cornerstone of its growth strategy would need a structure that is different from an organization seeking only a “lowest cost” positioning for a relatively simple commodity in a stable environment. A pre-meditated structural design, without deep thought to various factors such as responsiveness, desired speed of action, and employee motivation is bound to fail and not yield the desired business results.

To achieve outstanding results, individuals need to perform to near-full potential. For this it’s critical to understand the science of motivation.

Harmonization of people’s competencies, skills and intrinsic motivators with the strategic objectives and processes is critical to the achievement and sustenance of the business goals.



# 4

## Knowledge Capture and Innovation

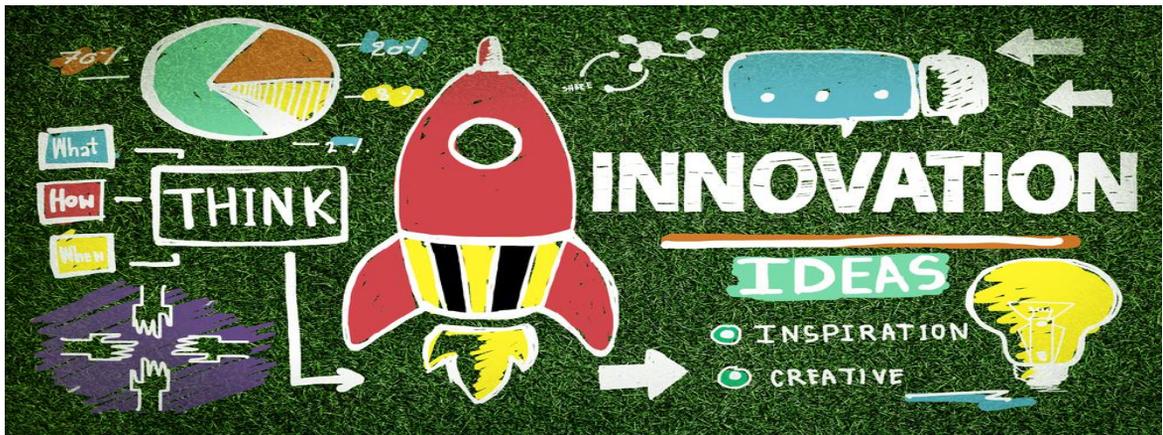
Knowledge is a deep and often hidden intangible asset. To ensure that learnings are captured and converted into knowledge and further leveraged into action, it requires understanding and focus. Meaningful cutting-edge knowledge needs to get monetized as cutting-edge innovation. Knowledge without business application is a waste.

*“To manage knowledge, an organization needs to first know what knowledge is.”*

While explicit knowledge can be easily codified and stored, it’s the tacit knowledge that is elusive and difficult to leverage. Residing deep inside an individual, tacit knowledge gets shared and leveraged only when the organization understands its nature and gives it specific attention.

For instance, one needs to be mindful that by sharing tacit knowledge, individuals may lose competitive advantage. A culture that rewards individual accomplishments carries the risk of creating a culture of “knowledge and information hoarding”.

High impact and cutting edge innovation takes root only when knowledge is effectively managed and supported by an “innovation-friendly” culture.



Mandatory knowledge sharing and training sessions, mentor-mentee relationships, reward and recognition of knowledge sharing are some of the ways that organizations can put in place for retaining and leveraging knowledge towards fostering innovation.

# 5

## Performance Measurement and Results

While one of the foremost roles of leadership is to establish shared vision and direction, they also need to cascade the mission and strategy into concrete performance goals and expectations. Leaders at all organizational levels need to unambiguously communicate these goals and expectations to their team members and ensure that these expectations are clearly understood.

Against this backdrop is born the science of performance measurement. Numeric, quantified performance and result indicators anchored in a robust measurement system are essential for measurement effectiveness.

*“Not everything that counts can be counted, and not everything that can be counted counts.”*

By developing a meaningful mix of performance and results indicators, organizations enable review and appreciation of progress made towards achieving its strategic and operational goals. Timely reviews and institutionalized “performance dialogues” at different organizational levels enable timely course corrections; hence closer achievements to targets and goals.

Benefits of using wisely chosen performance indicators include higher objectivity and thus higher fairness, easier observation of progress, higher motivation of individual performers, increased visibility of performance and thus timely management attention and improved decision-making.





## Conclusion

Organizational transformations are inherently complex and arduous journeys. Scoping, planning for, and executing a transformation initiative is critical as trade-offs between meaningful results and their enablers need to be understood and factored in.

Through this white paper, we have shared The Five Pillar Model<sup>SM</sup> to enable an organization be successful in change and transformation initiatives. The model relies heavily on managing an entire transformation through intelligently chosen strategic and operational levers. We hope the specific pillars and the aligned perspectives prove encouraging and thought provoking. Our aspirations are to help executive teams considering transformation initiatives have a confident start, and to aide the ones who have already embarked on a change journey.

Our approach to transformation emphasizes the need to start with a systemic and holistic view of the “as is” situation, and map out the cause and effect relationships between the symptoms and the root causes. For a sustainable solution, an accurate diagnosis followed with appropriate improvement actions towards these systemic inter-linkages is important.

“if you break up an elephant, you don't have a bunch of little elephants.”

We acknowledge that some of the transformation levers may seem ‘easier said than done,’ especially as some companies are more ‘change ready’ than others. However, for ensuring success, the five distinct pillars presented need to be well grounded in an organization’s business and management model.

*Enabling Excellence, a boutique consulting firm follows the collaborative consulting model.*

*As a consulting process, we address the five pillars simultaneously and target initial tangible results within the first 90 days of our client engagements.*

*Bon Voyage!*



[www.enabling-excellence.com](http://www.enabling-excellence.com)

For further information about the Five Pillar Model<sup>SM</sup>, or how Enabling Excellence can help your business on decoding the current state, and designing and deploying the future state of your organization, business function, team or a specific business process, please contact us:



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