# The Power & Pain of Real Change

To really revolutionize how your company operates, you may need to take a wrecking ball to established business habits and corporate norms.

When most business leaders pursue operational transformation they know they must also orchestrate a business and cultural shift that prioritizes flawless execution, agile learning and experimentation, while balancing people doing work in their own silo with fostering true cross-functional collaboration.

Articulating your ambitions is the easy part. Taking a wrecking ball to what's really getting in the way is much harder. Sooner or later, leaders run up against employees' entrenched values — the "It's the way we do things around here" culture and attitudes — that hinder the fundamental transformation being sought.

Change is hard, and it's often intangible. There are no direct levers to control it. But the changes leaders pay attention to and spends time on — not what they say — will usually provide the best clues about the company's culture and the change that's coming. Because of that, eliminating (or modifying dramatically) business practices that don't help you push the business toward your intended transformation will help you avoid sending mixed messages about your desire to change how the business operates.

**By Howard Coleman**

It's the difference between a formal company value or mission statement and what others in the company are really thinking — or saying — about the company. There is typically a large gulf between a stated aspiration and the reality being experienced.

It's easy to fall into the trap of over-relying on formal structural changes like new organizational lines of reporting, new jobs and new departments/work units to eventually shift people's mindsets. Or you can simply leave the culture change to someone else or some "directive," hoping that with time, training and repetition, some new "slogans" will become reality. Frankly, neither works very well.

Instead, you must first identify and rid your company of unnecessary business practices. A good way to identify these practices is to note which components of the value stream, when seen from the outside, involve an inordinate investment of people or time and negatively impact cash-flow, profit and customer experience, as well. The value stream begins with sales/marketing and moves to order quotation; order management; supply chain; warehouse/distribution; finance and cash flow; and lastly to returns, corrections, etc.

Each component of your value stream is also significantly affected by the four nodes of the continuous improvement model — the key success factors that impact your value stream. They include your business processes (the what, why and how you do things); the technology you use; the financial impact; and the attitudes and behavior of employees. By focusing on the continuous improvement model throughout the value stream, you'll discover which areas of your organization negatively impact customer satisfaction, revenue, cash flow and profitability.

Afterwards, you'll need to develop an "Opportunities and Action Plan" that describes clear, simple and measurable goals; identifies two or three critical objectives to be accomplished in six months of less; develops a step-by-step action plan detailing the continuous improvements required and the specific changes necessary to overcome the barriers to improvement; and identifies the managers within the company who will be accountable for results and will help drive change.

This action plan is essentially your "wrecking ball." Again, articulating the initiative and the ambition is the easy part. Tearing down what gets in the way of moving in that direction and implementing positive change is a lot harder. Move quickly, but don't risk the loss of contribution to the bottom line. ■

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