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Build a change platform, not a change program

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It's not you, it's your company. Management Innovation eXchange founders Gary Hamel and Michele Zanini believe that continuous improvement requires the creation of change platforms, rather than change programs ordained and implemented from the top.

Transformational-change initiatives have a dismal track record. In 1996, Harvard Business School professor John Kotter claimed that nearly 70 percent of large-scale change programs didn't meet their goals,¹ and virtually every survey since has shown similar results. Why is change so confounding? We don't think the issue lies with an understanding of its building blocks—Kotter's classic eight-step change-management model is still a helpful guide. The problem lies in beliefs about who is responsible for launching change and how change is implemented.

The reality is that today's organizations were simply never designed to change proactively and deeply—they were built for discipline and efficiency, enforced through hierarchy and routinization. As a result, there's a mismatch between the pace of change in the external environment and the fastest possible pace of change at most organizations. If it were otherwise, we wouldn't see so many incumbents struggling to intercept the future.

In most organizations, change is regarded as an episodic interruption of the status quo, something initiated and managed from the top. The power to initiate strategic change is concentrated there, and every change program must be endorsed, scripted, and piloted before launch.

Transformational change,² when it does happen, is typically belated and convulsive—and often commences only after a "regime change." What's needed is a real-time, socially constructed approach to change, so that the leader's job isn't to design a change program but to build a *change platform*—one that allows anyone to initiate change, recruit confederates, suggest solutions, and launch experiments.

¹ See John Kotter, *Leading Change*, Boston, MA: Harvard Business School Press, 1996.

² By transformational change we refer to efforts whose outcome and approach is more uncertain than, say, an enterprise-resource-planning implementation (for instance, developing a new business, strategy, or organizational model).

The problem with change management

Three intertwined assumptions limit the efficacy of the traditional model of change:

Change starts at the top. This mind-set implies that executives have the sole right to initiate deep change and are best placed to judge when it is necessary. Truth is, executives are often the last to know. They are insulated from reality by layers of managers who are often reluctant to sound an alarm. By the time an issue is big enough and unavoidable enough to attract the scarce attention of the CEO, the organization is already playing defense. That's why most change programs are, in fact, catch-up programs. Moreover, risk-averse executives are seldom willing to launch a company-wide change program that ventures beyond the safe precincts of best practice. *The result: change programs that are too little, too late.*

Change is rolled out. When change is imposed from above, with both ends and means prescribed, it's rarely embraced. Traditional change programs fail to harness the discretionary creativity and energy of employees and often generate cynicism and resistance. Senior executives talk about the need to get buy-in, but genuine buy-in is the product of involvement, not slick packaging and communication. To be embraced, a change effort must be socially constructed in a process that gives everyone the right to set priorities, diagnose barriers, and generate options. Despite assertions to the contrary, people aren't against change—they are against royal edicts. *The alternative: change that's rolled up, not rolled out.*

Change is engineered. The phrase “change management” implies that deep change can be managed, like a large-scale construction project or an IT overhaul. But if change is truly transformational—if it breaks new ground—it can't be predetermined. Think for a moment about how our lives have been changed by the social web—Facebook, Pinterest, Snapchat, Twitter, and all the rest. No single individual or entity invented the social web. It emerged, in all its weird and wonderful variety, because the Internet is a powerful platform for making connections and because thousands of entrepreneurs were free to develop new business models to harness that power. When change programs are engineered, the solution space is limited by what people at the top can imagine. A change platform, by contrast, gives everyone the right to suggest strategic alternatives. *The advantage: options that are diverse, radical, and nuanced.*

Reimagining the model for change

Management literature is rich with case studies of bottom-up, spontaneous change and of product and business innovation sparked by the efforts of frontline activists.³ Inspiring as such stories are, however, few of these efforts effect systemic change across an entire organization. Internal activism and small wins don't easily scale. Neither do they address the core management systems, processes, and cultural norms that dictate how large organizations run.

³Examples include Teresa Amabile and Steven Kramer, *The Progress Principle*, Boston, MA: Harvard Business Review Press, 2011; Michael Beer, Russell A. Eisenstat, and Bert Spector, “Why Change Programs Don't Produce Change,” *Harvard Business Review*, November-December 1990; Gary Hamel, *Leading the Revolution*, Boston, MA: Harvard Business Review Press, 2000; and Debra Meyerson, *Tempered Radicals*, Boston, MA: Harvard Business School Press, 2001.

The challenge is to tackle deep change for tough systemic issues in a way that avoids the pitfalls of traditional change programs. Put another way: how do you create platforms for sustained company-wide conversations that can amplify weak signals and support the complex problem solving needed to address core management challenges?

We believe that three shifts in approach are necessary:

From top-down to activist-out. Transformational change conventionally starts at the top because companies haven't enabled it to start anywhere else. To make deep change proactive and pervasive, the responsibility for initiating change needs to be syndicated across the organization. For instance, it was a small group of trainee clinicians, young leaders, and improvement facilitators in Britain's National Health Service who developed and ran NHS Change Day 2013—the biggest improvement effort in the history of the NHS. Internal activists, multiplying their impact through social media, spawned a grassroots movement of 189,000 people who pledged to take concrete action to improve healthcare outcomes. When Change Day was repeated this year, the number of pledges exceeded 800,000. Change Day has enabled everyone to be a change leader and improved the care of patients.

From sold to invited. Transformational change cannot be sustained without genuine commitment on the part of those who will be most affected. This commitment is best achieved by bidding out the change program's "how" to everyone in the organization. Consider the approach that fast-growing medical-device company Nuvasive took to reengineer its supply chain. Instead of appointing a task force of senior leaders, the CEO invited the entire company to "hack" the customer-fulfillment process. Associates from around the organization, supported by a small coordination team and volunteer coaches, eagerly contributed to a process that generated a common view of the problem (from the front line up), a set of shared aspirations for world-class performance, and a portfolio of new initiatives to achieve it.

From managed to organic. Psychologist Kurt Lewin's seminal "unfreeze-change-freeze" model still guides how most leaders think about change. But in a world that's relentlessly evolving, anything that is frozen soon becomes irrelevant. What we need instead is constant experimentation—with new operating models, business models, and management models. Not freeze and refreeze, but "permanent slush." This approach means placing less emphasis on building a powerful project-management office and more on building self-organizing communities that identify, experiment, and eventually scale new initiatives. At Cemex, the global cement and building-materials company with revenue of \$15 billion in 2013, self-defined communities generate and implement thousands of change initiatives each year. For example, the ReadyMix Network, which brings together specialists from more than 50 countries, was instrumental in developing the company's first global brands and related value-added services, which now account for a third of Cemex's total revenue. The lesson? Change comes naturally when individuals have a platform that allows them to identify shared interests and to brainstorm solutions.

Change platforms take advantage of social technologies that make large-scale collaboration easy and effective. But they are qualitatively different from the idea wikis and social networks commonly used today. The difference isn't primarily about specific features; rather, it's in the encouragement individuals are given to use the platform to drive deep change. Specifically, effective change platforms:

- encourage individuals to tackle significant organizational challenges; that is, those that are typically considered beyond an employee's "pay grade" or sphere of influence
- foster honest and forthright discussion of root causes and, in the process, develop a shared view of the thorniest barriers
- elicit dozens (if not hundreds) of potential solutions rather than seeking to coalesce prematurely around a single approach; the goal is first to diverge, then to converge
- focus on generating a portfolio of experiments that can be conducted locally to help prove or disprove the components of a more general solution, as opposed to developing a single grand design
- encourage individuals to take personal responsibility for initiating the change they want to see and give them the resources and tools necessary to spur their thinking and imaginations



Guiding a process of socially constructed change is neither quick nor easy—but it is possible and effective. The biggest obstacles to creating robust change platforms aren't technical. The challenge lies in shifting the role of the executive from change agent in chief to change enabler in chief. This means devoting leadership attention to the creation of an environment where deep, proactive change can happen anywhere—and at any time—and inspiring the entire organization to swarm the most pressing issues. □

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Change leaders from the NHS, Cemex, and several other organizations will discuss the challenge of "changing how we change," at the 2014 MIX Mashup, in New York, from November 18 to November 20. To learn more, visit mixmashup.org.