

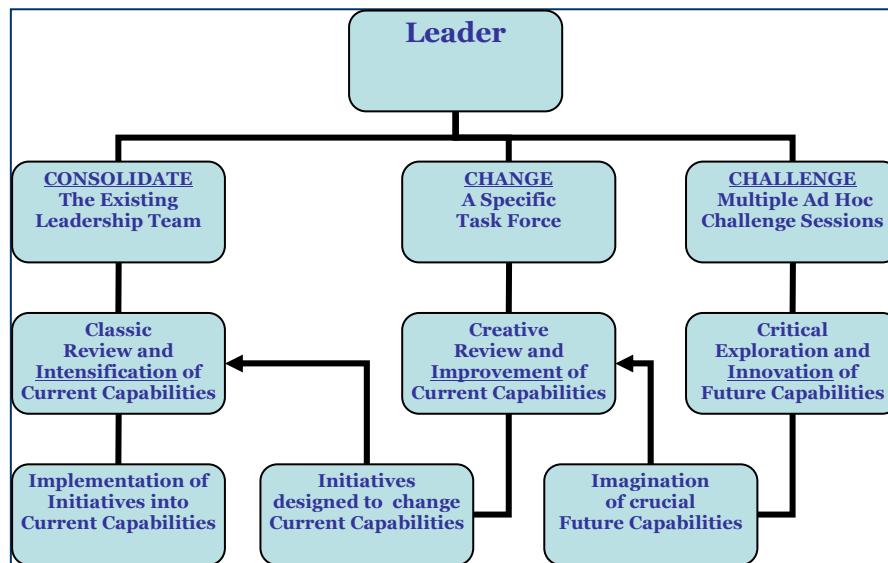
LEADERSHIP DILEMMA: TO CONSOLIDATE, CHANGE OR CHALLENGE YOUR ORGANIZATION IN TURBULENT TIMES

EXECUTIVE SUMMARY

Leaders who want to optimize their efforts to deal with these turbulent times draw upon three distinct “engines” to drive their organization to survival and success. Those engines are:

- Their Existing Leadership Team that they use to deliver, consolidate and intensify existing good practices.
- Change Task Forces that they use to determine incremental change and improvement towards even better practices.
- Challenge Sessions that they use to discover innovative step change to take the organization to unique new practices.

Smart leaders use these three engines in parallel, skillfully adjusting the power of each to match the challenges of the moment.



WHITE PAPER #2

LEADERSHIP DILEMMA: TO CONSOLIDATE, CHANGE OR CHALLENGE YOUR ORGANIZATION IN TURBULENT TIMES

The first white paper in this series set the stage for leadership attitude and streamlining teams in a time of crisis.

In this white paper, the focus is on the choices leaders face in dealing with the challenges of the current economic situation. These choices fall into three reaction zones:

1. “Complacency” in which the leader chooses *apathy* as the response – adopting the attitude “there is nothing we can do except hunker down and hope we can survive until others in authority take steps so that this thing blows over.”
2. “Current Capabilities” in which the leader chooses *action* as the response – adopting the attitude “there are things we can do by adjusting the way we conduct our business that will get us through until this thing blows over.”
3. “Changed Capabilities” in which the leader chooses *ambition* as the response – adopting the attitude “there are things we can do that we have never done before that will ensure that we come through this period even stronger when this thing blows over.”

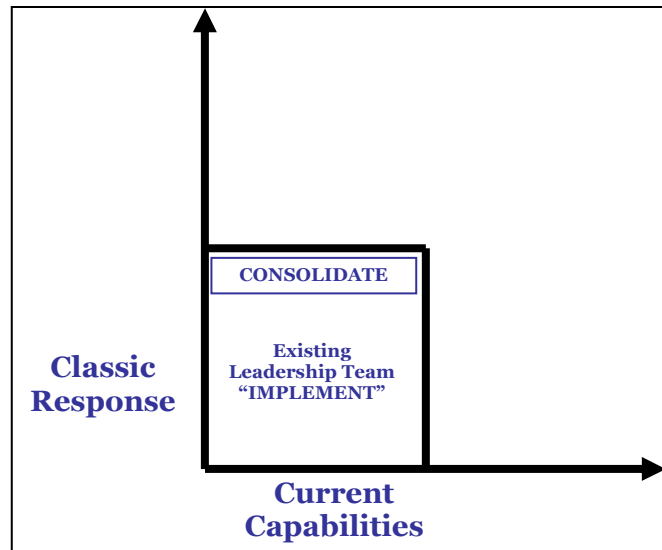
While the “hunker down” aspect of Complacency may be a valid choice in cases where stability is seen as the only criterion that matters, it is a poor choice for most leaders whose instinctive response to any challenging situation is to act.

This white paper will explore the options for action available to leaders who wish to avoid complacency in these turbulent times. While leaders may already be implementing their Current Capabilities, the improvements that come from addressing Changed Capabilities should enable leaders to stretch their organization and its responses in innovative ways in order to meet the challenges facing businesses today.



CONSOLIDATE CURRENT CAPABILITIES

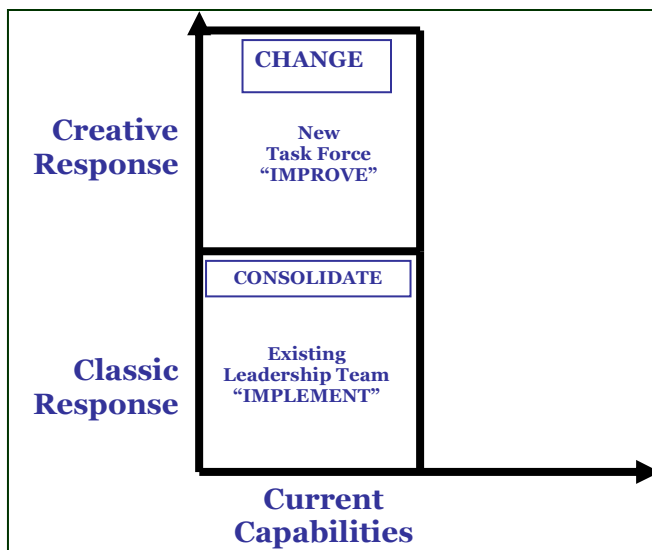
The first level of action is to examine Current Capabilities – those structures and operations by which business is conducted at present. The process is for the existing leadership team to examine in great depth all Current Capabilities and apply the steps of a classic response to reduce the business burden. Start with the elimination of fundamental inefficiencies in any area, move on to cost-cutting steps in areas not on the mission-critical path and resort to the reduction of workforce only when other options have been exhausted.



The key words for this group are “Implement” and “Consolidate.” They address the question “what can we consolidate to deliver more efficiently?” These are the responses that most organizations make, or are forced to make, in times of economic pressure and should already be familiar to leaders.

CHANGE CURRENT AND FUTURE CAPABILITIES

However, as Albert Einstein said, “You can never solve a problem on the level on which it was created.” The wise leader adds a second level

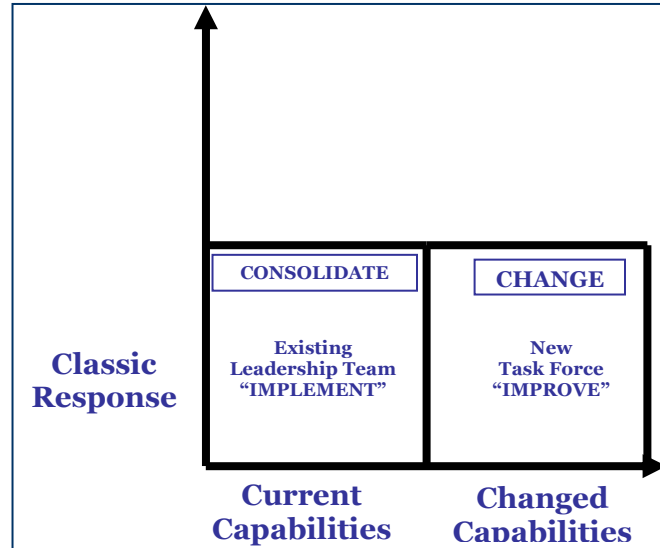


of action to this fundamental Current Capabilities review. This second level of focus requires the forming of a dedicated Task Force, a group of people with the skills and reputation for creative thinking. The task of this group is to bring about “Change” by developing a Creative Response to what is being done currently. By considering resourceful ways to deal with the classic responses to the economic situation, this group can advise the leader

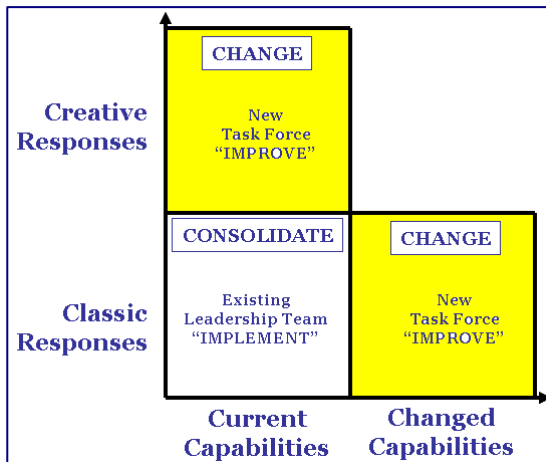


on incremental changes to the existing structure and operations that will make a difference, perhaps the difference between failure and survival.

Another focal point for this Task Force is to create a set of changes that initiate new ways to apply existing technologies, new ways to use existing people. The focus of the group is to create “stretch” in the existing resources. The thinking of this group should create an extension of the Classic Responses and business practices of the organization into what is done next – the “Changed Capabilities.” The key word for this group is “Improve” as in “What can we do better?”



Thus this Task Force has two priorities – to find creative ways to execute the organization’s expected responses to the current economic pressure and also to seek improvements to the characteristic business activities of the organization.



The Task Force should be given time, space and authority to explore all aspects of the organization’s business activities with the intent of taking the organization forward despite the

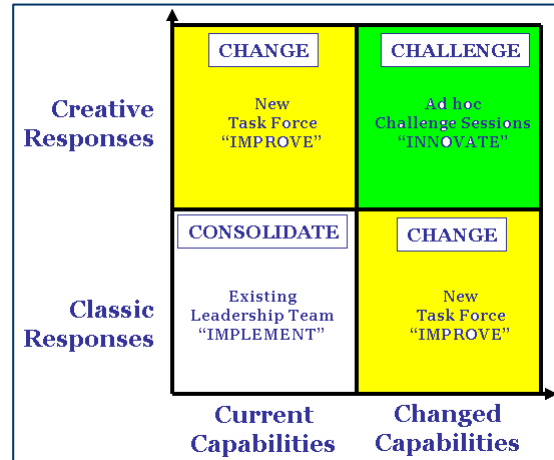
constraints of the economic situation. Creative frugality – “doing more with less” is the backbone of their thinking.

By leaving the core leadership to manage the classic characteristics of the business’ processes this separate Task Force can be creative in forming improvement ideas that will have positive, encouraging impact on the organization.



CHALLENGE THE ORGANIZATION'S CAPABILITIES

Taking their response to the third level here, leaders can add a distinctive, rather than merely competitive, edge to how they handle these turbulent times. Here the aim is to question everything the organization does, or intends to do. The “old rules” are suspended and creativity is taken to its highest level to explore and experiment with radical, unique solutions to the organizations current and future success.



The leader sets up *ad hoc* Challenge Sessions attended by people who have a reputation for excellence in performance combined with the courage to question and challenge the *status quo*.

The task of these sessions is brainstorming and beyond, to focus outside the organizations current characteristics, to discover and explore the unexpected, generating ideas that nobody has thought of. Their mission is to boldly go where no company in their industry has gone before – but please don't refer to the people you have in these sessions as ‘Trekkies’!

Key word for this group is “Innovate.” These Challenge Sessions should bombard the sponsoring leader with ideas that challenge the organization to consider the extremes to which it could go in order to do two things: overcome the present business constraints and additionally be perfectly poised for rapid growth when things turn around.

These Challenge Sessions should include a variety of people from across the hierarchy and across the range of length of service. For these sessions to be truly effective, the following brainstorming ground rules should apply:

- Brainstorming is most successful when participants are able to lose their normal professional inhibitions in order to follow abnormal trains of thought to a useful conclusion.
- To generate radically new, yet practical, solutions, it is necessary to stretch outside the current organizational environment.
- The phrase “think outside the box” is much used and abused. Great brainstormers realize that they are in an enclosed box of thought and accept that the box can only be opened from the outside. External stimuli are the key to taking the session beyond its current mindset. Anything that forces the mind into a



- different place to look for solutions should be allowed and encouraged.
- Sometimes brainstorming sessions result in inadequate ideas. Ideas that seem to be only marginally different from conventional thinking. This results because the session was working with insubstantial stimulus questions. If the brainstorming starts in the same expected place that everyone else starts, then that will merely lead to variations on the expected solution. It is the fundamental, triggering question that drives the session; so defining that question powerfully to sharpen the focus is crucial to the success of the brainstorming.
 - “The best way to get a good idea is to get a lot of ideas.” So said Linus Pauling the American scientist, peace activist, author and educator. Don't start to criticise or debate ideas. Go for quantity, encourage increasingly wild ideas before filtering them for feasibility.

A leader's own behavior around a Challenge Session also has an impact on its results. Effective leaders recognize the constraints that their presence and input place upon a Challenge Session. In conventional meetings it may be appropriate for the leader to set the agenda and the boundaries. In the open architecture of a Challenge Session, such leadership behaviour will be immediately limiting. An external facilitator is recommended for Challenge Sessions, as this person will have no vested interest in the outcome and will be able to guide the process objectively.

Challenge Session success comes from having few enough people in the session to allow an exchange of ideas that is rapid and energetic, free flowing and interruptive communication. There should be space to capture and spread ideas visually, as well as a facilitator who is confident enough to interject stimulus questions (not their own ideas) and astute enough to leave the group to run with a line of thought when appropriate.

Populate the Challenge Session with unusual people if you want unusual ideas to flow from it. Remember Einstein (“You can never solve a problem on the level on which it was created”) and bring in a different level of people to generate the necessary diversity of thought.

The imagination of your Challenge Session will be directly proportionate to the imagination with which the leader populates it. Bring in someone from the shop floor who knows how your products are actually built. Invite a project manager with experience and enthusiasm. Find someone who enjoys a lot of science fiction. These may not have the “right” business pedigree, but they just might have the right insight into the future you need.



The appropriate venue for brainstorming is much discussed – where to go to find the most stimulating environment? Holding your Challenge Session at a resort hotel or a forest retreat is probably now prohibited. Don't worry, though; the best Challenge Sessions are those that are run in-house.

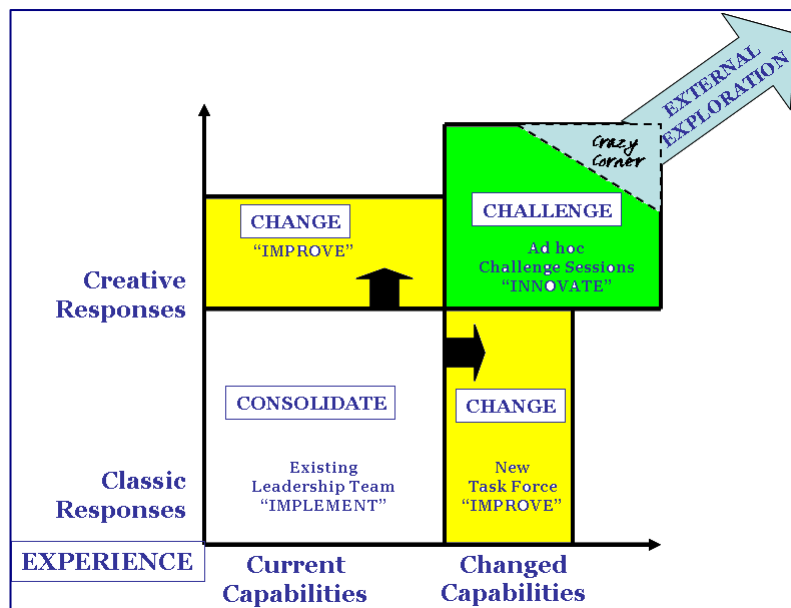
Smart leaders recognize that offsite meetings isolated resorts can be counter-productive, giving rise to the expectation that inspiration and innovation can happen only at high altitude or within reach of an ocean. Smart leaders want the buzz of innovation to blow through their offices as regularly as a breeze at the beach. Hold your Challenge Session in a large, comfortable, in-house space away from the distractions of normal business. Generate a stimulating environment within the space by using unusual objects, activities and seating arrangements.

Again, Challenge Sessions depend on successful brainstorming. Successful brainstorming depends on the suspension of judgments. Judgment is implicit in all that is seen as 'normal'. The greatest inhibitor to new ideas is the thought that "but we've never done this before." The greatest stimulus to new ideas, however, is the question "what have we never done before?"

Great Challenge Sessions, and thereby great innovative ideas, come from the successful combination of people who have never worked together before, in a way they have never worked in before and a task that has never been tackled before. Putting these together forms an environment in which flights of fancy are encouraged, where no line of thinking is out of bounds, where every thought – if explored fully – could lead to the solution. Remind everybody that this isn't like work, that anything goes. And remember that laughter is a natural stimulus and that it is appropriate and beneficial to have a lot of fun while solving problems.

THE FLOW OF IDEAS

The ultimate aim of the Challenge Session is to stretch the organization beyond conventional thinking toward distinctive success. To achieve this goal, the Challenge Session output needs to filter back through to the Change Task Force who act as



“Feasibility Filters” and shape these ideas into initiatives for implementation by the Leadership Team. This cascade of ideas from innovation to implementation also serves to free the Challenge Team from the constraints of testing every idea for its workability.

The Challenge Team should, of course, be generating radically new, yet practical ideas; however, their test should simply be to explore “might it work?” The Change Team then tightens the idea by testing “can it work?” The Leadership Team then draws on their experience to test the idea with “how will it work?”

And the ultimate, most innovative stretch of ideas occurs during Challenge Session in the “Crazy Corner” where the tone of the Challenge Session shifts from “Are you crazy?!” to “Hmm! That’s crazy, but it might just work!”

Good luck with your Challenge Sessions, and do let me know how they go.

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