DESIGNING THE COMPANY OF THE FUTURE – ONE WIN AT A TIME

GROWTH CREATES COMPLEXITY

AND

COMPLEXITY KILLS GROWTH

THE CHALLENGE OF GROWTH

If you have experienced the thrill of turning a start-up into a mature business, you may well recognise this paradox. You may also recognise the following description of an SME's growing pains:

"In the beginning the pace of change was breathless and exhilarating. You were a small team, with a shared sense of belief and optimism. Decisions were made quickly and results were immediate and obvious. Your agility allowed you to outpace your competitors. You left larger incumbents in your wake and you enjoyed the growth that followed.

Success brought with it more customers, new services and more staff. To deal with this complexity you added structure to control the developing chaos - new departments, a hierarchy to create accountability and layers of managers to keep the troops in check.

This order came at a price: Distance between managers, staff and customers; bureaucratic decisions stopping good ideas in their tracks; and an erosion of the entrepreneurial culture that had once been your most valuable asset.

The relative lack of responsiveness opened the door to hungry new entrants looking to steal your lunch. And in a fast-paced, ever-changing environment you're now worried you may be beginning to look out of touch."

If any of this rings true, then you've probably asked yourself: So how do we keep up? How can we both defend our patch and move quickly enough to capitalise on new opportunities?

PROS AND CONS OF HIERARCHY

PROS AND CONS OF HIERARCHY

Hierarchy in business isn't inherently a bad thing. Traditional hierarchical systems and managerial processes address the daily demands of delivering consistently to customers. But they do have drawbacks:

Pros

- Increased control
- Reduced risk
- Greater accountability
- Services delivered to agreed standards

Cons

- Silo'd ways of working
- Increased internal politics and self interest
- Increased aversion to risk
- Resistance to change

A DESIGN-LED, AGILE WAY OF WORKING

An enthusiastic network of 'change agents' hand-picked from across your business.

HIERARCHY

NETWORK

GUIDING COALITION

INITIATIVE
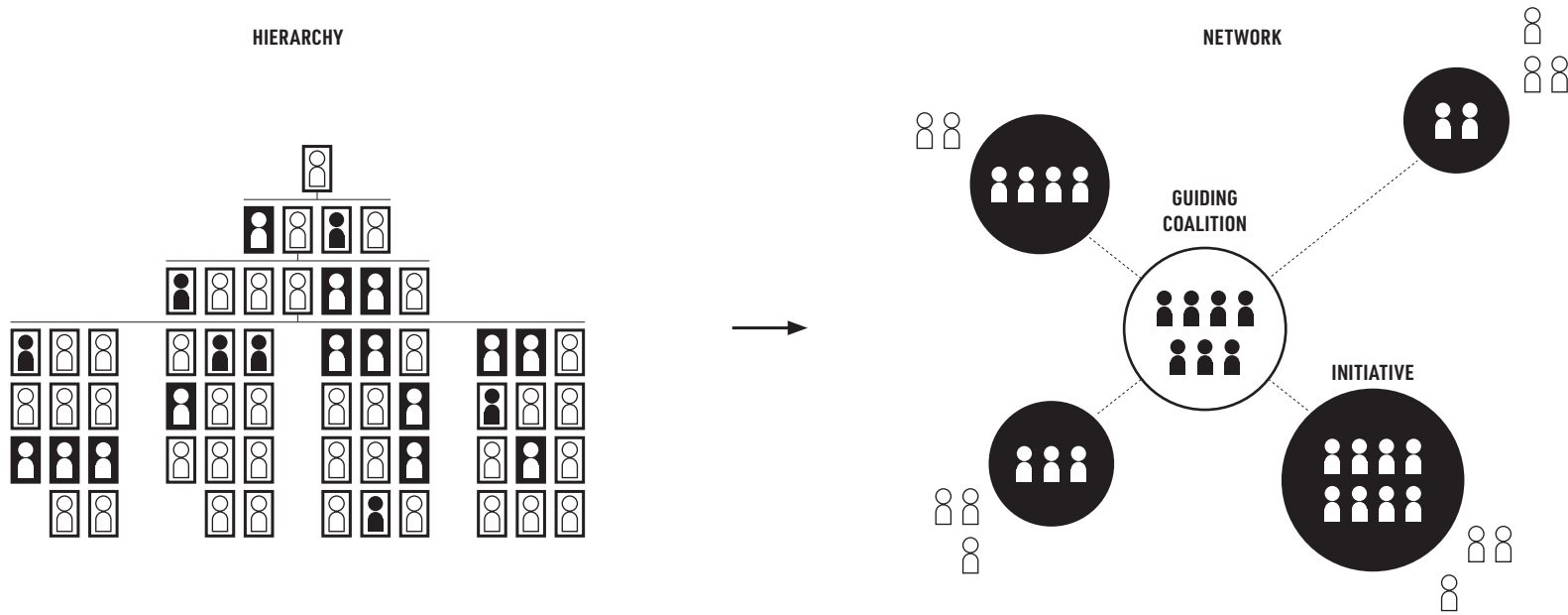
A ROADMAP TO DRIVE GROWTH

First, let's emphasise that we are not suggesting you get rid of the hierarchy in your business. Instead, we believe you should create a new, complementary system that cuts through the problems that this hierarchy creates. Our proposal is not a massive overarching change initiative. Instead, it is a straightforward, practical way of working that takes a project-by-project approach to the delivery of long-term growth. It will do three vital things:

1. CREATE THE RIGHT ENVIRONMENT FOR CHANGE
2. BUILD THE PLATFORM FOR CHANGE
3. MAKE CHANGE THE NEW NORM

We advocate combining a design-led, agile way of working with an enthusiastic network of 'change agents' hand-picked from across your business. Because it works within your existing systems, our approach doesn't involve the wholesale disruption of your organisation. Instead, it draws from your existing talent pool and makes use of the different perspectives of your entire team. It will unleash the latent enthusiasm of all of your staff, bringing them along on the journey.

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1. CREATE THE RIGHT ENVIRONMENT FOR CHANGE

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1. CREATE THE RIGHT ENVIRONMENT FOR CHANGE

STEP ONE

MAKE IT IMPORTANT

All too often companies try to instigate change without establishing a shared understanding of why it needs to happen. Skip this stage at your peril. Cynicism and apathy are your enemies here.

As a leader you need to convince everyone that there is an urgent need to act. The best way to do this is to identify the single biggest threat and/or opportunity facing your business. Then clearly express the rewards of dealing with this issue, along with the consequences of failure. The threat or opportunity must be big enough so that all strategic changes can be aligned around it. It must be compelling enough to sustain and motivate staff through the work that lies ahead. Remember, if the urgency is not there, then everything that follows could be lost to indifference and drowned out by the clamour of other priorities.

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1. CREATE THE RIGHT ENVIRONMENT FOR CHANGE

STEP TWO

Any good idea needs a good team behind it, so it is vital to get the right people in place. Armed with a sense of urgency your Guiding Coalition will be at the core of your efforts. Members should be volunteers, but should have enough power to drive the change effort. They should demonstrate clear motivation for the job at hand, have strong leadership skills, and represent all layers of your company's hierarchy and departmental structure.

The Guiding Coalition must have a close working relationship with your executive team, but be separate from it. Membership of the Guiding Coalition means that a person is at the heart of your company's growth strategy, but not at the top of its hierarchical tree.

BRING YOUR GUIDING COALITION TOGETHER

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1. CREATE THE RIGHT ENVIRONMENT FOR CHANGE

STEP THREE

SHAPE YOUR VISION AND STRATEGY

When you're asking people to do new things, it is vital to win their hearts and minds. As said, cynicism and apathy are big challenges and financial targets seldom generate the necessary levels of engagement and enthusiasm. A strong vision and strategy for change is therefore vital.

The Guiding Coalition should have a hand in developing these important touchstone statements. These statements should be both emotionally compelling and strategically smart, whilst being memorable and distinctly yours. How these elements are drafted is critical: too much detail and they can stifle creativity and kill enthusiasm; too little detail and people won't see the ways in which they can contribute.

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2. BUILD THE PLATFORM FOR CHANGE

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STEP FOUR

LAUNCH WITH CONVICTION

With your strategy in place, it's time to launch. Do this with conviction, passion and enthusiasm. Find as many ways as possible to bring each aspect of what you are aiming to do to life. Make your ideas and goals visible, tell a story and, most importantly, communicate the change vision and strategy to engage and attract talent.

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2. BUILD THE PLATFORM FOR CHANGE

STEP FIVE

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PICK YOUR BATTLES...

Identifying the right projects to initiate is a key role for the Guiding Coalition. The important thing is to achieve early success, so make sure you pick a project which is both small enough to win, and yet big enough to make a difference. It should respond to emerging customer demands and have the potential to generate the new business or make a tangible difference to your customer. Careful consideration needs to be given to the revenue, cost and bottom-line impact – and who from within the organisation is best placed to deliver it.

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2. BUILD THE PLATFORM FOR CHANGE

STEP SIX

... AND WIN THEM

The Guiding Coalition cannot do all the work on their own – they need to draw on the skills and experience of your people from across the business – and set them to work in carefully assembled Design Teams.

These cross-functional teams should bring together expertise in customer intimacy (front line workers) and scaling (business functions - marketing, HR, IT) and should

be led by someone with experience in agile ways of working. The Design Team's role is to prototype new ways of working and then to test, plan and oversee the roll out of changes to the business (see 'change that sticks' for more information). In all of this, the Guiding Coalition's role is to monitor progress, and unblock barriers to success – which with the first few projects will keep all of them on their toes.

CHANGE THAT STICKS

Each project initiated should be a microcosm of the change you want to see in your business – people working with shared endeavour to bring change at pace. To ensure maximum flexibility and responsiveness, your Design Teams should be comfortable with agile ways of working. They should meet weekly to review progress and monthly to discuss progress with the Guiding Coalition.

The aim of each project is to effect 'change that sticks' – driving the business towards a better future, in a way that will be widely adopted – with each stage of the project set up to achieve this:

CHANGE...

Confirm the brief
The first job for the Design Team is to check the assumptions and decisions made by the Guiding Coalition are correct. They need to be certain that the project brief makes sense, they have the skills and resources required to execute successfully, and that the project goals are aligned with the strategic aims of the business.

Build the prototype
To move forward fast, the Design Team needs to identify what constitutes the Minimum Viable Product for testing - and how they can get it to market as quickly as possible. The team need to work out how they will gather feedback to allow them to start learning and improving. They also need to work out at what point they will accept if the project is a dud or not. Cutting losses early to prevent expensive mistakes later is a key benefit of using prototypes.

...THAT STICKS

Deploy
Once there is confidence that the prototype has worked, it needs to be rolled out to the business. The Design Team need to be clear from the outset about the problems that will need to be overcome to integrate with existing systems and processes – and the change in behaviours required to adopt this new way of working. The Design Team need a clear idea of the teams they need to engage, the expertise they will need to pull upon, and the resources required to deploy successfully.

Develop the repeatable model
When the project has been successfully deployed, and in order to fully maximise the potential value of the work carried out, the Design Team need to ask: Who else will benefit from our work? How can we apply this way of working to new segments or areas of our business? How can we help make this way of working the norm for our people?

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3. MAKE CHANGE THE NEW NORM

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STEP SEVEN

Once you've had your first success, you need to add more projects incrementally. The more projects you get under your belt, the better you will become at running them – and the more people you will have stepping up, wanting to be part of the change. As your capabilities and team numbers grow, your bandwidth will increase and the pace and rhythm of change will also be able to accelerate.

ACCELERATE CHANGE AS YOUR CAPABILITIES GROW

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STEP EIGHT

CELEBRATE YOUR VICTORIES

The key benefit to a large number of small projects, rather than one massive change initiative, is the opportunity to enjoy a large number of victories. Celebrate your wins, share them across your business and, as credibility grows, welcome new volunteers to the change effort.

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3. MAKE CHANGE THE NEW NORM

STEP NINE

EMBED CHANGE INTO THE DNA OF YOUR BUSINESS

No transformation is complete until it manifests itself in the day-to-day behaviours of staff and infuses the culture of the business. So keep the pressure on and ensure the process remains fresh and exciting.

Agile, design-led ways of working is the norm for fast paced, technology businesses. As we move deeper into an era where our businesses are shaped more and more by technology, we need to adapt the ways we work to keep up with the pace of change.

Rather than tear down what's been built, or instigate a dramatic lurch in a new direction, companies that can combine their existing stability and structure to deliver high standards at scale - with the purposeful expansion of small teams accomplishing more with less - can rediscover their entrepreneurial spirit and deliver both long-term success and short-term wins.

Want to find out more? Get in touch with us or visit our website.
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