

WHITE PAPER

# Stick It

An Agile Approach to Managing Change





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With 70% of change initiatives failing<sup>1</sup>, most are doomed from before they even begin. We can no longer afford to be part of that failure. The greatest frustration for leaders is that we are often doing all the right things, using the right tools and best practice, and yet results are inconsistent and change is rarely sustained.

We can no longer afford to be perceived as the villains of change, and must move from henchman to hero if we are to be successful in the emerging market.

This paper:

- > Defines the key challenges faced by leaders in realising the intent and benefits in a transformational initiative
- > Consider the principles to overcome these challenges
- > Challenges leaders to reflect on practice and purpose to make your change sustainable

1. Blanchard, K., 2010, 'The Art of Mastering Change', Training Journal



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## Clients



CommonwealthBank



# Make it Stick

Do you remember watching *Saving Private Ryan*? It's an epic drama set just during the World War II battle in Normandy. The all-star cast includes Tom Hanks, Vin Diesel and Matt Damon whilst director Steven Spielberg won acclaim for his graphic and realistic portrayal of war. The story centred around a group of American soldiers that go behind enemy lines to retrieve a paratrooper whose brothers were killed in action.

After overcoming a series of seemingly impossible challenges, the soldiers finally face off to a tank rolling through town. In this iconic scene, whatever the soldiers throw at the tank is futile. Bullets from high powered rifles just bounce off the tank, grenades drop off like water off a duck's back. The situation is looking pretty grim, they are probably going to die. The situation is especially frustrating because an explosive could disable the tank, it's the right 'solution' for their 'problem'. If only they could make it stick.



In a moment of ingenuity, the soldiers dropped explosives into a sock, dipped that into axle grease, thus making it easy to stick onto the tank as it rolled past their trench. Moments later the explosive detonated and the tank was immobilised.

As leaders in transformational change initiatives we often find ourselves using the right tools yet frustrated because people aren't responding like they used to it, or how we might expect. At another time these tools may have proven to be effective, they might even be best practice, and yet for some reason it's just not working this time. The tool might be communications and yet we're left wondering, 'what are they complaining about, it was all in my email!'. The tool might have been a face to face meeting with your stakeholders, and yet find yourself the next day wondering 'why did you smile and nod in the meeting and then stab me in the back afterwards?!'.

Like the soldiers battling the tank, having the right solution was simply not enough, it needed to be sticky to be truly effective. Your choice of weapon was perfectly adequate, the problem was simply that it wasn't sticky enough, it bounced off and was ineffective.

Delegating change management to your change leaders might be necessary to leverage your effort, but this does not relieve you of leadership responsibility in leaving the ‘people stuff’ to the ‘people-people’. Worse yet it, we need to stop referring to it as ‘change management’. It’s a ridiculous name that makes no sense for the critical role that leaders must play. It’s an oxymoron we accept every day without thinking too much about it, yet it is as bad as: airline food, awfully good and American English; two words that when placed together confuse more than serve.

By its very nature, change is not manageable because the moment you design a strategy and approach, it’s all going to change on you. The market today is too agile and quick for our old-world approach of slow-growth change. We must become comfortable at changing quickly and changing often.

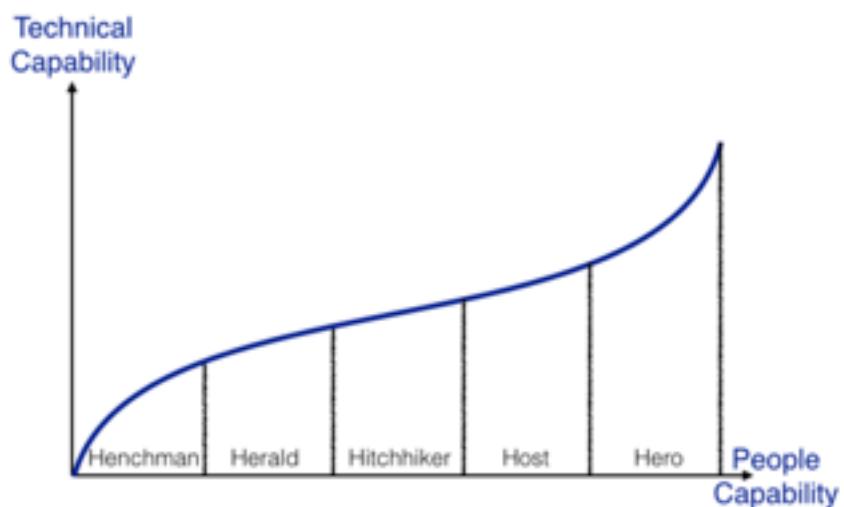
Firstly, we need to stop calling it change management because ‘management’ limits us to a narrow perspective, boxing in our thinking to control and conquer, rather than release and enable. This then informs our design to focus on boundaries and flavours core activities of communications and training with tokenism. In project meetings we discuss how to ‘manage this change’, rather than how to ‘enable this change’, or even better, ‘how do we allow this change to explode’. The tragedy is that we are the ones making it difficult to realise benefits and initiative intent, yet we do it with the most genuine of reasons, not to hurt our people, profits or shareholders. In this slowly-slowly approach however, we do exactly that and are left managing resistance, chasing profit and spinning shareholders.

It’s this piece-meal approach to change the incorrectly positions the leader as a henchman, impacting change on people by surprise, rather than the hero who enables their people to be their most effective selves.



We must develop our people capability as much as our technical capability as the game of change is always won, or lost, on our people. Whether we are implementing new cloud capability, business process, culture of innovation or an organisational restructure, unless we keep people at the heart of what we do, we will find ourselves in the 70% of initiatives that fail.

### Which leadership character would you prefer to be?



**HENCHMAN:** Change is implemented under the cover of dark silence. Our people find out about it after the fact, leaving them feeling unsure and mistrusting.

**HERALD:** Change is trumped and announced, usually by email, leaving the onus on people to read the information we've provided them. There's no reply address but they can source the technical support resources we've provided them. If they've got an issue, get a tissue.

**HITCHHIKER:** We know where this change need to go, bystanders are welcome to join us for the ride and those who disagree, too bad so sad.

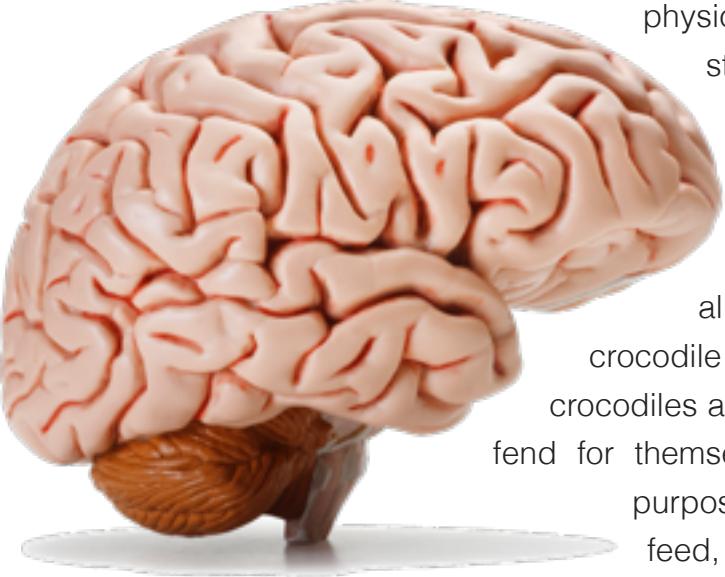
**HOST:** We welcome our people to participate and design the change, we provide them plenty of support, training and resources to be successful in the change. We even give them cake in our team meetings.

**HERO:** Our people take hold of the change and make it their own. On a foundation of trust and loyalty to the leadership team, people can do their best work moving from the current to the future state. We've developed a cultural propensity and appetite for change, our people are as agile as our organisation needs to be.

In moving from henchman to hero, we must augment human behaviour, both our own and that of our people.

Human behaviour is really strange. Humans might be the only animals that argue and negotiate with, themselves: 'ok I'll have this chocolate bar now if I go to the gym later'. You see this in the office, strange displays of behaviour from 'mature' adults that don't seem to make rational sense.

Recently I was working on a merger transaction where the new company embarked on rationalising its duplicate resources. It no longer required two contact centres, marketing departments and key executive roles including the CIO. Both executives knew what was coming and the challenge was set on who would survive at the expense of the other. Both were men of great esteem with an air of elegance but were quickly reduced to bickering toddlers undermining the actions of the other in the desperate act of survival.



The problem here is two fold, both psychological and physiological, firstly let's look at the physiological structure of the brain. The brain is not one, nor two, but in fact three distinct brain structures built one on the other. The first is the lizard brain made up of the base of the brain and the brain stem. It's called the lizard brain because it's pretty much all that a lizard has for a brain to function. When a crocodile lays her eggs, she then leaves them, the baby crocodiles are programmed for life and are fierce from birth to fend for themselves from their first breath. The lizard brain's purpose is to take care of the six F's in life, fight, flight, feed, fear, freeze and fornicate. It does not feel love or empathy, those are not essential for survival.

We then move up into the next layer of the brain, the limbic system, sometimes called the dog brain, because this is where emotions like loyalty, love, happiness and sadness. Like layers of a cake, the limbic system lies on top of the lizard brain, it is more densely wired allowing for richer experiences. Dogs are of course not the only creatures with a limbic brain, cats, dolphins and even us humans have the capability. It's the part of the brain where mathematics, music, politics, religion and racism live. It is both the Machiavelli and Mozart brain in one. It consists of the amygdala, hippocampus and is much faster than the neocortex, in fact it reacts in three-seconds or less, processes emotions five time faster than the conscious brains and those emotions make a more lasting imprint than rational thought in the neocortex. Which is we might not remember what someone said, but we certainly remember how they said it.

Finally we move into the neocortex, the third brain layer sitting above the limbic system and where more complex tasks, such as language and rational thought occur. The problem with emotions being housed in a different part of the brain to rational thought, is that we end sometimes up doing things that don't make sense. We might rationally decide to stick to a diet and yet find ourselves ordering a burger with fries and a coke, a diet coke if the neocortex kicks in before paying.

Thinking back to our behavioural problem, the challenge is in putting these three layers together. When a message is received by the brain, it rises up firstly through the lizard brain and is then filtered through its six F's, if it needs to further for emotional processing, it then rises into the limbic brain. Finally if further assessment is required it moves into the neocortex. As a high school student, I experienced this every math class, first fear would strike and anxiety would strike as the neocortex would try to rationalise an excuse to get out of class. The same is true of the first time learning to drive a car, each of the three brains is on hyper drive, carefully thinking about all the road rules to follow, whilst the limbic brain is on high alert with fear and apprehension, and the lizard brain wrestling between flight (give up), and fight (overcome the challenge). Now fast forward a few years and leaving work, we often arrive home with no recollection of the drive in between.

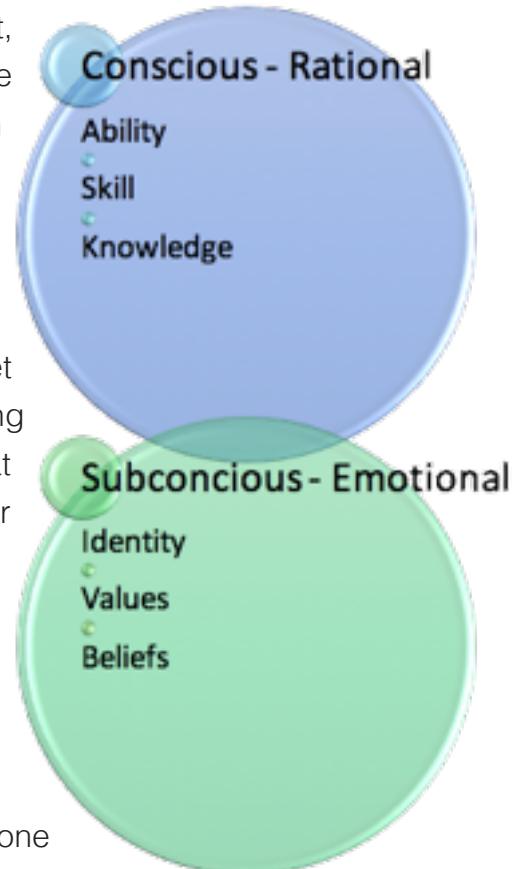
As leaders when we implement a initiative with change we take people out of their comfortable auto-pilot into a hyper-tense state of uncertainty where they must rely on all three brains. The reason we hit resistance if often not even because of our people, but because of ourselves and the way we engaged with them in the first place. Our 'best practice' communications detail 'what's happening, when it happening, what we need to do and what training or support is available'. This is all neocortex processing and we failed to start at the lizard brain or address any limbic brain needs.

Think about the greatest communications of all time and you will find they are structured lizard, limbic to neocortex. Martin Luther King Junior may have started with 'I have a dream' to build solidarity and emotion, then later progressed into 'that my children will one day live in a nation where they will not be judged by the colour of their skin but by the content of their character'. The stuff, the information bit came last, not first and certainly not without the other components that satisfy the lizard and limbic brain.

# The Psychology

Secondly we have the psychological factor to consider. Howard Gardner is perhaps best known for his theory of multiple intelligences, and whilst there is some contention around his work, there is still great value in understanding the interplay between conscious and unconscious thought, the tension between rational and emotional processing.

Above the line we have rational and conscious thought, which is where our knowledge, skills and ability are found. Below the line sit identity, beliefs and values in the emotional and subconscious sphere. It is these things below the line that inform the capacity of things above. If we wish to change someone's behaviour, we must first change their values, if we are to change someone's skills we must first change their beliefs. Yet as leaders we so rarely move into this sphere, relieving ourselves from responsibility in the mistaken belief that it is the responsibility of the HR team, change manager or other 'soft skill' person. We prefer to operate above the line where rational thought rules and so we merely tell people what they need to know, train them in the skills they need to acquire, to express the desired capability or behaviour.



If you listen closely, you will hear which sphere someone is operating from by the very words they use. 'I'm just not a Mac Person' is clearly identify language as compared to 'I haven't yet learned all the formulas I need to use Excel', which is skills language. The way we as leaders respond to either is therefore different because one addresses the subconscious emotional need whilst the other the conscious rational sphere.

Resistance presents when we are challenged in either sphere and the challenge is not resolved. I recently worked on the world largest Activity Based Working environment from the Commonwealth Bank in Sydney. More than 6,500 staff moved from cubicle farms into an agile office space, much like the Google and Microsoft head offices. A common statement from 'resistant' staff in this initiative was 'I know why we are doing this, but it just makes me nervous'. The conscious-rational reasoning was reconciled, but for this individual the subconscious-emotional question had not yet been satisfied.

The solution to these challenges is simple, and that is what makes it so difficult. Leonardo Da Vinci said that ‘simplicity is the ultimate sophistication’, unfortunately simplicity demands a much greater effort than complexity. It is said that Winston Churchill once wrote a letter to his mother starting with, ‘I’m sorry I wrote you a long letter, I didn’t have time to write you a short one’. We mustn’t discount the effort required to do things elegantly simply and ‘right’. Often it can be a right pain and feel counter-intuitive.

Alan Mullaly was a successful vice-president at Boeing, so successful that in 2003 and again in 2005 he was a front runner for next CEO, but was passed over both times. Looking for a change he decided on the automotive industry and proudly announced that the ‘Lexus LS430 is the finest car in the world’, which might not seem a highly controversial comment, except that he made it just as Ford was about to announce him as new CEO. He wanted to start out a Ford highlighting the fact that they were no longer at the top of their game. His first day at Ford was fantastic. In those days, Ford was a house of many brands and every brand manager wanted Alan to drive their latest innovation. Firstly it was Aston Martin, then Jaguar, Land Rover, Volvo and a host of other prestigious international brands. It was the best day of his life. It was also the worst day of his life when by the afternoon, he had to announce a loss of \$12 billion dollars. Ouch!

Yet within six years, at in the height of the GFC, Mullaly managed to turn that around to a \$12 billion profit, and without accepting any bail-out money from the government. How did he manage to pull that off? Like Leonardo, he too sought to keep it simple, and quickly began off-loading all international brands even if it meant selling them at a fraction of the price for which they were purchased. Now his team had a single line of focus, Ford, and this concerted effort turned the company around with less market share, yet the only profitable car manufacturer in the US.

In another example of keeping it simple, Dan & Chip Heath’s set up a promotional stand in a supermarket for shoppers to taste test 24 jam varieties. With exotic flavours like mango and rose petal, there was a lot of interest, but in the next aisle they set up a stand with only six varieties of only classics like strawberry and marmalade. At the end of the day they checked the cash register z-reads to find that the 6 jam variety outsold the 24 jams by 10 times. It was 10 times more effective to give people less choice, in fact people preferred it. Thanks to the lizard brain, the 24 varieties leads to a ‘freeze’ response from analysis paralysis as compared to the six varieties where emotive preferences and rational reasoning lead to a decision.

The first principle then is to keep it simple, make it easy for your people to understand, engage and respond. The next principle is develop an organisational cultural propensity for change.

The northernmost town of Kiruna, Sweden suffers from almost zero sunshine hours in winter but this allows for a spectacular show of the Aurora Borealis and is also home to the world's first ice hotel. Yngve Berqvist is the founder of the hotel but previously worked in corporate role with the state-owned mining company that employed almost a quarter of the town's people. After five years in the job, Berqvist decided he preferred being outdoors and working for himself and in what now seems a serendipity, a tourist asked him for a ride on the river and Berqvist quickly found himself in the tourism business. He resigned from his job and expanded his company to 30 boats and 40 employees during the peak summer months. Then winter hit and he realised that cruising a frozen river was not possible and therefore neither was the prospect of making any money.

He then heard about Japanese winter tourism and travelled to Sapporo and Hokkaido for the Snow Festivals where he met an ice sculptor. The two of them hit it off and planned an ice-sculpting workshop in Sweden. The workshop began to receive a lot of press and interest from sculptors and spectators alike who began to flock to the event. However the day before the exhibit was about to open, Berqvist woke up at 6am to a strange sound, it was rain and worse yet, it was seven degrees. Sculptors began to scramble covering their art in a panic, deferring to Berqvist, 'what should we do'. His response was simple, 'let it be, we can make something new', and they did. They build the first Ice Hotel what was merely a 60m<sup>2</sup> igloo art gallery called the ARTic Hall. Later they opened a bar and Berqvists associated spent a few night sleeping inside the sub-zero igloo. The first overnight guests were a specialist group of the Swedish Armed Forces. They were followed by the Versetel, the international space satellite company who held their conference there, sleeping in -5° C on a bed of soft reindeer skins. Today the igloo has grown to 250m<sup>2</sup> and welcomes more than 30,000 guests in Jukkasjärvi, a town of merely 900 people. Berqvist has gone on to deliver corporate partnerships including a 40 meter iceberg cat walk for Chanel and a BMW TV commercial.



Berqvist made a regular and sequential series of changes, perhaps only five-degrees from centre, but this Kaizen approach to innovation developed a cultural propensity for change in his people where change became the norm. In fact if change stopped, that would have been different and something for his people to fear.

The question we as leaders must now answer is not whether to Kaizen or to Kaikaku, that is evolution or revolution, because the answer is simply that we must do both and do it quickly. We must therefore develop organisational maturity and appetite for change so that it is no longer an isolated even to be feared, but the new normal.

To recap the first two of six principles to making your change sticky:

> Principle 1 - Keep it simple

> Principle 2 - Develop Organisational Propensity for Change

These first two of six principles to making your change stick are explored in '*Stick It - An Agile Approach To Change*' to be published in early October 2015.

You are welcome to attend the book launch where you will receive a free copy of the book. To register simply visit [www.sashajovanovic.com](http://www.sashajovanovic.com).





## SPEAKER | Keynote Presentation

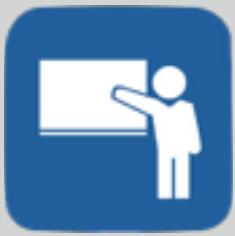
Over the last decade Sasha has been wowing a combined audience of more than 100,000 with his high-energy, humorous and though provoking presentations. Whether you've got an audience of 10 or 10,000, Sasha will delivery a presentation that your delegates will rave about.



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