



Insights from The Clarion Institute

Ensuring Transformation ROI

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How to Make a Difference

No viable company is standing still in today's volatile business climate. Every organization must develop the ability to transform dramatically and quickly in response to market demands and opportunities, and every organization faces leadership changes, strategic reorganizations, and any number of challenges that require focused transformation efforts.

Executives struggling with how to confront these challenges often designate key staff areas, like human resources, merger and acquisition groups, strategic planning, organization development, or marketing to manage the task. Other organizations create *ad hoc* transition teams or task forces comprised of representatives from different departments.

However formulated, these staff groups and teams often welcome having an avenue to full strategic partnership at the upper levels of the organization. Simultaneously, they are daunted by the demands the new role places on them. They sense that they may be in over their heads. Self-doubt undermines their confidence and eagerness.

To complicate matters, these transformation teams often have to work within an intricate organization construct that may not easily accept the changes that are necessary, for example, when numerous independent business units must learn to engage together. And, the complexity of the task often results in the team underestimating the volume of work and the time and resources required. Finally, the team may feel enormous pressure to deliver the benefits the company has calculated.

To maximize the return a company gets from its transformation efforts, it must invest in the development of its transformation resources. Typically, these groups need help with three things:

- *Internal Alignment.* At the very beginning of the project, teams need help discerning the complexity of their challenge. They must understand the scope of their role, define their objectives, formulate plans and strategies, and identify and obtain needed resources. They often need help finding the best ways to work together. This clarity, provided at the outset of the project, jump starts the team into the charge-driven high gear that these projects require. Even when a group is accustomed to working with one another, the complexity that accompanies transformations introduces new rules of the road. Every transformation team needs some support at the start, yet it can be easily overlooked.
- *Models, Frameworks, and Tools.* Once there is internal alignment to the strategic objective, the transformation team needs to be equipped with the mental models, frameworks, and tools that will bring out their best thinking and judgment. They probably need, for example, a much more robust management toolkit than they have needed for their regular jobs. They likely need diagnostic tools (work process analysis, culture surveys, risk assessment), modeling tools (financial, cultural, behavioral), planning tools (strategic, change management), and execution tools (measurement scorecards, communications, reinforcement tools).
- *"Transforming" Competencies.* Finally, team members often find that their new role requires them to demonstrate behaviors and skills that drive transformation in a different way than they have in the past, for example, the ability to get work done through influence rather than control. In addition, the scope and complexity of the task may require more holistic and integrated thinking than has been required of the team members in the past.

We have identified several approaches that help transform the team into successful transformers:

- Align the team as a center of acceleration;
- Broaden the team's thinking and perspective;
- Assist from the shadows with practical advice.

Align the Team as a Center of Acceleration

Some organizations have communities of practice or centers of excellence whose dedicated mission is to transform something using whole new ways of thinking and operating. Such groups sometimes sit back until their services are needed, and then dispense them from on high. Insist that your transformation team be a center of acceleration (see *Insights from The Clarion Institute: Centers of Acceleration vs. Centers of Excellence*, January '05). Today's internal staff groups must be excellent, but they must also be proactive and co-creative, especially if they are to be the go-to resource for transformation efforts. They must get down in the trenches with the business units if they are to be seen as adding value. They must initiate and encourage and bring the resources needed. They must make things happen.

To do this, the teams have to reach internal alignment by exploring together:

- Are we clear about our specific charter?
- Are we clear about the business strategy and how our charter aligns with it?
- Are we clear about those elements of our charge that are truly transformational for the business?
- Is our role advisory and exploratory, or are we decision makers and implementers?
- What are our boundaries? How much freedom and license do we have?
- What resources are at our disposal?
- What are our milestones? What are our reporting requirements: up, down, out?

- What distinctly different value proposition will we need to bring to our work to model the transformation we are trying to affect?
- How do we need to behave, with each other, and with other areas of the business?

With acceleration as the underlying concept, teams find common ground and they crystallize both their goals and their methods. They soon prove their value by truly accelerating the changes the business is seeking.

Case Study: A Not-So-Excellent Center of Acceleration

The CEO of a large technology company was frustrated. Although he knew the company's organization effectiveness center of excellence possessed the necessary experience, the center was not able to share it effectively with the business units to help them drive their growth strategies. To the contrary, the center actually seemed to be hampering strategic changes in the organization.

The center representatives were:

- Presenting themselves as the ultimate authority and decision makers
- Dictating to business units what could and could not be done
- Launching new enterprise initiatives without regard for business unit benefit.

Not surprisingly, the business unit managers had taken to referring to the center representatives as "corporate cops." Their visits were met with a sarcastic, "it's corporate staff they must be here to help" attitude. Managers in the business units thought of the center's representatives as overhead staff who were controlling rather than helping. There was little business value-added from this relationship.

The team needed to revisit its fundamental purpose and how to interact with the organization. For example, they served their enterprise accountability first, leaving little time or inclination to understand and support the needs of the individual business units. The team re-defined their strategy, structure, and desired behaviors to support the new charter.

They:

- Analyzed their past value to the business and reached agreement on what more they would need to do;
- Embedded a demanding system of accountability and responsibility;
- Freed some of the group from their enterprise-wide accountability, allowing them to focus solely on the business units' needs;
- Established measures to ensure integration of the strategic activity across the organization and the right linkage of the company's profit and loss levers.

The group's clarity of focus, flexible organization structure, and stronger expectation to accelerate the success of the business units, allowed them to contribute directly to the business units' performance.

Broaden the Team's Thinking

Intellectual property is a key ingredient for retooling a team into one that can truly help transform the business. To affect a transformation, a team has to continually expand its perspective as well as those of the managers who are a part of the intended transformation. The introduction of new mental models, frameworks, and tools broadens the way the team members think.

Examples of mental models, frameworks, and tools that can ramp up the team's thinking include:

- Theory of the business frameworks
- Competitive positioning models
- Work process frameworks
- Organization design methodologies
- Resource balancing and allocation methodologies
- Governance systems
- Talent acquisition and development systems
- Leadership alignment systems
- Influence frameworks

- Change navigation models.

We have encountered many teams who were failing because they hadn't been given the tools they needed. They were unable to bring fresh perspective and breakthrough ideas to the diagnostic, planning, and execution phases of their work.

Case Study: Transforming Thinking

Seeking to dramatically enhance the marketing ability of its business units, a national insurance company established a strategic marketing function. The newly formed team had exceptional expertise in developing marketing strategies; however, it was having difficulty getting the business units to commit to and implement its recommendations. Upper management was growing increasingly upset by the team's ineffectiveness, while the team itself was becoming increasingly frustrated, wondering why the business units "just didn't get it."

The root of the problem was that this expert marketing team did not know how to influence others. They didn't have the skills necessary to make change happen when they did not have direct authority to do so. A series of customized sessions was created to:

- Help the team members think differently about how to approach their work;
- Provide team members with new skills for effecting change through others;
- Teach team members how to read their clients better and more successfully influence their thinking.

The marketing team became aware of how they were interacting with others, which helped them see what they needed to do differently to be more influential. They were left with mental frameworks and tools for planning and implementing change that they could use immediately and independently with their clients.

Assist Quietly by Shadow Advising

Although most transformation teams need assistance at some level, many do not wish to be seen as needing help since they believe this

could undermine their influence. In these situations, “shadow advising” may be the answer. Shadow advice can come from the manager of the team, a person from another department, or from an outside consultant. A good shadow advisor, whether internal or external, finds ways to enhance the effectiveness of the team, so that they can make an impact; they do not, however, tell the team what to do. If a transformation team is perceived as just doing what others tell them to do, the team’s impact and influence are compromised.

To be successful, shadow advisors must:

- Keep the internal team front and center in the work. As issues are resolved and solutions generated, the team’s fingerprints must leave the greatest mark. Team members must be able to say confidently, “This was our decision; this is our plan.”
- Support and meet the group where they are. Shadow advisors help determine what help is needed and what is not, and then they provide minimalist, targeted support.
- Be clear about the advisor’s role. A shadow advisor should help the team to crystallize options and make good choices; equally important, they build the capability to address similar issues in the future without assistance.

Perhaps the most important qualification for good advisors, internal or external, is that they *must* possess a primary motivation to see others succeed without being themselves in the spotlight. They must see themselves as true service providers, willing and able to stand in the wake of their clients’ success.

Case Study: Shadow Advising

The head of a transformation team in a consumer products company was charged with leading an organization transformation that was linked directly to a redirection in the

company’s strategy. The transformation team needed help in thinking through their plan for getting their work done, building their capabilities, and then applying them to the specific issues.

In this case, the shadow support consisted of:

- Making bi-weekly phone calls with the team to discuss progress and to deal with challenges that surfaced during the transformation process;
- Providing additional tools or frameworks that would positively influence the thinking of the team and the business;
- Acting as a sounding board for frustrations, a co-creative thinker for brainstorming and problem-solving, and a perspective shifter when progress bogged down;
- Serving as the “conscience” for the team, provoking thoughts and challenging proposals to ensure strong alignment with the intended goals of the transformation.

Throughout this process, only the members of the transformation team were aware of the support. This ensured that the transformation was not only actually led by the team, but was also *perceived* as being led by people in the business. In turn, it positioned the team members to be more capable in their post-transition roles.

In conclusion, for successful transformation, an investment in the development of the transformation team is necessary. Our experience with clients indicates that, if an organization is unwilling to invest in “transforming the transformers,” it may not be worth pursuing the path of a major change. The ROI will just not be there. On the other hand, a relatively small, initial expenditure of time and money can be a sound investment when the approaches mentioned above are used.

The Clarion Institute is a part of The Clarion Group whose purpose is to see patterns in the work we do, to look for connections, to test our thinking and produce frameworks to help others think, to ensure that we are learning and applying our learning, and to speak out about issues that transcend the issues we help our clients solve. Our constituents are our clients, our community, and ourselves. We would love to hear from you about the topic of this publication or about any other topic.