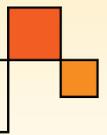


SPECIAL REPORT

CREATING OUTRAGEOUS GROWTH: RAISING THE BAR WITHOUT FEAR



Human Resource
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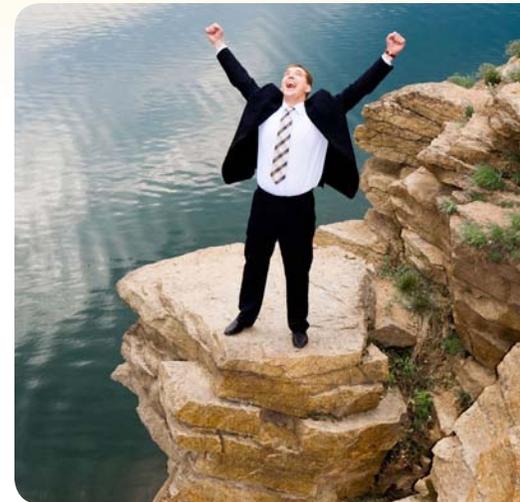


"Creating Exceptional Workplaces and Extraordinary Results"

SPECIAL REPORT: CREATING OUTRAGEOUS GROWTH: RAISING THE BAR WITHOUT FEAR

Think about some of the most successful organizations. What do they have in common? If you answered outrageous gaps between their organization and that of their closest competitor, you'd be right! This growth has led to some amazing profits. Here is one example of an organization that has created outrageous gaps, and another that has fallen victim to their own success.

Apple is constantly raising the bar and creating large chasms between themselves and their closest competitor, Microsoft. Apple hasn't created these gaps through price cutting or selling more of the same. Instead, they are using innovation to propel growth. Remember how cool we all thought the iPod was when it first hit the market nine years ago? Apple didn't stop there and pound its chest on top of the mountain like some organizations might have done. Instead, they took their bows and continued to innovate, thereby increasing the gap to outrageous levels. They are continuing to raise the bar with their latest creation, the iPad, and competitors are once again scrambling to create their own version of the touchpad. Meanwhile, Apple is on to the next thing.



Anyone remember the splash America On Line (AOL) created when they made the Internet accessible to the general public? If your first thought was, "America who?" you are not alone. AOL was an American success story until they became complacent. Broadband entered the market and AOL rested on their laurels while innovative companies created outrageous gaps. By the time AOL introduced broadband options, their customer base was no more. What was once a great company is now the perfect case study on how complacency can destroy an organization.

THE TRUTH ABOUT CHANGE MANAGEMENT

Change management isn't about fixing things. It's about improvement. Change management initiatives must be more than one-time events or they will fail. When done right this process yields powerful results. Here are steps you can take to catapult ahead of your competition.

WHAT'S DRIVING YOUR DESIRE FOR CHANGE?

Before proceeding, it is important to determine your motivation for changing. Change for the sake of change is just that. Are you changing because your competitor is changing, or are you metamorphosing because you envision a future state that is a stronger, bolder version of your current state? These are two different initiatives that will yield significantly different results.

In the first situation, you are chasing after your competition. An example of this would be Avis Car Rental. They've always prided themselves on having to work harder because they were never number one. On the other hand, Enterprise built the largest rental car company in North America through tremendous leadership and the entrepreneurial spirit of their employees. Their goal has never been to be the biggest; they simply work hard to be the best.

Enterprise is an example of a company that is building on strengths and widening the gap between their organization and its competitors. Until recently, Enterprise offered services that no one else offered. Now others are offering pick up and delivery services in an attempt to catch up. A colleague recently reported that he almost missed his flight waiting for one of the car rental competitors to pick him up. If you had to pick one, which company do you believe would continue to experience growth? Which organization will attract innovators that will continue to raise the bar for this company?

THE FUTURE STATE - BACK TO THE FUTURE

If you've decided that growth through innovation is more your cup of tea, then you've come to the right place. We begin by looking into the future. Organizations must ask themselves the "whats" in order to determine the future state of their businesses. We'll deal with the "hows" later.



The following questions need to be asked:

- What are we looking to achieve?
- If we had a Fairy Godmother and could become anything, what would that be?
- What would our company look like? Feel like? Smell Like?

The above exercise is best done with those that will be responsible for helping achieve the future state. That's why we recommend involving employees in these types of discussions. This is the first step towards gaining their support and commitment, which is vital for change to take hold.

It's important not to skip this step. The answers to these questions will help you determine when you've arrived at the destination, known as future state.

ROADMAP TO SUCCESS

Now that you figured out where you want to go, it's time to get down to the business of defining objectives. How will you achieve your future state? Will you get there by retaining key talent? Will it be through acquisition? Will you choose cost cutting, or will you be investing in new technology to create the future state of your organization?

When examining the objectives, it's important to make sure they are not in conflict with one another. For example, can you successfully open up several new markets without adding additional staff? Can you become an organization known for the use of cutting edge technology if the plan calls for building your future state on outdated equipment?

ALL ABOARD!

The next step is getting your sponsors on board. These are the people in the organization who are the key decision-makers, resource holders, and those impacted by the change. Outrageous gaps will be created more quickly if everyone is thrusting forward together.

You'd be surprised how a few key stakeholders can throw on the emergency brake and stop the entire operation. That's why it's important to align everyone. Don't forget about the informal influencers who have the power to derail this initiative.

IMPLEMENTATION

Companies that take the necessary time to plan for change find implementation significantly easier than those who don't. Why? Because their people know where they are headed and why they are going there, and they've already committed to making the trip.

Along the way, check to ensure key measures are being met and make adjustments accordingly. Keep people informed along the way and be open to hearing feedback from those involved in the change.

COMPLETION

All good things must come to an end, and that includes a change management initiative. Take time to celebrate your successes and then prepare for your next leap as you look to create even more outrageous gaps.

THE MOST COMMON REASONS FOR FAILURE AND WHAT YOU CAN DO TO AVOID THEM

Change management is all the buzz these days as companies try to light a fire under their people with the hopes of a spark that will ignite the entire organization. Most fail. According to research conducted by the Ken Blanchard company, 70% of change initiatives are doomed to failure from the start. Here's why:

1. The mistaken belief that announcing change is the same thing as creating change. We've all been in meetings where changes were announced and then nothing else happened. It's time to change this!
2. Flavor of the month—"Let's see, what is going to be this month's change initiative? If I wait it out long enough, perhaps no one will notice that I haven't participated." Employees are tired of taking on this month's change, which for them signals more work ahead. You have very few chances to get change right. Therefore, it's best to take your time on the front end before moving to the implementation stage.



3. Employees are focusing too much on what they have to lose as a result of this change rather than what they have to gain. Many aren't willing and able to make short-term sacrifices to achieve long-term results. Effective change leadership requires the development of strategies to resolve concerns and learn from the insights and advice that people have about the impact of change.
4. Failure to reward along the way. Behavior change is difficult for most people and takes quite a while to achieve. Reward people for achieving defined milestones and you will see their commitment rise. When people are committed towards achieving the future state, change will occur.
5. No one is leading the charge. Change initiatives, such as a move towards a lean manufacturing environment or shifting the culture of the organization requires an orchestrated approach. Someone must stand in front and play the role of the conductor. Otherwise, everyone will be playing his or her own tune and any chance of harmony will be lost.

If change is mis-handled, the outcomes can be disruptive or even disastrous. In some situations, failed change efforts will lead to even more serious trouble as productivity, morale, and money are wasted on lost causes.

Change isn't for the faint of heart, nor is it for the weary. It's for those organizations that are constantly looking to improve and create a better future for their employees and their stakeholders.

BIO

Roberta Chinsky Matuson, President of Human Resource Solutions (www.yourhrexper.com) has been helping companies align their people assets with their business goals for over 20 years. She is also considered an expert in generational workforce issues. Roberta publishes a monthly newsletter, "HR Matters," that is jammed with resources, articles, and tips to help companies increase employee engagement, productivity, and profitability. Visit www.yourhrexper.com to sign up for Roberta's complimentary newsletter.

Roberta's Fast Company blog is frequently one of the top five visited Expert Blogs on Fast Company. Visit her website at www.yourhrexper.com to read her blog on creating exceptional workplaces that lead to extraordinary results. Roberta's highly acclaimed book, *Suddenly in Charge: Managing Up, Managing Down, Succeeding All Around* is available for purchase on Amazon. Download a complimentary bonus chapter at www.suddenlyincharge.com. She can be reached at 413-582-1840 or Roberta@yourhrexper.com.