EXECUTION EXCELLENCE
Implementing New Strategy and Culture

By Jim Bandrowski

President, Strategic Action Associates
Danville, CA   Tel: 925-820-8838
Email: JimBandrowski@StrategicAction.com
Website: StrategicAction.com

Interviewed by David Wright, CEO of the Innovators Group

David Wright (Wright)

One of the most pervasive and important challenges that executives and managers face is leading execution and culture change. My discussion with Jim Bandrowski will focus on how to tackle this daunting duty, and master this leadership competency to achieve what Jim calls *Execution Excellence*. Jim, I look forward to interviewing you.

Bandrowski

Thank you, David. It's a pleasure to speak with you.

Wright

Jim, why is executing strategy and culture change so critical, and what do leaders at all levels of organizations need to know about it?

Bandrowski

Imagination without implementation is like having wings, but no landing gear. For a company to innovate and succeed, it must be able to put strategies into action and get results. For example, it is one thing to conceive the iPhone. It's quite another to motivate the organization to successfully design it, recruit all of its alliance partners to help manufacture it, introduce it to the market, and continue to dominate it after unruly competitors try to copy you and steal market share in the new product category you invented. Steve Jobs is a master innovator and implementer.

Achieving successful large-scale change is a monumental challenge. It is one of the key contributions leaders can make to their organizations. Developing a breakthrough strategy is not easy, and I help companies of all sizes around the world do just that through my *Strategic Innovation and Planning* process. But making strategic and culture change happen is what generates results. That's why I named my firm Strategic Action Associates twenty five years ago. In fact, quite a few Chief Strategy Officers at Fortune 500 companies at the time told me "strategic action" was an oxymoron, because it rarely happens. I sympathized with them because studies of major change efforts in organizations prove that more than two thirds of those do not deliver the intended results. And that's why I researched in great depth the leaders and companies that were successful at executing new strategy and making culture change happen.

Imagine you are playing in a football game. Developing a breakthrough strategy will get you to the thirty-yard line—your own thirty-yard line. Communicating it clearly and compellingly will get you to the fifty yard line. Overcoming all resistance to change will get you to your opponent's twenty-yard line. But the critical last twenty yards, the "red zone," is the hardest turf to cover—finally making the change happen.

Wright

What are some of the characteristics of exceptional change leaders?

Bandrowski

My research over the last 15 years shows that great leaders at all levels lead waves of innovation in their organizations, while the rest of the world makes ripples. How do they do this? You've heard of logical thinking, lateral thinking, right brained thinking, and whole brained thinking. Well, I have discovered that remarkable leaders, as well as great innovators, employ *Wave Thinking*. In fact, this *Wave Thinking* permeates their entire leadership style to the point that I call it *Wave Leadership*.

Jack Welch declared: "You can't be a moderate, balanced, thoughtful, careful articulator of policy. You've got to be out there on the *lunatic fringe.*" The core competency of remarkable leaders in all walks of life is that they continually visit two intellectual fringes to amplify their leadership impact and business results. And they cycle between these two extremes as if they are operating on a sine wave. Average leaders function on a much smaller sine wave and as a result may achieve only incremental or no results.

One extreme is being *100% Passionately Positive* to inspire innovation. Great leaders set incredibly high stretch goals, pursue a powerful purpose, dream a vision of how to make the world a better place, conceive ideal strategies, are irrepressibly optimistic, continuously sell the benefits of change, and lavish positive reinforcement on employees who are aligned and executing. This provides purpose, and energizes and motivates the entire organization.

But they are also masters at going to the *100% Constructively Negative* extreme. Here they get the issues and challenges out on the table, drill deep for their root causes, demand data to verify them, identify and remove risks, and uncover unmet market needs, which they know are the fuel for innovation. And in addition to selling the benefits of change when executing new strategy, they are also constantly articulating to the organization the consequences of *not* changing. Both are needed to excite and motivate.

Amplitude is the measure of the height and depth of a wave, and gives waves their power, as in the loudness of sound, brightness of light, power of electricity, and the intensity of just about every phenomena in the universe. Remarkable leaders employ both their *Intellectual Amplitude* and *Emotional Amplitude* to motivate employees at all levels to innovate and execute to achieve remarkable results. A more comprehensive explanation of how leaders employ *Amplitude* to succeed is covered in a white paper on my website, StrategicAction.com.

Wright

What should leaders keep in mind when implementing a new strategy, culture, or policy?

Bandrowski

Leaders need to think of execution as marketing—"internal marketing." They are selling a new strategy or policy to the organization. Just as when introducing a new product or service, a leader needs to employ all of marketing and sales methods available today, including Web 2.0 strategies. Some executives I explain this to are initially unconvinced, but when they finally "get it" they become change connoisseurs.

One needs to market change in five directions: (1) upward, to whomever must approve the strategy or initiative before you can launch it; (2) downwards, to all direct reports, and the organization at large responsible for execution; (3) backwards, to all internal and external suppliers to your team; (4) forwards, to your internal and external customers; and (5) diagonally, to anyone who is needed to help implement, or has the authority or influence to make your initiative succeed or fail.

Wright

What is the biggest pitfall a leader must be aware of in executing change?

Bandrowski

The biggest is over-confidence that everyone will love the new strategy. The antidote is to assume that everyone may resist—even initial supporters who contributed to the design of the change. In doing this, one must visit the dark side of constructive negativity to anticipate the resistance of each stakeholder group. Then one must develop a plan to entice stakeholders to explore the change and its benefits, and then move on to effective performance. This will enable a leader to chart a successful path through the six stages of a typically successful change: (1) realizing, (2) denying, (3) resisting, (4) exploring, (5) performing, and (6) soaring. When the tough work starts of implementing a new strategy, even the most enthusiastic people can go through the denial and resistance stages. The key is to get through them as quickly as possible.

When a leader thinks that a large-scale change will take off like a rocket with little or no resistance, he or she is on what I call the Change Fantasy Path. Insufficient preparation can doom the execution effort to disaster, and cost enormous resources and time to firefight the fallout. The longer term impact of a series of unsuccessful past change executions can result in an organization that avoids risk-taking, lacks confidence in management, distrust the value of change in general.

Wright

Would you share with us a high-level view of your Execution Excellence process?

Bandrowski

Sure! I advise leaders to execute in three phases: (1) Visioning and Planning, (2) Communicating and Implementing, and (3) Solidifying and Spreading. Each phase has three steps, for a total of nine steps as shown in the exhibit below.

The <u>first step</u> in phase one, Visioning and Planning, is to Create a Case for Change and a Compelling Vision. A leader must devote sufficient time to why the change is important, not just describe the change itself. As John Kotter said in his book, Leading Change, "By far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees."

Agents of change must first honor the past, praising it to enable a psychological transition. They must also be vigilant to stamp out complacency, because when there is little forward motion on a strategy, complacency is often the culprit. So the leader has to clearly state for all stakeholders "what's in it for them" (WIIFT), cycling between the dark and light sides of this question, covering both the benefits of the change and the consequences of not changing, to achieve breakthrough motivation.

Wright

How much should a leader stress benefits of a change versus the consequences of not changing?

Bandrowski

Important question. I teach leaders to employ an 80-20 rule for change communication. I have found in my research that the most effective change leaders communicate in proportions of eighty percent positive benefits and twenty percent negative consequences. A balance towards the positive is needed because you don't want to be perceived as a fear

monger. Otherwise your organization will be like a deer in headlights—frozen in place. Or your most valuable assets, people, could just leave.

However, you need to adjust the proportion of benefits to consequences for each situation. If things are in bad shape, a fifty-fifty percentage proportion may be necessary to really ram home the case for change. Or if the situation is dire, and your company is on the verge of collapse and running on fumes, a twenty/eighty percent mix of benefits may be your only recourse to shock the system into full-scale cooperative action—light the burning platform to make them jump. This is what turnaround executives often have to resort to.

Wright

What do you mean when you say "light the burning platform?"

Bandrowski

This metaphor came from the oil industry, but I hear it used throughout the Fortune 1000. What would it take for you to jump off an oil platform into the North Sea? A fall from that height would be like hitting concrete. For you to jump, the platform would have to be burning, right up to your backside. As one highly successful technology division president once explained to me, you must "portray" the status quo as more hazardous than lunging into the frightening future." Or, in the words of Henry Kissinger, "The absence of alternatives clears the mind tremendously."

Even the most profitable and growing companies need a bit of this spice in the motivation mix. For example, the goal at Microsoft when entering any new market or product space is "world domination."' It doesn't get any higher than that. Yet Bill Gates has often told his employees in his annual state of the company address, "We are two years from going out of business." Microsoft for years has maintained well over $30 billion in cash, so why such a dark side remark? In its industry, products are released and cannibalized every two years, and Microsoft has many competitors that would love to crack its market stronghold. It's not that Microsoft would be out of business if it didn't release a new version of software every two years, but it could lose its dominant lead and trigger the tipping point into a downward spiral. Bill Gates knows complacency kills corporations, and he won't allow it to happen to his.

Wright

I've learned over the years that you have to cater the case for change to each employee group. Do you agree, and if so, can you delve into that a bit?

Bandrowski

David, you are exactly right. A leader needs to apply market segmentation in employee messaging, marketing the change by dividing your potential customers (employees and partners in this case) into homogenous groups, and customizing the message to each department.

The marketing slogan is "What's in it for them" (WIIFT), not "What's in it for the company." While each stakeholder group needs to hear the specific benefits and consequences of the change to the overall company, customers, and other stakeholders, what's most important to them is "What's in if for Me" (WIFFM), the other marketing slogan .

Wright

Your first book, *Corporate Imagination—Plus*, describes in detail how to develop a breakthrough strategy. How do you go about defining a new culture?

Bandrowski

One method is to use the Six Sigma problem solving approach called the DMAIC, which stands for Define, Measure, Analyze, Improve, and Control. A very brief summary of the approach is as follows. Define the existing and ideal cultures from the perspective of the Voice of the Customer (VOC), that is, management, employees, customers, partners, and other stakeholders. Measure the gaps between the existing and ideal culture at levels granular enough to yield clear insights and conclusions. Analyze the gaps to determine their root causes. Improve the current culture by implementing new values, beliefs, and behaviors that will close the gaps. Control the improvement by tracking key variables such as customer, employee, and management satisfaction—again at a level granular enough to be revealing and so that continuous improvements can be made. The Net Promoter Score is useful and yields more insights than averages. I will discuss later a bit more on how to define a new culture in Step 3 of the *Execution Excellence* process.

Wright

How do you assure the vision and strategy are clear to everyone?

Bandrowski

This is crucial. I recommend a world class format for the plan, whether it is a new strategy for the company, culture change, marketing strategy, operations plan, major policy change, etc. State the case for change, mission, vision, strategic values, stretch goal, measurable objectives, major strategies, strategic action plans, and financial forecast. And your vision shouldn't be an idealistic, jargon-filled, single sentence. Instead, it should be an explicit picture of the expected future state showing what the strategy looks like when implemented. A great way to prepare a vivid vision is to write the script for a four-minute television documentary on your company three to five years in the future and describe in the present tense everything that is strategically different from today.

Too many strategic and change plans are vague, filled with business jargon, and unmeasurable. Because the CEO or change executive has been working on the plan so long, the vision can be and strategy can be so dazzlingly bright to them that he or she needs to wear sunglasses. But as the change message is disseminated down through the ranks, the vision, and message becomes cloudier and cloudier, with front line employees completely in the dark. An effective change message should be so clear that it makes the entire organization reach for their sunglasses because the vision is so bright and personally applicable to each individual!

Wright

Wouldn't you want to keep some change efforts under the radar, such as in the case of an industry changing product or process?

Bandrowski

Yes, this is always an option, but you should plan on eventually communicating your plan to everyone, and once you unveil it you will want to achieve big results, fast. I still remember coaching the CEO of one of the largest, most successful pharmaceutical companies in the world. Only the top management was privy to the company's strategy. I asked this CEO, "Do you explain your strategy to Wall Street analysts?" He said, "Of course." I remarked, "Then all of the analysts and probably all of your competitors understand your strategy, and the only people who don't are your company's employees. "Darn, Jim, you are right!" he responded. Within a few months, the executive suite of this huge company published two documents, one explaining the issues facing the pharmaceutical company and the company, and the second detailing the corporation's corporate plan. It was "sanitized," as the CEO called it, by leaving out the five percent of the strategies that were truly confidential.

Wright

What should leaders plan on initially focusing on?

Bandrowski

As I detail in the <u>second step</u> in Phase One, leaders should Prioritize their *Breakthrough Opportunity Areas (BOAs)*, aiming for fast and visible results right off the bat. They should allocate the bulk of their resources to projects and teams with the fastest and highest potential for results, which will be the most visible to the organization to build momentum and buy-in. Big ones would be great, but the key is getting some traction that everyone can see. This builds confidence in the strategy.

Wright

How do you avoid getting bogged down with detractors?

Bandrowski

It's imperative to focus resources, which are limited even in the biggest companies, and not spread them like butter on toast. First, focus on strategies and tactics that will generate quick, visible wins. Concentrate on those people and departments that are ready, willing, and able to run with the plan. Do this instead of trying to drag all the ones that are unready, unwilling and unable to the finish line, because you can go back and get them excited later. The individuals and teams that achieve success can become your ambassadors of change and spread the message virally, through word of mouth, eventually "infecting" the broader organization in a positive way.

It's important to also make sure that your clear plan and energized employee base aren't out of synch with your actual organizational culture and behavioral norms. All strategy executions come down to one thing: behavioral change. Employees need to understand specifically what to do differently. This is addressed in the <u>third step</u> in the Visioning and Planning phase, Design Your Change Organization and Culture.

Wright

How does a leader know their strategy is missing this critical element?

Bandrowski

While helping a client in another area, I remember hearing a vice president of sales using the Nike slogan and emphatically tell his sales reps, "Just do it!" One salesperson raised her hand and asked: "Do what?" The vice president was hard pressed to explain clearly the new culture he wanted besides "sell more."

Let me give you another example. A CEO was expressing that his new culture of "extraordinary service" wasn't taking off in his view. I asked him, "Exactly what do you want your employees to do differently in the new way versus the old way?" His response was telling. He said, "Jim I'm not exactly sure. Something like they do at Nordstrom. I'll know it when I see it." This is not good enough for execution excellence.

You need to be crystal clear about how you want people to behave differently in the new way, versus the old way. A leader has to "amp them up" by prioritizing them from both the light and dark sides: behaviors to start, on the light side, and behaviors to stop, on the dark side. This technique is a simple and powerful.

Wright

How do you isolate those critical breakthrough behaviors?

Bandrowski

Execution excellence requires a meeting of minds, a melding of hearts, and a moving of hands. Elizabeth Gibson and Andy Billings in their incisive book, Big Change at Best Buy: Working Through Hypergrowth to Sustained Excellence, cited the head, heart, and hands as the three arenas for change. The head encompasses directional challenges, rational analytic questions, and mind-set—why change? The heart addressed motivational or emotional needs—what's in it for me, am I capable? And finally the hands speak to the behavioral requirements and operational issues—what I do differently, how do I learn and who is going to teach me? Andy Billings is the Vice President of HR and Worldwide Organizational Development at Electronic Arts, where I've done considerable leadership training. EA is the largest computer game publisher in the world.

Wright

Why wouldn't you just focus on the behaviors to start?

Bandrowski

When I give a keynote speech or workshop when golf, tennis or skiing is on the agenda, I often ask I include how *Amplitude* can instantly improve ones sports performance—both from the physical and mental sides. I also include metaphors from the sport to apply to the organizations pressing issues or emerging opportunities. Included in all of this is asking the audience or seminar attendees what is harder in sports: learning a new motion, or not continuing to repeat an incorrect motion? For example, know someone who is trying to stop slicing in golf?

Wright

Stopping a bad habit is much harder than learning a new move or behavior.

Bandrowski

Exactly! Learning a new move is relatively easy, as long as you don't have to stop doing an old one to accomplish the new one. That's why companies like Proctor & Gamble and GE always try to promote from within rather than hiring from the outside in filling executive and manager positions. But even these highly successful organizations focus employees on both—what to do, and what to no longer do, when it is time to change strategy and drive the change deep into the organizational culture.

Be sure that the company's human resource and other systems are aligned with the new objectives, as they can undermine a new company's direction without you knowing it until much damage has been done. The compensation system, for example, can block the change. If sales reps are paid bonuses based on the top line, revenue, trying to increase gross margin will be difficult. So implementing new behaviors often requires selecting multi-level, multi-functional teams to modify fix core broken processes. Implementing a new strategy usually demands that one or more core processes be completely redesigned to deliver a dramatic increase in quality and cost reduction. This is where my *Breakthrough Lean Six Sigma (BLSS)* approach comes in. It aims at bringing bliss to customers, employees and stockholders.

Once everything we've discussed is in place you are ready to move on to Phase Two, Communicating and Implementing, and the fourth step in Execution Excellence: Communicating Your Vision and Strategy. You must grab your stakeholders by the tie or t-shirt from the very first moment with powerful, repetitive communication.

Wright

Who should communicate the change, and should you use spaced repetition, an important marketing approach.

Bandrowski

Studies have proven that employees at all levels of organizations want to hear about a new strategy or change from at least two people. The first is the top person in the division or overall company. The second is their immediate supervisor. People need to know that the change is fully supported from the top, as well as at the unit level.

The best way is for communication to cascade down, level by level, with each level customizing it for the one below. Customization is the critical component, remembering to include the benefits and consequences of the change, specifically as it relates to each department. Additionally I recommend that each leader translate the plan from the level above into a Strategic Action Plan for their unit. The people in the unit in turn translate the change implementation to their team, who presents it to their team, and so forth. The ultimate goal is for each person to hear the overall plan at least twice, and present it to their direct reports at least once. This way, everyone but the frontlines present it at least once. And you can even have them present it to one another, or explain it to their family. It's one thing to hear a plan; it's quite another to present it, field questions, and listen to suggestions for improvement. Face-to-face is always the best route to personalize the change.

Wright

What's the best way to communicate for maximum impact and create forward motion?

Bandrowski

Just as in marketing a product or service, a wide variety of communication media should be used. In addition to PowerPoint presentations, you can employ all of the standard marketing approaches: brochures, advertising, promotion, videos, signage, Web 2.0 strategies, social networking, etc. The bigger and more important the change, the more techniques you should use.

And don't forget to create a slogan for your change. Slogans without substance are valueless. But one that is unique, compelling, provable and memorable creates a powerful brand, whether it is an internal or external one. This is the branding model I use in my *Breakthrough Global Marketing Process*. With a client of mine, a winery with multiple brands, in 1992 we set a stretch goal of moving the scores it was receiving in the *Wine Spectator* from the mid-eighties out of 100 to achieving some 95 scores, which is considered world class. Our slogan became "95 in 95." This laser focus and a concentrated effort using my *Breakthrough Lean Six Sigma* process resulted in them achieving in 1995 a 96 score for their reserve merlot and a 93 for its late harvest Riesling—both national champion wines. Know the brands Columbia Crest and Chateau Ste. Michelle? The company experienced explosive growth and today is a major force in the industry.

Word of mouth marketing is powerful tool, and in internal marketing it can be amplified through symbolic acts. A former Wal-Mart manager told me years ago about a store visit that Sam Walton once made to his store. When he walked through his department he saw a cigarette butt on the floor and picked it up and disposed of it with employees watching. The former manager told me that he was worried that he would be reprimanded later, but in actuality he never heard a word. That example sent a powerful message, and employees felt that if the richest guy in America could pick up a cigarette butt, so could they, and it was their favorite story to tell other employees. Viral marketing is powerful, it's free, and it's NOW! The company grapevine is fiber optic. Hearsay is more powerful than "your-say."

Additionally it helps if a leader has a good sense of humor and can tell a good story in order to get their point across. Combining this with action is especially telling. When I was consulting at a number of Hewlett-Packard's divisions some years ago, I saw Lew Platt, then CEO, walk into their huge lunchroom and simply sit down at the next table and informally interview employees. I was told he does this repeatedly This symbolic act clearly and powerfully sends the message that "management wants to hear from you."

Additionally, choose the breakthrough behaviors carefully for focus and maximum impact. These behaviors have to be relentlessly modeled from top to bottom. Everyone must feel they are changing for the better.

Also, consider your employee demographics. Younger generation workers, often called "Nexters" or "Millenials" may require a different message and medium of delivery. They want to work for an organization and leader that has *Amplitude,* intensity in the pursuit of a higher purpose and common goal. Delivery methods beyond face-to-face can include intranet, videos, texting, internal blogging, and maybe even a company YouTube or "UsTube" as I call it. Short humorous messages and videos are the most effective.

Wright

How do you handle those that show resistance?

Bandrowski

This brings us to step five of Execution Excellence, Overcome the Barriers to Resistances. No matter how much planning and communication has gone into your plan, there will still be critics in the closet who could cause your change to cruise to a halt. A leader must overcome the barriers and resistances. This one step is the most underdone, and it holds the most potential for making change happen. Always assume that there will be "shots from the tree-line," as a CEO of one of my clients called it.

In fact, I advise something counterintuitive. Don't resist the resistances, welcome them! Create a forum for everyone to vent their resistances and express their concerns out in the open. Be sure to set the ground rule that the overall plan is not up for negotiation, but the details of implementation are. Upon hearing their resistances, don't fall into the trap of countering them yourself. It is crucial that those that are resisting propose their own solutions to their concerns. This creates buy-in.

Recognize that there are two basic types of resistance: overt and covert. The overt ones are relatively easy to handle because they freely share their objections. It's the silent ones that can be deadly. So you must draw them out.

Wright

How to you get covert resisters to speak up?

Bandrowski

David Brinkley said, "A successful man is one who can build a firm foundation with bricks that others throw at him." I developed a technique fifteen years ago and have used it hundreds of times with clients. It always generates excellent results. I call it "Double-Barreled Brainstorming." Challenge employees to shoot two different barrels at the plan: improvements (light side) and concerns (dark side)—both with "out-of-the-box" *Amplitude*. To set a positive, creative tone, first start by asking them for their ideal suggestions to improving the change, without consideration of cost and feasibility. Then have them float their wild ideas down to earth to come up with feasible versions of their strategies. This last step is crucial in the creative process, but often left out. Too often, wild ideas are judged in their infancy and then killed. Give them a chance to grow first, then evaluate them. This is a process I describe in detail in my book, *Discover Your Inner Strength*.

More important, unleash everyone's second barrel, to find out what they think won't work—the longer the list the better—twenty, thirty, or more things. Don't make the mistake of pointing out a solution to a concern at this point, or worse, brushing it off as unlikely or irrelevant. This will stop the flow of the negative brainstorming just as fast as criticizing and idea during a positive one aimed at solutions. In fact, as a symbolic act, the top leader of the change should prime the pump by listing one or more concerns *they* have on their own strategy. This demonstrates open-mindedness and a willingness to listen. And we all know how important that is.

After all of the dark side views have been expressed, take each issue on the list, one by one, and have everyone recommend solutions to them. Often the biggest resistors can become the most creative in generating solutions, and when their preventatives are incorporated into the plan, they can switch to become the biggest endorsers of the plan. And through their *Amplitude* they helped you prevent potential financial scar tissue in terms of what may have derailed the strategy. Let employees vent to prevent.

Always be sure to give positive feedback for their negative feedback, pointing to its value in strengthening the plan. Getting the negative out into the open early in the execution process can save costly derailments later on. Despite how many executives may feel, logical and even emotional questioning of their plan is not insubordination.

Wright

So now you have a plan with its flaws removed, when does implementation start?

Bandrowski

You need traction before you can get action. Having accomplished change alchemy—converting negative energy into positive energy—you are now ready to actually execute. Step six is Enable and Empower Flexible Action, is where employees start implementing in full. Measurable results motivate people, so again, start by focusing your strategies on those parts of the initiative that will achieve short-term wins that you selected back in Step Three. Making execution happen is hard work, and is especially vulnerable at the moment of initial action. And don't stop internal marketing. You need to keep the benefits, consequences, and strategy clear and forefront in everyone's mind.

Be sure to budget the needed resources for the strategies, including training to support the change! This is where a major disconnect can happen. Too often, strategic plans contain innovation and growth strategies, but the operating plans and annual budgets that are subsequently developed don't have any funding for them. So link them financially. With resources in place, give authority to the people who will need it to execute, and then let them run with it.

As you pick up speed you are entering Phase Three: Solidifying and Spreading Results. In step seven, Celebrate, Recognize and Reward Results, performance in the right direction needs to be reinforced. At this juncture, the effective change leader will adjust their 80-20 communication mix to 100% pure positive. *High Amplitude Leaders* that regularly achieve remarkable results lavish positive reinforcement on those that are living the new values and taking desired action. Initially, an effective change leader will start by applauding those people making even the smallest, incremental attempts at going in the right direction, even if results are not yet being achieved. They know that waiting for financial results to occur before giving positive reinforcement may assure that the results may never happen. People often find it difficult to change, even scary, and positive feedback keeps them re-trying. Gradually, great leaders shift their positive reinforcement to when measurable goals are achieved.

Positive reinforcement is the most underutilized force in business, and best of all it's free! Most managers, with the best of intentions, still don't use reinforced-based leadership well. There are just not enough "at-a-boys" and "at-a-girls" in the world.

Wright

What do most managers do incorrectly in this regard?

Bandrowski

The first is that they don't do it enough, or at all. The second is that most managers can't resist adding a little advice to our praise. A manager might compliment all the great things an employee is doing but add, "Just one thing…" The manager's intention is to give a little

bit of helpful coaching, but the employee feels that the praise was a warm-up for the real intent—criticism. In giving positive reinforcement, you must be pure positive. The time for a mix of compliments and corrective suggestions comes later in project review meetings, employee performance evaluations, etc., when a balanced approach is needed. Even these should be "sandwiched" with constructive criticism comprising the middle layer between two compliments.

An effective approach to pure positive reinforcement is what I call giving people "SIPs." Specific (and sincere), Immediate, and Personal feedback. By spending your time reinforcing new behaviors, ultimately you are aiming to entice the employee to deliver discretionary performance without close supervision, which is what truly makes change occur in a sustained manner, with maximum impact.

Wright

When do you start to introduce accountability?

Bandrowski

Once the personnel who are the key implementers are moving forward, at this point you want to start to slowly wean them off positive reinforcement for just attempting to make the necessary changes, and shift your attention towards expected results. You accomplish this by using a balanced scorecard, which measures both hard metrics (revenue, cost reduction, process improvement, customer satisfaction, etc.) and soft metrics (behaviors, morale, learning, etc.). Hold implementation review meetings routinely to assess and address any roadblocks, and openly recognize and celebrate all employees involved in measurable successes. Based on the question of "what's in it for them," hold formal celebrations, and let the employees take the lead in bragging about and congratulating one another. Align the compensation and reward systems to the change objectives, and ultimately reward those employees at all levels who make change happen with wage and salary increases, and promotion to higher levels.

Wright

What's left to do to solidify change within the organization?

Bandrowski

The last two critical steps in the Execution Excellence process take the momentum you have carefully built and spread it to the rest of the organization and solidify it in the corporate DNA. Step eight calls for leaders to Inspire Change Throughout Your Organization. At this point in the process you have initial wins which need to turn into big wins. You need a touchdown, and to put points on the board. John Kotter cautions leaders to be careful not to declare victory too soon, or risk stumbling into a "sinkhole on the road to meaningful change." The initial strategy needs to be refined and spread. Executives, managers and employees still resisting should be shifted out of the way or out of the organization. Deeply anchor the change to the point that the old ways cannot even be remembered. In doing so, the leader is on their way to creating a culture that craves change.

Wright

Can you talk about what it means to, as you say, create a culture that craves change?

Bandrowski

This is <u>step nine</u> in the Execution Excellence process: Create a Culture of Continuous Change. Leaders need to fundamentally understand that merely adapting to change in their industries will not lead to breakthrough results. Remarkable leaders and companies create it. Change and innovation must be second nature to them, and become so to everyone in the organization.

Go down a list of leading companies and you will see that they are continuously changing. Even Wal-Mart and Costco for example, which do one thing really well, are constantly making incremental operational improvements, thereby achieving better and better results. The most innovative organizations in the world such as Apple, Google, Intel, Amazon, GE, HP, Facebook, IBM, Disney, and Nike all operate with huge *Amplitude*. People working in them want productive change; it's what gets them into the office, store or factory in the morning.

Wright

To create this culture of continuous change, what kinds of supporting structures and behaviors need to be in place?

Bandrowski

Chiefly, an organization needs to have mechanisms to be self-reflexive and continually diagnose its strengths and weaknesses—light side and dark side—with huge *Amplitude*. One way are quarterly Execution Excellence review meetings, with a comprehensive diagnostic and solution seeking process. This can serve as a catalyst to enable leadership to pinpoint mission-critical performance issues and new areas of opportunity. Have all implementers employ my Plus-Delta-Improvement (PDI) technique, brainstorming what is working (pluses), what perhaps needs to change (deltas), and the ways to fix them (improvements).

Ultimately, exceptional leaders develop a case for continuous change for the organization, and relentlessly market it to achieve an organizational culture where every employee acts as a change agent. This creates the kind of exemplary execution that excites everyone, and fulfills the dreams of all employees. It is the mother of momentum, and it's attainable.

Wright

Thanks Jim! I am going to begin employing *Wave Thinking* with big *Amplitude* and utilizing your *Execution Excellence* process.

Bandrowski

David, may breakthrough be with you.

About Jim Bandrowski

Jim Bandrowski is a global speaker, trainer and consultant who helps organizations achieve remarkable results. President of Strategic Action Associates in Danville, CA, he is author of *Corporate Imagination--Plus: Five Steps to Translating Innovative Strategies into Action* (published by The Free Press division of Simon & Schuster). It was the first book on how to put creativity and innovation into strategic planning and execution. *Entrepreneur* magazine said: "This book is for those wanting new momentum in their industries." *Industry Week* magazine stated: "James Bandrowski's system emphasizes action that helps companies beat their competition."

Jim's most requested keynote speeches and training programs are *Breakthrough Leadership, Strategic Innovation, Global Marketing, Strategic Cost Reduction, Breakthrough Lean Six Sigma, and Execution Excellence.* His firm's clients include GE, Disney, Merck, AT&T, Hewlett-Packard, Boeing, Kodak, TRW, Electronic Arts, Chevron, Exxon, Saudi Aramco, Abu Dhabi Ports Department, McKesson Corporation, Safeway, Century 21, C. Itohshu, Mazda, Andersen Windows, American President Lines, Kaiser Permanente, United Health Care, HealthNet, U.S. Navy; Chateau St. Michelle, Columbia Crest, and Cakebread wineries, and a wide variety small to medium sized organizations, state agencies, cities, and non-profit organizations.

A Lean Six Sigma Master Black Belt, Jim has an MBA from NYU, an MS in management science/industrial engineering from New Jersey Institute of Technology, and a BE in chemical engineering from Villanova University. He has been a guest lecturer at Stanford University's Graduate School of Business, and regularly delivers executive education courses at a variety of university graduate business schools.

Jim would love to receive your candid feedback on his *Execution Excellence* process and his *Wave Leadership* model. Email him at JimBandrowski@StrategicAction or visit StrategicAction.com.

Jim Bandrowski

Strategic Action Associates

696 San Ramon Valley Blvd., Suite 367

Danville, CA 94526

Phone: (925) 820-8838

JimBandrowski@StrategicAction.com

www.StrategicAction.com

STRATEGIC ACTION
ASSOCIATES