Gagen MacDonald

The *Three Things* that Change Everything™

A simple solution to a complex problem

Committed Leaders

Compelling Story

Intentional Roadmap

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Maril MacDonald is the founder and CEO of Gagen MacDonald. Maril is a nationally recognized leader in strategy execution and has pioneered a discipline that collaborates with corporate leaders to optimize business performance by engaging and mobilizing stakeholders behind a company's strategic goals, its culture and its brand. Her clients include some of the most recognized brands in the world.

Gagen MacDonald

Fellow *Change Makers,*

We are fortunate to be living through a remarkable period in history. Every day, in new and profound ways, we see not only the power companies possess to transform the world, but the power the world possesses to transform companies. Navigating this tension between opportunity and disruption is what makes this such a thrilling—and occasionally daunting—era.

In the first half of the pages that follow, you will see an exploration of how broad, fundamental changes in technology and individual behavior are mandating new structures, leadership philosophies, and modes of collaboration and innovation for our companies, and the risks we face if we fail to adapt.

In the second half, you'll see our perspective on what we believe is a simple solution to a complex problem: The Three Things that Change Everything™. Whatever the status of your company today —whether you've been long on the rise or just getting back on your feet—in our experience, if you have a compelling story, committed leaders and an intentional roadmap working in harmony, you can accelerate your transformation. We hope this helps you greatly in carving your path.

Sincerely,

Maril Gagen MacDonald

Founder & CEO, Gagen MacDonald
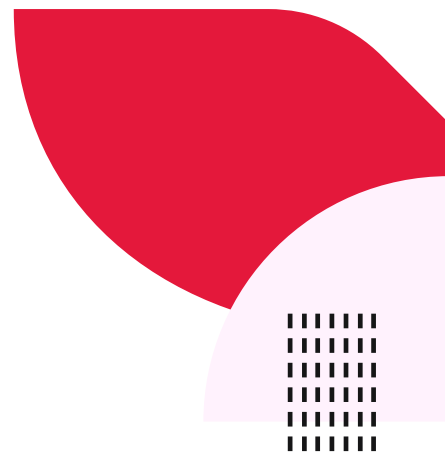
Great companies are *forever transforming*

In 1800, E.I. du Pont arrived in the United States from France with a wealth of knowledge about how to assemble and manufacture black gunpowder, and brimming with confidence that in his new homeland he could produce America's best product. Two years later, he started E. I. du Pont de Nemours and Company (today known as DuPont) to do just that. Nearly 220 years and tens of thousands of patents later, thanks to open minds, willingness to change, and a commitment to innovation, from Kevlar vests to Isotherming® hydroprocessing technology, that same company (now DowDuPont) is changing how the world feeds and powers itself each day.

Great companies thrive over time because they are forever transforming.

IBM started selling punch cards in the 1880s.

Today, their 380,000 employees focus on using cognitive computing and analytics to build a "Smarter Planet."

Apple started by making PCs in the 1970s.

Today, they've sold more than a billion cell phones and run the world's largest music store.

Transformation is no longer a *project*

While transformation has always been an essential part of business, it has taken on new meaning and occupies a new place in today's environment.

For decades, transformations were viewed as discrete initiatives, such as personnel reorganizations or business model updates drawn up by small groups of executives with a clear goal. They existed in well-defined phases, supported by tightly controlled budgets, marked by obvious milestones, governed by a clear owner and decision-rights, resourced by employees with narrow roles and responsibilities and retired once success could be claimed. Transformations were viewed as strenuous and stressful—hard work, for sure—but temporary.

They ended. Eventually, things went "back to normal" and the people involved would go on to bigger and better things and assume higher rungs of leadership.

This is what we would call, "transformation as a project". As we continue to advance through the Fourth Industrial Revolution at warp speed, this mode of transformation will no longer suffice.

"When you're finished *changing*, you're finished."
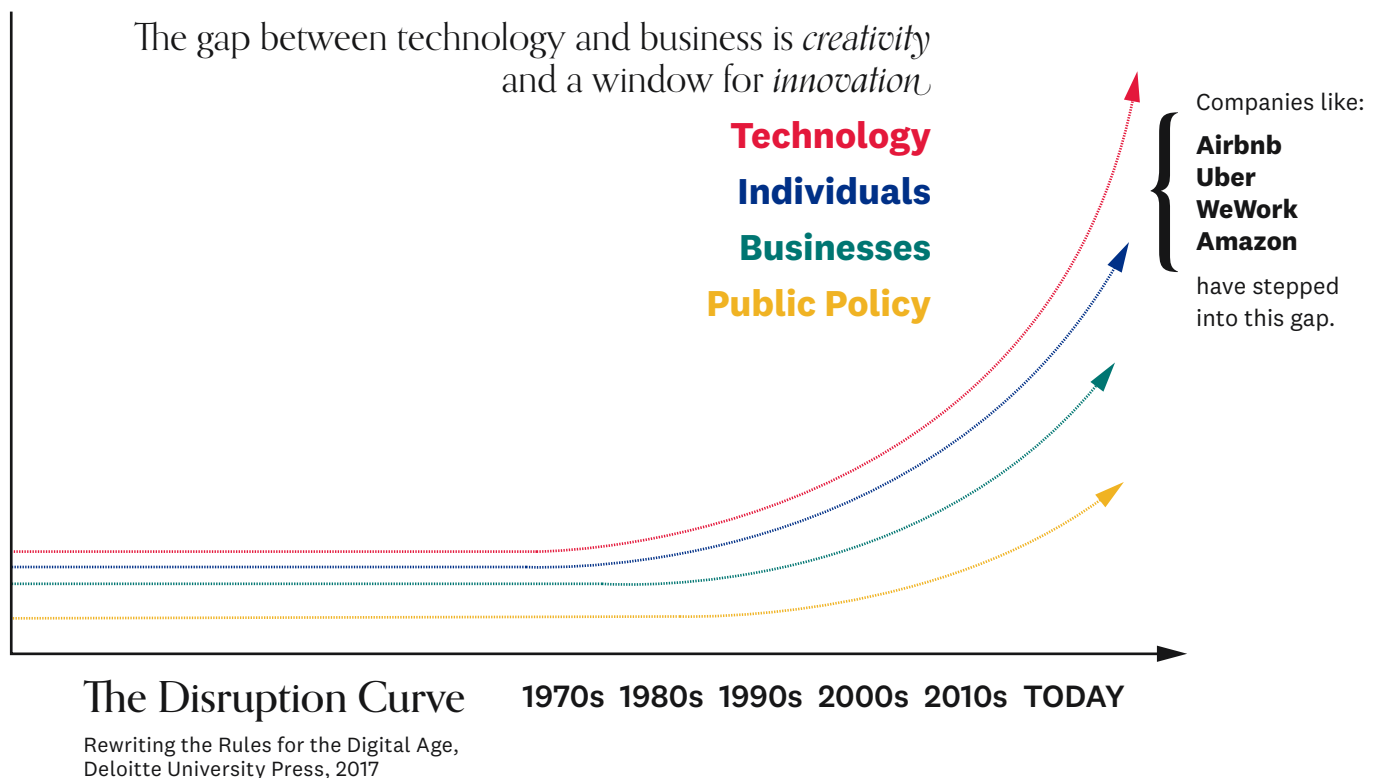
- Benjamin Franklin

DISHARMONY = DISRUPTION

Last year, Deloitte University Press published a paper entitled "Rewriting the Rules for the Digital Age", which included the below chart.

This captures an important concept. From the beginnings of the Industrial Revolution until as recently as the 1980s, technology, individual behavior, businesses and public policy evolved at approximately the same rates. While technological advancement—from the printing press to cloud computing—has always served as the primary catalyst for change, until the confluence of digitalization, globalization and massive demographic shifts took hold three decades ago, society evolved in relative harmony. Today, that harmony has been fundamentally disrupted.

As interconnected physical systems increasingly dominate commerce, manufacturing and consumer behavior, we see a widening gap between the speed of technological advancement and the varying rates by which individuals, businesses and public policy are adapting. These accelerating gaps are not only sowing obvious discord and tension (such as the collapse of trust in major institutions, the phenomenon of "fake news" and fears of job displacement from automation) but they also have created opportunities for dynamic, innovative new organizations to step into the void. In fact, in this era of the Fourth Industrial Revolution,

The gap between technology and business is *creativity* and a window for *innovation*

Technology
Individuals
Businesses
Public Policy

Companies like:

Airbnb
Uber
WeWork
Amazon

have stepped into this gap.

The Disruption Curve   1970s 1980s 1990s 2000s 2010s TODAY

Rewriting the Rules for the Digital Age, Deloitte University Press, 2017

the scarcest resource is not capital but talent: the ability to attract and retain people capable of generating new ideas and driving innovation. Over the last decade, startup companies with just a few thousand employees and an algorithm have turned long-stable industries on their heads. As many have pointed out, today, **the world's largest hospitality company owns no property, the world's largest taxi company owns no vehicles, and the world's largest media company produces no content.**

We're seeing the life-and-death consequences of this wave of disruption across the economy. In the 1930s, the average S&P 500 company had an expected lifespan of 90 years. Today, that number has been reduced by 80 percent to just 18-year expected lifespans. According to Innosight, every two weeks, an S&P 500 company falls off its list. In this environment companies must perpetually transform in order to defy the odds.

And transforming, they are.

In the 1930s, a S&P 500 company had an average lifespan of more than 90 years. Today, it has an average lifespan of 18. Every 2 weeks, one of these companies disappears.

Innosight Corporate Longevity Forecast

TRANSFORMATION IS THE NEW NORMAL

In 2016, KPMG surveyed more than 1,600 senior executives in 16 countries regarding how transformation efforts are impacting corporate strategies and business management. Their findings are astonishing on two fronts.

First, of those 1,600 executives, 96% reported that their organizations are either currently executing or are in the process of planning a business transformation. While that topline number is startling, it is not wholly surprising, as we see evidence of the volume of business transformations that are occurring every day (for instance, IBM no longer sells computers, GE no longer sells appliances, and Whole Foods has Amazon storage lockers to serve as a distribution hub).

In a world where businesses are chasing technologies that are evolving at an exponential rate of change, with disruptors like Netflix,

Airbnb, WeWork and Uber, transformation is the new normal. The companies who will write the future are ones who view transformation not as a solution but as an ethos.

Unfortunately, today, these transformations are mostly shots in the dark. Of those executives who reported that they are currently planning or implementing a business transformation, only 47% said they can realize sustainable value from those efforts. Nearly everyone is pumping time, money and energy into business transformation, but half those people don't even think their transformation will work. We're betting the future of our companies on a coin flip.

Source: Succeeding in Disruptive Times, KPMG, 2016

90%
of organizations surveyed by MIT and Deloitte anticipate their businesses are being disrupted by digital business needs.

30%
believe they currently have the right leadership or skills to execute.

THE GRAVEYARD OF TRANSFORMATIONS

In 2000, the dean of Harvard Business School, Nitin Noharia, and Harvard Business School professor Michael Beer published an article entitled "Cracking the Code of Change", in which they lament the poor success rate of strategic initiatives, such as business transformations. Nearly 20 years later, despite reams of books, articles and conference presentations dedicated to the subject, the graveyard of failed transformations continues to grow each day, and our success rate remains unchanged. We are more aware of the problem, but not getting significantly—or at least broadly—better at solving it. Why? Because transformation is a human struggle that we continue to address in predictable, process-driven and mechanical ways.

To fuel perpetual reinvention, companies must go from managing transformations as projects to unleashing them as movements. This requires rethinking everything.
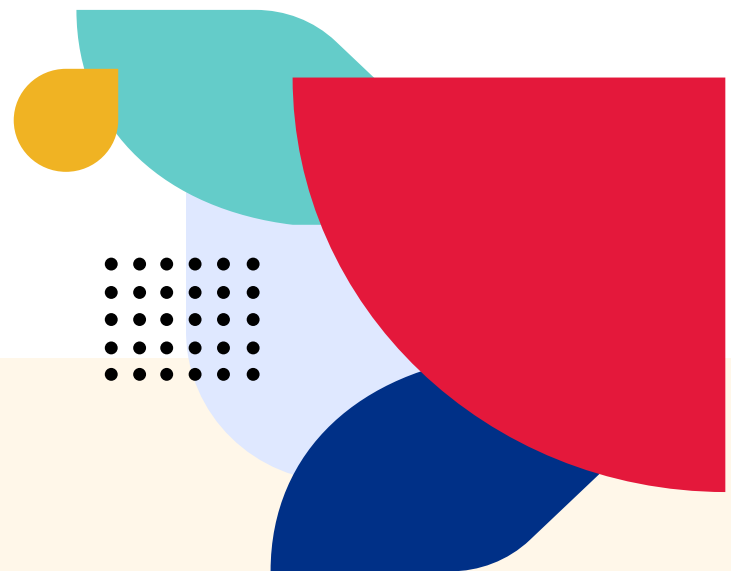
"In a chronically leaking boat, energy devoted to *changing vessels* is more productive than energy devoted to patching leaks."

– Warren Buffett
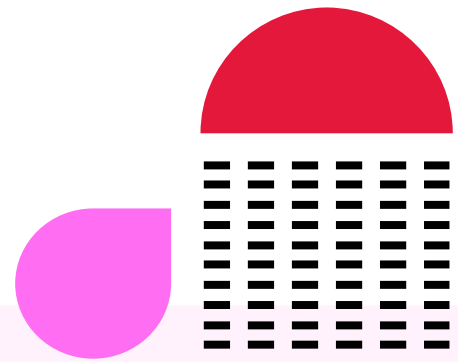
CHANGE AND TRANSFORMATION

In June, 2018, Gagen MacDonald sponsored The Conference Board's annual conference on "Change & Transformation". We surveyed participants— who ranged from manager to executive level and who work in areas such as change management, organizational development, talent management, digital transformation and communications— and asked two questions: In your work driving business transformation, what describes your most common frustrations? And, what is the biggest challenge you anticipate in driving business transformation over the next five years?

Today our respondents are primarily frustrated by "navigating change fatigue", and looking out five years, their greatest concern is "employees becoming disengaged and exhausted." In fact, change fatigue and exhaustion outranked staples such as culture, systems and processes as primary areas of worry.
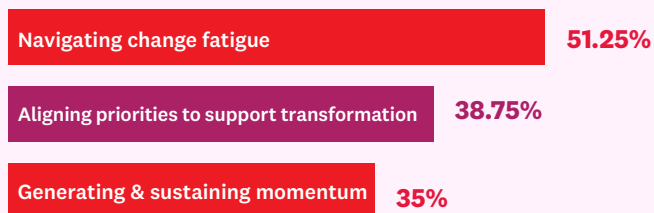
This speaks to a paradox we are all confronting: No matter what changes we make to speed up, if our organizations are already exhausted, how do we generate the energy necessary to transform and reverse what Gallup recently estimate as the $7 trillion dollars lost each year to global employee disengagement?*

To do this, we must adopt the lessons and principles of successful social movements and realign our organizations to operate as ecosystems rather than machines, embrace the concept of new power, and shift our view of leadership from hero to host.
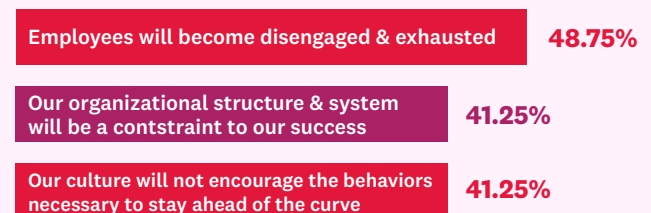
Source: *Gallup Stage of Global Workplace

In your work driving business transformation, what describes your *most common frustrations?*

Navigating change fatigue	51.25%
Aligning priorities to support transformation	38.75%
Generating & sustaining momentum	35%

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The *biggest challenge* I anticipate in driving business transformation over the next five years

Employees will become disengaged & exhausted	48.75%
Our organizational structure & system will be a contstraint to our success	41.25%
Our culture will not encourage the behaviors necessary to stay ahead of the curve	41.25%

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Principle 1

COMPANIES
- Hierarchical
- Structured in silo
- Command and control

WORLD
- An ecosystem
- Structured in networks
- Peer-to-peer

Our Companies vs. *Our World*

Companies today are primarily designed according to structures originally developed and implemented 100 years ago. A CEO leads an executive team comprised of heads of business units and functions. The executive team oversees hierarchical rungs of subsequent upper and middle management, who relay direction, set goals and manage the performance of thousands (and sometimes hundreds of thousands) of employees around the globe. In an industrial era in which many humans professionally functioned as parts of orderly machines, this mode of operation worked effectively.

Yet, in today's world of digital disruption, companies no longer can survive on these kinds of predictable, hierarchical or rigid structures. They do not reflect how we process information, organize our communities or conduct our daily lives.

The world is moving from ladders to networks or ecosystems.

The kind of work that fuels transformation exists in the white space between silos. New market entrants are not bound to conventional organization and often win by taking advantage of customer insights to develop a novel pattern of response, surprising incumbents. As a result larger companies must let go of what is known and familiar, challenge old logic, release the need for "ownership" and forge connections across enterprises that truly maximize the talent and expertise of their people.

Principle 2

OLD POWER
- Held by a few
- Closely guarded
- Finite
- Inaccessible

NEW POWER
- Open
- Participatory
- Peer-driven
- Dynamic
- Infinite

Old Power To *New Power*

Like our structures, the nature in which power resides (and is exercised) within our corporations is misaligned with how power resides (and is exercised) in the outer world. In a December 2014 Harvard Business Review article, Jeremy Heimans and Henry Timms describe this misalignment as the difference between "old power" and "new power".

Old power works like a currency. It is held by few, and once it is gained, it is closely guarded and inaccessible.

We see signs of old power in our companies everywhere, every day. Closed doors. Secret committees. Unwritten rules. While for many executives, this type of currency-based power is seen not only as the byproduct of years of good work, but a way to maintain control (if only an illusion of control), ultimately it only feeds our companies' inability to successfully transform.

New power operates differently. **New power operates like a current. It is open, participatory, peer-driven and dynamic.** Like water or electricity, when it surges, it is unfathomably powerful (we see new power movements such as #MeToo that can change the world in a matter of weeks), but it cannot be hoarded or controlled.

Again, this requires the courage to let go, not only of power as an extension or expression of personal ego, but as a means of control. While new power is massive, it is unpredictable. As young leaders, we are schooled in risk management. This has taken on a new meaning, as now we see that exercising too much control poses greater risk than exercising too little.

To create currents of power in our companies, we must shift our entire leadership paradigm.

Source: Understanding "New Power" Jeremy Heimans and Henry Timms Harvard Business Review, 2014

Principle 3

LEADER AS HERO
- Leader provides answers
- Leader charts the path
- Leader supervises execution
- Leader gets glory

LEADER AS HOST
- Leader asks right questions
- Leader assembles the team
- Leader clears barriers
- Team succeeds together

From Leader as Hero to *Leader as Host*

To fuel perpetual transformation, **we need to completely shift how we train, groom and reward leaders.** As author and co-founder of the Berkana Institute, Margaret Wheatley has articulated, **we need to inspire our leaders to go from heroes to hosts.** This requires a major mindset shift, not only for the leaders, but for the rest of their organizations too.

It's no wonder that this is a struggle. When we see leaders depicted in movies or on TV, we typically see them hatching the plan, leading the charge or possessing some special knowledge to save the day.

While the archetype of the leader who shoulders the burden, puts the team on their back and carries everyone to victory is powerful, in reality, this style of command is dispiriting, disengaging and disempowering. While many are well-intentioned in adopting heroic leadership,

what results are counterproductive behaviors in which information is horded, creativity is stifled and inertia takes grip. Rather than raising good ideas or bubbling up insights, smart, talented, passionate employees get stuck on their heels, waiting for their leader to unveil their mastermind plan. Unfortunately, what emerges is often less "strategy" than a prayer.

Leaders who serve as hosts have to possess the courage to come forward with invitations and not all the answers. They need to distribute power through their networks, utilize their elevated vantage point to connect like-minded communities of people, and facilitate dialogue to identify root problems and synthesize insights. When leaders view their job through the lens of connecting and inspiring people, they manage the process in a new way that unleashes collective capability.

Source: berkana.org

Principle 4

PROJECTS
- Tightly controlled
- Driven by small groups
- Clear owners
- Deadline driven

MOVEMENT
- Fluid
- Driven by conditions
- Distributed ownership
- Outcome driven

Transformation as a Project
vs. a *Social Movement*

While social movements may seem to sprout up unpredictably, thanks to academic research, we know a lot about the elements they share in common. This is a topic Harvard Business Review has explored frequently in recent years.

In particular, author Greg Satell has published a series of articles for HBR that attempt to share insights from successful social movements with executives trying to transform their organizations. In one entry from 2016 entitled "What Successful Movements Have in Common", Satell identifies the following five key attributes as being common markers of effectiveness.

Social movements....

01 Have a clear purpose and are anchored in achieving a specific outcome (i.e., passage of a particular piece of legislation)

02 Establish a common understanding of reality in which aligned people may at times disagree on courses of action but operate from the same basic sets of facts regarding their current situation

03 Build momentum through small networks of people who may otherwise have varied interests and agendas

04 Find common ground with opponents

05 Influence through face-to-face engagement rather than simply through means of mass distribution

These are all principles that nearly every company could leverage more effectively. For instance, today, many purpose statements are beautifully written but lack the specificity necessary to focus or truly trigger imaginations. Similarly, for fear of causing panic, leaders are often shy in sharing facts with employees to drive home a clear picture of current reality, while in fact that sense of mutual understanding is often the basis for collaboration and innovation. Similarly, if we manage our organizations as a set of distinct employee populations and suppress disagreements, we eliminate our ability to allow movements to connect and catalyze.

We need to open the space necessary to allow all forms of energy and tension to surface, which is often best accomplished in the context of face-to-face dialogue.

Source: "What Successful Social Movements Have in Common", Greg Satell, HBR, 2016

The *Three Things* That Change Everything™

01 A COMPELLING STORY

02 COMMITTED LEADERS

03 AN INTENTIONAL ROADMAP

If you have...

A Compelling Story	+	Committed Leaders	+	An Intentional Roadmap	=	Result
✓		✓		✗		
✓		✗		✓		
✗		✓		✓		
✓		✓		✓		

Chaos

A compelling story and committed leaders without an intentional roadmap will create an environment charged with inspiration and primed for innovation but prone to misalignment, conflicting efforts, and ultimately burnout.

Failure to Launch

A compelling story adn an intentional roadmap without committed leaders will result in a well intended plan that lives in a binder. Leaders are the place where the rubber meets the road in driving organizational change, and without their commitment and activation, status quo will reign.

Inertia

Committed leaders with an intentional roadmap can highly manage a happy, efficient organization, but without a compelling story that address the why and the how, the company will struggle to innovate and bringvalue to its marketplace over a long-term period of time.

Acceleration

When these three things exist together and operate in harmony, a large organization can fuel a social movement capable of perpetual transformation.

HOW CAN PEOPLE PUT THESE PRINCIPLES INTO ACTION?

Bridging the gap from "transformation as project" to "transformation as movement" is difficult, and concepts like hierarchy vs. ecosystem, old power vs. new power, and hero vs. host are not easy to plan against in an offsite meeting.

So, practically speaking, how can people who are struggling to defeat change fatigue and charged with driving effective, sustainable business transformation put these principles into action?

No matter where you are in your journey today, if you are looking to go from defense to offense, from your heels to your toes, and to rally large, complex groups of people around a common effort, there are Three Things that Change Everything™: A compelling story, committed leaders and an intentional roadmap.

If you can successfully align and pull these three levers, you will propel your company from feeling thwarted by hierarchy, stifled by old power, and personally and collectively exhausted by a sense of relentless churn, to unleashing potential beyond quantification.

Create A *Compelling Story*

Storytelling is a hot topic these days, and for good reason.

In 2014, Paul Zak, the founding director of the Center for Neuroeconomics Studies and a professor of economics, psychology and management at Claremont Graduate University, published an article in Harvard Business Review entitled "Why Your Brain Loves Good Storytelling", which summarizes his many years of research regarding the connection between storytelling and human behavior.

What Professor Zak (and many others) notes is that stories don't exist as mere entertainment, but have a unique capability to chemically shape our feelings, beliefs and actions. In particular, Professor Zak has studied oxytocin, which is the neurochemical known to inspire cooperation by building empathy. According to his research, when shown character-driven stories, his test subjects showed not only higher levels of oxytocin, but subsequently were more willing to engage in active forms of "cooperation", such as donating money to charities associated with the narrative they watched.

Given this deep, intrinsic connection, it's no wonder companies are trying to harness storytelling's power to motivate and drive change internally.

However, despite the effort and attention large companies are devoting to this pursuit, too often their end product is not a compelling story but rather a list of key messages that fail to grip the imagination, tap into both emotional and rational levers and ultimately inspire new behaviors.

When storytelling fails, it's often because it's too focused on conveying a message—what "we" want "them" to know—and not focused enough on tapping into purpose and meaning, cultivating empathy and presenting emotional stakes.

Source: Why Your Brain Loves Good Storytelling, Paul Zak, Harvard Business Review, 2014

01

01

CREATE A COMPELLING STORY

In Professor Zak's research, he consistently found that the most effective stories not only focus on "transcendent purpose" (why we exist) vs. "transactional purpose" (what we sell), but also build "tension". As he writes:

"We discovered that, in order to motivate a desire to help others, a story must first sustain attention—a scarce resource in the brain—by developing tension during the narrative. If the story is able to create that tension then it is likely that attentive viewers/listeners will come to share the emotions of the characters in it, and after it ends, likely to continue mimicking the feelings and behaviors of those characters."

When people are operating in this empathetic state, feeling aligned to and driven by a larger purpose, and see meaning in their work, they are not only more engaged and inspired in their day-to-day work, but more likely to take setbacks in strides, readily adapt to changes and commit to a long-term vision. These are bedrock cultural qualities of companies that successfully transform.
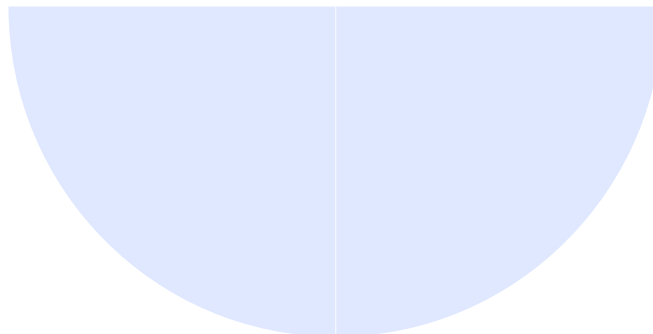
01

What Makes A Story Compelling?

> Taps into purpose and meaning

> Appeals to both emotion and reason

> Activates a "big idea"

> Is character driven and possesses tension

> Invites many people to cast themselves into the plot

01

Look at Chobani. One could describe Chobani as a yogurt maker, and in a sense, that description would be correct. In just six years, based on both the quality of their product and the strength and clarity of their brand, Chobani grew Greek yogurt from 4 percent of the U.S. yogurt market in 2008 to 52 percent in 2014.

Today, thanks to their success, they have naturally invited competition. As established players have entered into Chobani's space, the company has faced an existential question: Are we a Greek yogurt company, or do we serve a bigger purpose? They've answered the latter, resoundingly.

In announcing their new brand campaign and packaging in honor of the company's 10th anniversary, Chobani's Chief Marketing Officer Peter McGuiness said,

At Chobani, it would be easy today to simply bunker down and fight to defend its Greek yogurt market share through promotions, pricing and shelf placement, and I am sure all of these activities are underway. But beyond these activities, they are using purpose to poise themselves for perpetual transformation. "Using food as a force for good" is not just a strategic message to help employees align around operational goals or key focal points: it's a platform for reinvention. It's a license for employees to work together to think boldly about how the company can continue to serve the world's wellness needs, not just today but for generations into the future.

Source: http://www.theshelbyreport.com/2017/11/29/chobani-re-brand/

"We make yogurt, but our business is wellness… We spent the past ten years focusing on the impact our company can and does have on communities across America, using food as a force for good. That's framing how we're looking at the next decade, and our new packaging is the first glimpse into that. It's a beautiful translation of our brand and our purpose that moves us closer to becoming a food-focused wellness company."

01

Starbucks could easily be described as a coffee company. Considering they sell more than four billion cups of coffee each year, in a sense that description is right. But coffee is a product, and as former Chairman & CEO Howard Schultz has reiterated eloquently many times over decades, the company is far bigger than the coffee it sells. In his estimation, **what Starbucks truly provides is a "Third Place".**

While Starbucks has grown in unimaginable ways since Howard Schultz first wandered into what was then a local coffee bean store in Seattle on a business trip in 1981, over the course of those nearly forty years, their fundamental quest has stayed largely unchanged. As Schultz describes it, while visiting espresso bars on a trip to Milan in 1983, he had an epiphany:

After eventually purchasing Starbucks from its three original founders, Schultz activated this vision, centered on providing America, and eventually large parts of the world with this "Third Place". This idea has proved a compelling story for the company. By focusing on creating a "Third Place" that offers a comfortable, inviting and community-oriented space, over time (and despite hiccups), they have resisted both cheaper competitor chains as well as an explosion of high-end, independent coffee houses. The "Third Place" has served as a "true north" in times of crisis as well. For instance, in early 2018, when two African-American men were wrongly profiled and arrested in a Starbucks store, the company closed 8,000 locations to conduct racial sensitivity training. This was an example of their compelling story coming to life and their purpose in action.

"I started realizing that this is a third place between home and work. But the beverage was the draw."

01

In 2009, The Coca-Cola Company

was under relentless pressure to change. Not only were performance issues mounting—the company had been missing its own annual growth volume targets as it remained too focused on soft drinks at a time when other beverage products were exploding—but from water waste to obesity, the company was trapped in a hostile reputational environment. As then CEO Muhtar Kent said:

"There was a period when our company did lose its way. In essence, we were too busy looking at the dashboard and were not sufficiently paying attention to the customers and world outside of our windshield."

Realizing the company had lost its way and needed to reconnect its strategy with its purpose, the leadership team brought together their top 200 executives to collectively pen their "Manifesto for Growth" with the goal of being able to share a more complete version of "who we are" not only among their organization, but with the world.

By 2009, this resulted in both their external Live Positively platform (which married the company's brand with their commitment to social responsibility), and their internal "My Drop" program. During a series of workshops conducted around the globe, The Coca-Cola Company associates were exposed to the "Manifesto for Growth" and given an opportunity to create their "drop", connecting their own day-to-day work with the company's long-term narrative.

By creating room for many to join, The Coca-Cola Company's transformation gained exponential strength, which has allowed for the company to better get its vision off that proverbial dashboard and on to the world's horizons.

Committed *Leaders*

If you look up "leadership" on Amazon, more than 60,000 titles appear.

That's probably because leaders today—especially those in middle layers of corporations—face a difficult task as they balance employees who are anxious, exhausted and starved for a sense of purpose and meaning with the priorities of executives who need to deliver results. In many respects, **leaders are the nexus between "what the company says" and "what the company means". If the company says it's committed to innovation, employees look to their leaders for space to generate new ideas. If the company says it values collaboration, employees look to their leaders for encouragement to forge cross-functional relationships. If the company says it wants to move at the speed of the world around it, employees look to leaders to eliminate barriers, not create them.**
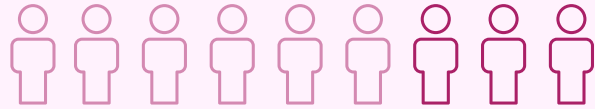
1/3 **Barely 1/3 of employees find their leaders inspiring...**

When there is a disconnect between the message and messenger, confusion, resentment and resignation set in. Juggling these tensions is probably why, according to Randstad USA, barely a third of employees find their leader inspiring, so many strategic initiatives fail, and managers are feeling burnt out and fatigued.

Fueling perpetual transformation truly requires leaders who are committed to a new approach that centers less on "management" and more around helping employees connect their work to the company's larger purpose, achieve their personal and professional goals, and successfully bring their ideas to life.

02

02

What Defines Committed Leaders?

> Balance responsibility to the organization and its purpose, their team, and their own individual actions

> Build trust and foster healthy conflict and debate

> Create experiences to influence behavior versus commanding actions

> Invite ownership through participation

> Maintain constant contact and utilizes face-to-face communication

Gagen MacDonald

02

Google

Certainly, **Google** is considered a disruptive company and an attractive place to work. In fact, they receive more than two million job applications each year. As a company on the forefront of innovation with an employee base that is famous for its capacity for generating new ideas, they present an interesting case study in how to cultivate organizational leadership that fuels transformation. Over the last decade in particular, they've been on a noteworthy journey.

In the last twenty years as an enterprise, leadership has taken many shapes at Google. In their early days, teams were relatively leaderless, and managers were typically experts in their discipline. The assumption at the time was that leaders had few responsibilities besides solving technical challenges. However, in typical Google fashion, the company decided to check the data. It turned out, they were wrong. Great leaders actually played a much broader role in fueling their teams' success.

Google's data analytics team pored through thousands of performance reviews, survey data and other sources to identify descriptors, behaviors and concepts commonly associated with the company's most successful managers. Not only did they find that the company's

best regarded managers typically led the company's most successful teams, but they found that of the "8 Habits of Highly Successful Google Managers," technical expertise ranked as least important. After years of data analysis, Google identified the most important leadership traits at their company as:

01 Being a good coach

02 Avoiding micromanagement

03 Taking interest in employees professional and personal success

04 Being productive and results oriented

05 Listening

06 Helping employees with their career development

07 Having a clear vision and strategy for the team

08 Possessing technical skills to help advise sthe team

These are traits that are synonymous with the shift from leader as hero to leader as host.

Source: https://www.businessinsider.com/8-habits-of-highly-effective-google-managers-2011-3

02

ITT Corporation is an outstanding example. For generations leading into the 2000s, ITT was a classic American conglomerate, a diversified manufacturer with products and operations touching nearly every sector of the economy.

However, by 2010, it was clear that the best path forward for the company was in fact to transform and break into three smaller, more focused independent businesses. For the industrial manufacturing business that would continue to carry the ITT name, this presented a rare opportunity to truly act as a 100-year old startup. With a blank slate, ITT had the ability to reimagine itself in every way, and design the company it desired to become.

As it did the hard work of answering these fundamental questions, the company quickly engaged leaders in their journey. As a consequence of ITT's split, many managers were elevated to new positions, taking on new responsibilities in terms of people leadership. Introducing the new ITT to all employees truly rested heavily on their shoulders.

To help these leaders—many of whom had engineering backgrounds, given the nature of ITT's work—the company recognized that it couldn't simply deliver a presentation: it needed to allow the engineers to build something. To do so, they brought their top 100+ leaders together for a deep dive into the "ITT Way", including an exercise in which participants built a physical puzzle with all the pieces of the company's strategy. By allowing them to experience this level of ownership, leaders went back to their organizations with dramatically greater confidence in their ability to build the company from the ground up.

Intentional *Roadmap*

Once a team of executives have committed to implementing a series of changes to transform their business, the question inevitably shifts to, now what?

With binders full of data, what tends to come next is a project plan. Changes are identified, processes are engineered, timelines are assembled and heat maps are drawn. After months of work, PowerPoints tell us what is happening to whom and when. But transformation does not happen in a GANTT chart and cannot be managed on a conference call.

Transformation is a human struggle.
It hinges on the ability to simultaneously persuade, inspire and unite tens of thousands of talented, passionate, curious, brilliant, emotional, sometimes frustrated, often exhausted, complex people to make a change: to embrace a new way of working, to swim in ever-changing tides and to dive into the unknown.

You cannot transform a company with a project management mindset.

Rather than creating a project plan, you need an intentional roadmap that simultaneously addressees and transforms all aspects of what employees experience so that the organization operates in a harmonious balance.

A transformation message can look and sound transformative on the stage of a town hall meeting or in a slickly produced CEO video. But when employees return to their desks or close that video, the rubber meets the road, and if they are not operating in an environment in which strategy, structure and culture are operating in harmony, they will not be able to deliver on what they've been inspired to do. A transformation must be supported by a comprehensive series of changes that not only provide employees with strategic clarity on what is happening when, why and how, but with environmental changes that allow for new ways of working.

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What Makes A Roadmap Intentional?

> Anchored in receiver-centric insights

> Addresses all aspects of what employees need to know, feel, and do

> Maps and sequences everything a company is doing and highlights interdependencies and gaps

> Ensures all activities build on each other rather than cancel each other out

> Allows for recalibration

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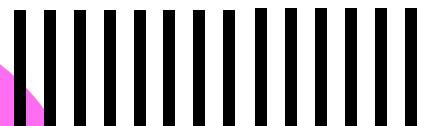
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Intuit stands out as an example of a company that is succeeding at perpetual reinvention, in part because they drive transformation through an intentional roadmap.

Over the past 30 years, **Intuit has continued to grow and reinvent itself from a desktop business to a mobile platform to meet the needs of an expanding global customer base.** Recently, the company saw the need for a multi-year transformation to combat increasingly intense competition and advance its purpose of powering prosperity.

That shift required significant organizational and cultural change to execute on the new strategy. Intuit's goal was to create a unique experience for customers, build a global brand and become known for its One Intuit ecosystem rather than any one product. They had to move fast without losing key talent and the unique dimensions of Intuit's culture. The team focused on activating an employee experience across six-high impact change levers. They carefully mapped key existing employee and leadership touchpoints, then assessed gaps to drive collaboration, build relationships and expand key stakeholder participation in core initiatives. One year later, in their recent earnings report, Brad Smith, Intuit's chairman and chief executive officer, shared that the company achieved revenue growth of 15% versus the prior quarter.
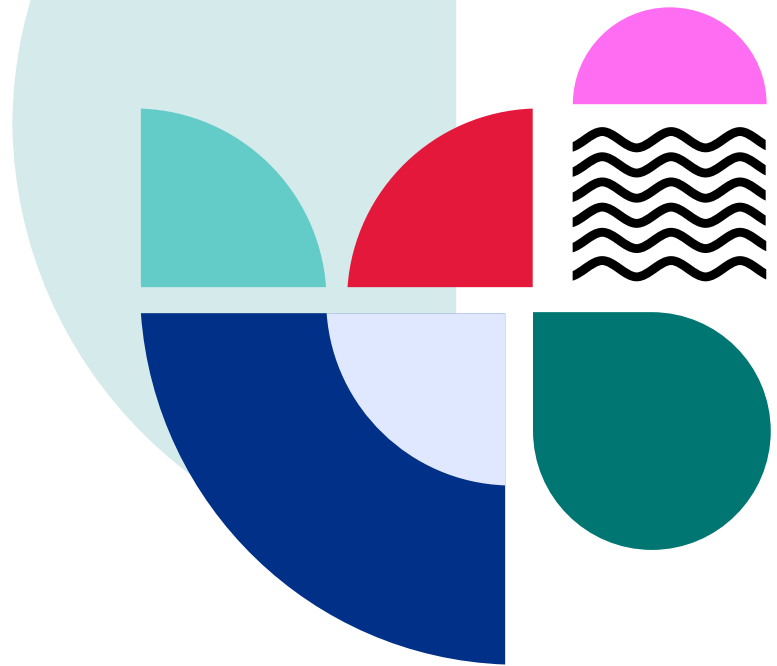
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Companies driving business transformation must borrow heavily from design thinking, not just in terms of what something looks like but how it functions. This is why so many innovative CEOs, especially Steve Jobs, obsess over office space.

Whether at Pixar or at Apple, for Jobs, collaboration was always an inherent underpinning of perpetual transformation. Innovation, in his view, was born out of the collision of a variety of disciplines and expertise existing in one place, challenging and abetting each other in a common pursuit. When designing Pixar's new headquarters, this is why Jobs fixated on the placement of bathrooms, as he intentionally desired to create what his biographer Walter Isaacson described as "serendipitous personal encounters."

From the way an office looks and smells, to the locations of its printers, to how and who starts a meeting, to how parking is assigned, everything carries a message, shapes an experience, and produces a feeling. Companies that most successfully continually reinvent themselves use an intentional roadmap to address all aspects of what employees experience.

Think different.
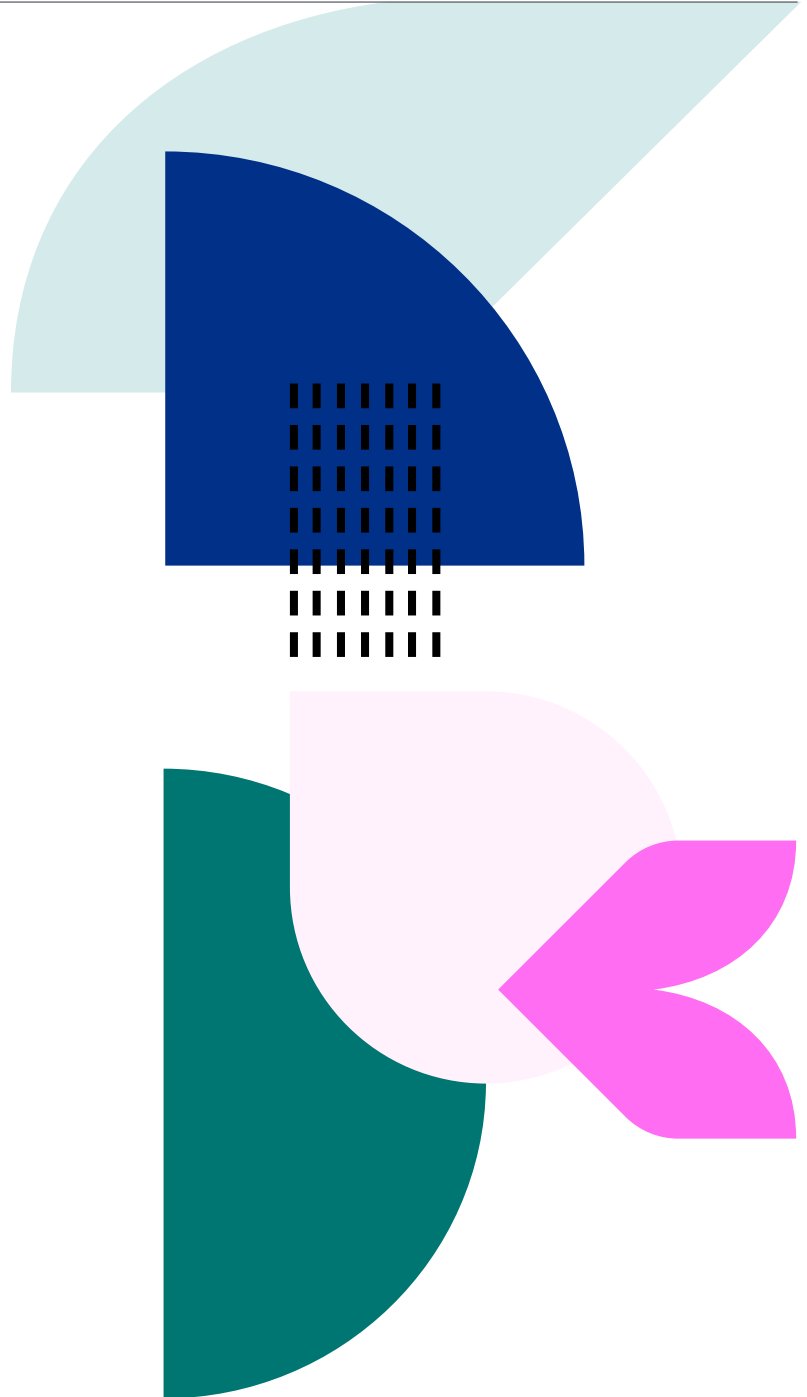
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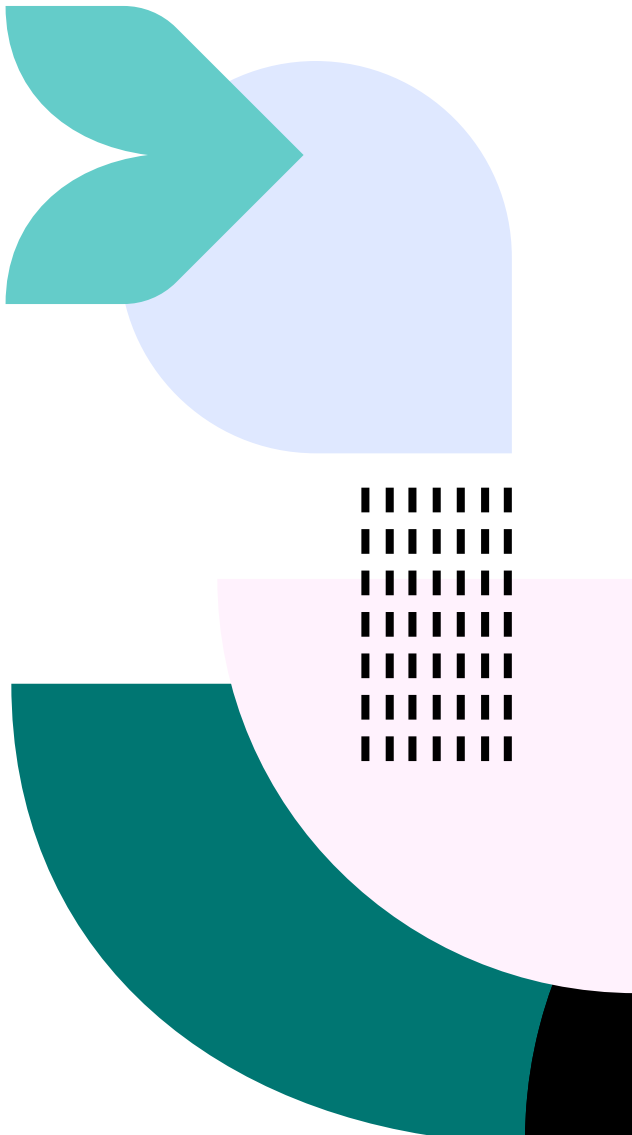
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Companies are large, complex and emotionally charged organisms and admittedly, the prospect of transforming them can feel overwhelming. Often, we put our heads down when we are afraid of what we will see.

When faced with leading a business transformation, it is easy to dwell on what's missing or to name reasons you're not ready.

No one is ever ready. That's not how transformations work.

Transformations are a messy process. There is no starting gun or finish line and they don't follow a clear path. They zig, zag and veer. The vast likelihood is that your company is already in the midst of transforming in some important way: it simply needs fuel to accelerate.

Wherever your transformation stands today — whether it is a fire lit in every corner of your organization or just a kernel of an idea on a PowerPoint slide — there are *Three Things that Change Everything.*™

About Gagen MacDonald

At Gagen MacDonald, our expertise lies in navigating the *human struggle of change*.

We're a strategy execution partner whose vision is to transform the companies that transform the world. We bring rigor, intellect and a deep sense of humanity to our work and we act with integrity, humility and kindness in everything we do. We're inspired by courage, passion and a sense of fun. We sit beside you, not across from you. We ask hard questions, turn over rocks, clear debris and help you envision the company you want—and need—to become.

We create clarity from chaos.

We help you express a compelling story that taps into purpose and meaning and activates a "big idea."

We develop aligned, able and accountable leaders who are committed to bringing people along for the journey.

And we help you create an intentional roadmap that designs and harmonizes all aspects of your employee experience to create a climate where good ideas can grow.

We have been in business for nearly 25 years and have had the opportunity to work with some of the world's most iconic and transformative companies.

And we're proudly a WBENC certified women-owned business.

Our cause is our clients' success.

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For more insights, visit
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