To Create Energy and Momentum for Organizational Change—Launch a Campaign

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Introduction

Much is written about strategic speed, flexibility and adaptation. Even when an organization's leaders can see the roadmap to success, senior executives often face the near-impossible task of changing the basic practices underlying an organization's work. The pharmaceutical executive who wants marketing professionals and basic scientists to connect, the senior partners of a consulting firm who see the future in integrating the IT practice with the business-strategy practice, the hospital executive who pushes physicians to use clinical outcome measures to change which procedures they use and why all confront significant obstacles. Yet their ability to steer a modified or altogether new course for the corporation—so that it can continue to earn profits—depends on such fundamental changes. A 1997 study of 272 U.K. companies revealed that only one-third achieved all of their strategic objectives even though 90 percent had established clear goals. Missing was a clear path for achieving them.[1]

In our research and consultation we have discovered that one way to help clients implement organizational change is to apply the concepts of a "campaign." Indeed, we have found that executives quite spontaneously use campaign-like metaphors to think about strategic change and organizational development. This makes sense. Like a political campaign, adapting and implementing strategy means creating a viable coalition to represent and guide any requisite change. Like a marketing campaign, people who champion change to either organizational structure or strategy must communicate and dramatize its prospective benefits. Like a military campaign, change leaders must acquire and deploy their resources carefully, ensure that their supply lines are intact, choose beachheads, and select the right theater of operations. If executives internalize the ideas associated with these different kinds of campaigns, they will become more effective change masters as they steer the chosen course for their organizations.

We have found the following map to be a useful diagnostic for assessing the state of a particular change effort. As the map shows, to successfully change your organization you have to be working on three campaign fronts simultaneously. You need the marketing campaign to ensure that you tap into what employees are thinking and to create a strategic theme that describes their thoughts and feelings. You need a political campaign to build a viable coalition so that your change effort is supported and can propagate. You need a military campaign to husband the scarce attention, time and credibility you and other executives have and to deploy these resources where they give you the greatest leverage. Absent any one of these campaigns, your change program will fail. You may be seen as a social engineer out of touch with your employees, extant political coalitions may undermine your plans, or you may fail to go beyond the beachhead of a pilot project or green-field site.

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[1] Hussey, David. "Strategy Implementation: Once More with Feeling." *Strategic Change,* Vol. 8, 1999, p. 198.

It Takes all Three …

The Marketing Campaign	**The Political Campaign**	**The Military Campaign**		
Listening in and creating a strategic theme	Sweeping in and creating a viable political coalition	Implementing pilots, spreading the learning, creating the project infrastructure for pushing the campaign forward		
If Missing			=	**Failure Modes** Social Engineering
	If Missing		=	Political Resistance
		If Missing	=	Loss of Momentum, Encapsulated Innovation
			=	**Success** The Effective Campaign

Let's look at the elements of each of these campaigns by examining cases of change efforts in several companies.

The Marketing Campaign

Consider the concept of a campaign theme. Marketers are keenly aware of the way in which words and images dramatize the salience of a product or service to prospective customers. We have found that executives who successfully change organizations have developed creative taglines or messages to characterize their efforts. Jack Welch's use of the term "workout" set a high standard. The term had double meaning, insofar as it described the intent of the campaign, to take work out, and also the spirit of the process, that it was a workout, a way of building organizational muscle.

In advertising, the most successful messages are seductive polemics about why a particular product or service is good for the customer. For example, Ameritech launched its 1997 marketing campaign with the tagline, "In a World of Technology, People Make a Difference."[2] In other words, the underlying polemic announced that Ameritech offered its customers both personal contact and high technology. It was high tech *and* high touch. Indeed, we have found that such taglines often have double meanings and frequently embrace contradictions.

Consider the case of the Pharmaceutical Research Institute at Bristol Myers Squibb. Focused on the problem of producing blockbuster drugs, the senior leadership team under the direction of Peter Ringrose developed the tagline "opportunity seeking blockbuster."[3] The phrase "opportunity seeking" connoted the idea that new chemical entities emerge as the result of serendipity. Scientists are opportunistic; they follow up on ideas, hunches and early research results that emerge from all corners of the company's scientific community. However, the term "blockbuster" suggested that opportunism can be purposeful, it can be a method for achieving particular objectives and financial targets. As Elizabeth Bolgiano, the VP for Human Resources notes, the tagline acknowledged respect for the "white spaces," where authentic discovery takes place, while simultaneously promising that time, attention and resources could be more purposefully allocated across its portfolio of projects. One way this could be done was to prune discovery and development efforts that did not look promising early, rather than late, in the cycle.

Finally, consider the case of Microsoft. Faced with the ongoing tension between focusing on the Windows operating systems as the company's anchor and the internet as its future, its leaders, with Bill Gates' approval, hit upon the suffix "Dot Net" which could be applied to all Microsoft products, as in, "Office.Net or MSN.Net. The prefixes focused on Microsoft's proprietary products, the suffix on the open source framework of the Internet. The term expressed the idea that "we are special because we are Microsoft, but we realize that that there is larger world out there called the Internet." [4]

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[2] Riggs, Thomas, ed. *Major Marketing Campaigns: Annual, 1999*. Detroit: Gale Group, 1999.

[3] Hirschhorn, Larry. "The Campaign at the Pharmaceutical Research Institute of BMS." unpublished, August, 2001.

[4] Bank, David. "Breaking Windows: How Bill Gates Fumbled the Future of Microsoft," New York: The Free Press, 2001, p. 216

Why do good taglines embrace paradoxes? The paradox suggests that an inherent tension, that has in the past or may in the future result in unsatisfying compromises and therefore lead to less than optimal practices, can be overcome. This is how the tagline creates hopefulness. This is why, for example, President Bush's tagline "compassionate conservatism" had staying power. It suggested that conservatism was not and need not be mean spirited, a problem that had faced his father in his earlier bid for reelection.

Listening In

Like marketing campaigns that draw heavily on methods to learn about products in use, organizational-change efforts are often stimulated by sentiments and ideas that come from the field rather than from the center. We have identified an early phase of effective change efforts that we call the "listening in" phase. Consider the case of Novotel, a European hotel chain that faced declining occupancy after the Gulf War.[5] Strikingly, though occupancy was indeed falling, profits were still high. Top management might easily have interpreted the situation as a temporary one. Perhaps, as the market stabilized after the Gulf War, occupancy would return to its original levels, and profits would be even higher. Yet in an "open space" meeting held in April 1992, a meeting venue that encourages free-form conversation on topics of the participants' choosing, the general managers of the hotels actively argued for more autonomy. They believed that something was amiss with the business model itself. Competitors were now able to replicate Novotel's offering. Novotel once distinguished itself by offering "four-star facilities at three-star prices," but now competitors were doing the same. Equally striking, around this time the senior management noticed that fewer employees from other hotels in the Accor system were asking for transfers into Novotel. This suggested that Novotel employees were no longer representing the excitement associated with working for the hotel chain. This meeting set the stage for redefining the hotel manager's role. In particular, the leadership team gave the hotel general managers more control over pricing, work practices and the layout of public areas. The result—after a year and a half, costs decreased and financial results improved.

Companies that develop platforms for computer programs or games often use developer conferences to listen in on the business trends that will affect them in the future. After Microsoft's launch of Windows 95, one leader of the effort, John Ludwig, hosted a conference of developers to discuss Microsoft's plans. His conclusion: "We got slaughtered. There is a whole class of developers who we don't understand anymore. We have lost their attention. They may be with small companies, but these are a set of guys for whom the traditional Window's messages don't fly. They think we're morons."[6] This conference was one important step in helping top Microsoft executives argue successfully that

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[5] Calori, Roland, Charles Baden Fuller, and Brian Hunt. "Managing Change at Novotel: Back to the Future." *Long Range Planning* 33(2000) pp. 779 – 804. Also, see the case study "Novotel" ECCH, 395-113-1, at Babson College, 1995.

[6] Bank, David. op cit., p. 58.

Microsoft now had to pay attention to the Internet as the new platform for computing.

Anthropologists have developed ethnographic methods for learning what people, whether they are in a tribe, a company or a bowling club, actually *do* in their roles. Rather then selecting a sample of people for interviews, they go out into the field and observe them. In this way they can "listen in" as people go about their daily work. Anthropologists have developed methods for coding their observations. They often record conversations, and they pay special attention to the tacit elements of a setting, e.g., its décor, the care people show toward their immediate surroundings, how people dress and what rituals they use to greet one another. We worked with a national insurance company that wanted the people who staffed their field-support offices to become more effective. These staff professionals supported insurance agents with technology, training and sales-strategy advice. Using ethnographic methods, we listened in on both sides of the relationship, shadowing insurance agents for a week at a time and shadowing the field-support professionals who supported them. Our goal was to identify those good work practices in the field offices that support professionals had developed spontaneously. Thus, we found that in an effective field office, the head of the office held informal huddles rather than formal meetings at the beginning and at the end of each day. The huddles put everybody into the big picture, alerted everyone to urgent issues and allowed people to anticipate concerns that would most likely emerge over the next week. It became a practical way for everyone to contribute to the intelligence-gathering activities of the field office. However, had we simply interviewed field-support people it is likely that they would have overlooked the huddle and its salient features, after all, a huddle is informal. Indeed, the best work practices do not announce themselves *because* they are so seamlessly integrated into everyone's workaday habits. They operate below the radar.

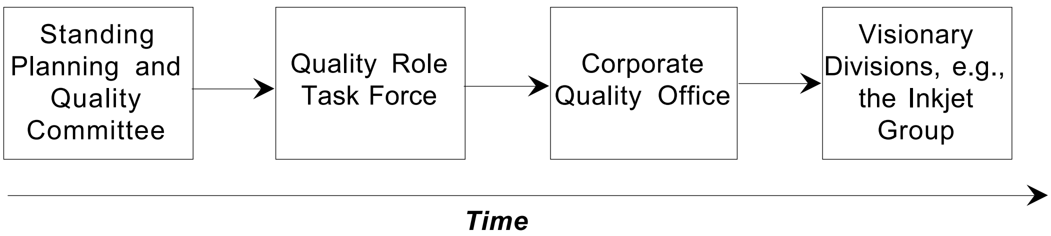
The Political Campaign

Consider now the dynamics of political campaigns. Politicians running for office have to put together a coalition that has more standing, creates more resources and gets more votes than its opposition. This is why, for example, independently wealthy politicians who fund their own campaigns sometimes short-circuit the process of coalition building and lose the election. Resources are necessary but not sufficient. Moreover, and this is particularly relevant to corporations, the nature of the coalition—who is in the lead, who plays a supporting role, who is an active participant and who remains in the friendly audience—changes as the theater of operations changes. Thus, it is common for politicians to build one coalition to win a party's nomination and then another to win the election. In organizational settings, zealots provide the best leadership when the campaign's strategic theme has yet to take root. Then, consensus builders provide the best leadership when corporate policies need to be changed to accommodate the practices associated with the campaign. In complicated corporations with semi-autonomous divisions, the chief executive's standing and authority and the resources at his or her command may not be sufficient to propel a change. He or she needs to put together a winning coalition.

Consider, for example, Hewlett Packard's successful campaign to improve customer service and customize its products, a process that unfolded over four years from 1994 – 1998.[7] HP is a decentralized corporation in which divisions have considerable autonomy in how they attack their markets. A coalition of HP executives decided that the theme of "quality" and the practices associated with it no longer differentiated HP from its competitors. How were they to help the corporation transform this insight into practice? They decided that they needed to focus more on the individual needs of each customer and less on the effectiveness of internal process. They developed the tagline, "Quality One on One," to express the idea that they needed to take the competencies associated with quality management and apply them to the customer interface. Each shift in leadership, each baton pass over the course of the campaign helped broaden the coalition for introducing new quality practices.

Consider the following sequence. The standing planning and quality committee first took the lead by convening a task force to examine how the quality philosophy within HP could be refreshed. Realizing that there might be a conflict between "old line" quality professionals and managers interested in new quality tools, they created a second "Quality Role Task Force," which brought the two groups together. These two groups formed a coalition and asked the corporate quality office, a central department that earned its keep by charging divisions for its services, to commit resources and people to the task of developing new quality tools. From 1994 – 1996 this office collaborated with about 50 divisions to discover methods and tools for creating customer satisfaction and loyalty. These divisions, particularly the Inkjet group, a prestigious group within the company, took the lead in developing new practices. So, as the following diagram shows, there were three baton passes on the way to a successful campaign.

Baton Passes at Hewlett Packard



Could these twists and turns have been avoided? Could the process have been more efficient? Probably not. Because organizational-change efforts are like political campaigns, *twists and turns are part and parcel of building a winning coalition for a new set of practices.* For example, had the quality traditionalists

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[7] Cole, Robert E. "Knowledge Sharing and Autonomy in Multidivisional Corporations: The Center and the Periphery." Unpublished Manuscript, cited with permission from author, Haas School, University of California Berkeley.

not been swept into the campaign through the Quality Role Task Force, it is possible that later in the process the divisions might not have been so willing to step forward as sites for developing new customer-intimacy tools. The traditionalists, feeling that that the company was moving backward, might have influenced the divisions to respond more cautiously to the invitations proffered by the corporate quality office.

In addition, since task forces are by nature temporary, had the Quality Role Task Force not enrolled the Corporate Quality Office as a leader in the initiative the campaign might have been stuck in the "thinking stage" and never reached a phase of acting and experimenting.

When we look back at a successful campaign we see how leadership and followership changes over time. Like the performance of a jazz combo where different instruments come into relief as the music unfolds, different organizational units and divisions come into relief as a campaign unfolds. Moreover, like the musicians of a jazz combo, organizational leaders often improvise.

Changing Structure?

The structure of a corporation reflects its political balance of power. Alfred P. Sloan's (president and chairman of General Motors from 1924 – 1956) greatest contribution to organization design was to realize that semi-autonomous divisions created a "balance of power" between the office of the chief executive and the other senior executives of the corporation. In the early days of the automobile industry both the Ford Motor Company and General Motors suffered from the undue concentration of power in the hands of a founding executive.

It is useful to distinguish between three kinds of organizational structure. There is the manifest structure, reflected in organizational charts; there is the informal structure, reflected in temporary task forces, committees, informal decision venues and personal networks; and there is a counterstructure that executives may use to either change or revitalize the first two.[8] Sometimes new coalitions are established through changes to the manifest structure of the corporation. Thus, in the case of Novotel, the two new co-presidents, Philippe Brizon and Gilles Pe´lisson (appointed by the parent corporation, Accor) eliminated two levels of the hierarchy in order to bring the hotel general managers into a closer alliance with the top of the company. Indeed, the political cast of initiatives is often reflected in campaigns of "de-bureaucratization" or simplification. Looking again at Novotel the co-presidents also abolished the centralized quality-control system to give the hotel managers more discretion and authority.

However, changing the manifest structure does not always work. Return to the case of Bristol Myers Squibb. The senior leadership team, hoping to create a process orientation among working scientists of the Research Institute, created a

[8] For a theory of the counterstructure, see Larry Hirschhorn, "Changing Organizational Structure: The Moral Meaning of Organization Design." In Beer, Michael and Nitin Nohria, eds., *Breaking the Code of Change*. Boston: Harvard Business School Press, 2000.

stronger cross-functional structure in which three operating committees, “Lead,” “Exploratory” and “Full,” were established to oversee the drug-development process. Heretofore, people identified deeply with their functions, whether it was in a science such as analytic chemistry or in a therapeutic area such as heart disease.

At the end of 1999 the senior leadership team launched a communication campaign using e-mails, posters and meetings to publicize the meaning of the Opportunity Seeking Blockbuster initiative. After some time, the team concluded that the top 300 executives in the Institute had not internalized the initiative and its associated new operating structure. In addition, an informal survey revealed that many people saw the new operating committee structure as one more version of the old one.

The senior-leadership team developed a diagnosis. The communication plan was not succeeding because it relied on the “broadcast” of one-way messages rather than on strategy conversations that actively engaged people. People felt as if they were part of an audience. Importantly, though, while the initiative had changed the structure it had actually not changed practice, how people actually worked with each other in the trenches. In this sense changes to the manifest structure were compromised by the lack of change in the informal structure. The leadership of the Research Institute took the next step—to map the actual process of drug development as it happened in the trenches. This was the first step in a successful campaign in which leaders, by engaging employees, were able to actually change work practice.

KPMG faced a similar problem in the early 1990s. Hoping to meld audit, tax and consulting together into an interdisciplinary team, then chairman Jon Madonna reorganized the firm around industry lines. The logic was sensible, audit was a declining margin business, but the audit and tax partners had strong and durable connections to the CFOs of a wide range of clients. If the partners in the traditional functions could cross-refer to the consultants and the consultants could use auditors and tax partners in strategy and IT-consulting assignments, the synergies would pay off. (This was before the SEC’s February 2001 ruling that auditors could not offer services that impaired their independence.) However, the cultural barriers and work practices between the different disciplines proved too difficult while the consultants believed, as did their counterparts in other accounting firms, that consulting was the future driver for the business. The reorganization did not change the actual work that people did and, if anything, it confused reporting lines. In the long run, most accounting firms found it hard to build a new governing coalition that embraced the different disciplines because the disciplines themselves differed greatly. KPMG ultimately spun off its consulting arm through an IPO.

The learning from these cases is that senior executives may jump too quickly to changing structure to avoid the politics of changing practice. Changing practice means creating temporary coalitions of divisions, groups or levels that become, for the life of the campaign, an influential community of interest committed to a new concept of the corporation or a new core practice.

The Counterstructure

One lesson we have learned from many change efforts is that executives who want to change practice can use a *counterstructure*, a structure that initially undermines the regular organization, but in the longer run can revitalize it. A counterstructure is different than a parallel structure, e.g., a cross-functional task force, which sits to the side of the regular organization without undermining it.

Consider the case of ASDA, the large British grocery chain now owned by Wal-Mart.[9] From 1989 – 1991 operating profits fell £80 million (a drop of $141 million USD). The company was in danger of defaulting on a number of loans, it was £700 million in debt ($1.238 billion USD), interest expense rose significantly, and the company's share price fell precipitously from £120 in September 1989 to about £30 in early October 1991. In response, the Board brought in Archie Norman as the CEO to turn the company around. Three months after his arrival, he hired Alan Leighton, with whom he had never worked before, to be his second in command. Norman and Leighton collaborated in transforming the stores. Leighton had daily responsibility for this work of transformation while Norman also spent time and attention restructuring the company's finances.

Norman and Leighton created "a counterstructure" that brought them into a closer working alliance with store personnel by at first *undermining* the company's actual chain of command. This is a strategy CEOs frequently use when, to highlight the salience of a particular function, they house it in the "office of the president" so that the functional head reports directly to them on a temporary basis. Norman and Leighton created a store-renewal program through which the top leadership could take charge of particular stores. They could redesign their format, their pricing and their management processes. Then Norman began showing up in stores unannounced, notebook in hand, talking with employees on the floor. He no longer honored the store managers' right to advance notice, throwing them off balance and increasing the felt power of a store manager's subordinates, who could now talk directly to the "boss." He also introduced a "tell Archie" program in which employees wrote in with suggestions that were forwarded to the relevant managers for response. He personally reviewed each of these responses, turning back those that he felt were inadequate.

Finally, in the true spirit of the politician who wants to develop relationships with voters unmediated by party representatives or other office holders, Norman and Leighton formed a soccer team composed of other managers, playing corporate departments and 50 store teams in a "Monday Night Football" program. As Norman described it, "The stores come to Leeds, and it is a very big deal. After the game we go out for pizza and beer, and we chat. It has been very successful, and we have learned a great deal" (p. 5). In other words, Norman created a psychological sense of community outside the boundaries of the organization in which employees met on equal footing, and the talented, whatever their rank, excelled and were noticed.

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[9] See Harvard Business School Case #9-458-005, Revised May 6, 1998.

The Military Campaign

There is a long tradition of linking military thinking to business strategy. Business competition itself promotes military metaphors, such as the use of the phrase "the war for talent," to express the competition for the most talented employees. The link between the two domains goes even deeper. The modern military and the modern business enterprise grew out of the same impulse to organize resources systematically and deploy them to the best effect. Sylvanus Thayer, who in the 19th century transformed West Point into an elite school of military engineering, also introduced a system for measuring the progress of each cadet, a line and staff system for running the academy and a system for collecting daily, weekly and monthly reports on the Academy's functioning. Through Thayer's students this spirit of measurement and organization found its way into the organization of Springfield Armory. The Armory in turn played a critical role in developing a system of replaceable parts the Union army could use to repair broken rifles during the Civil War. In this sense, West Point and the Armory helped establish the practices and techniques associated with mass production, which took off after the Civil War.[10]

In our own work, we find that many executives instinctively draw on the metaphor of the military campaign to describe not only their business strategy but also their strategy for changing their organizations. The link between these two domains, military and business, is nonetheless an uneasy one. The military metaphor entails the idea of an "enemy," while the concept of organizational change encompasses the idea of collaboration. The two domains, military and business, are nonetheless joined around the idea of "resistance." Executives believe quite sensibly that to introduce fundamental changes to practice they have to overcome resistance. Resistance, which like a good enemy can be quite rational, can have several sources—in people's habits, in the personal relationships they value, in the political alliances they have formed, and in the skepticism or cynicism with which they view organizational-change initiatives. Three military metaphors seem particularly prominent in helping executives address the phenomena of resistance—the concept of a "war room," the idea of "supply lines" and the notion of a "beachhead."

The War Room

The concept of the war room is more than just a metaphor. Ford Motor Company set up a war room in its Michigan headquarters to organize its effort of uncovering the reason for massive tire failures. General Motors set up an environmental policy war room to organize its efforts for tracking fuel efficiency. The co-presidents of Novotel created a war room in their headquarters in Evry. The walls of the war room were lined with charts "… each representing one Novotel and grouped by regions. Each chart contained a few simple performance measures

[10] Hoskin, K.W., R.H. Macve and J.G. Stone. "The Historical Genesis of Modern Business and Military Strategy: 1850 – 1950." Presented at: Interdisciplinary Perspectives on Accounting Conference, Manchester, 7 – 9 July 1997, Manchester School of Management.

(under the headings: clients, costs and people). Adhesive stars indicated improvement programs and degrees of progress in the implementation of action plans."[11]

Jurgen Schrempp, the CEO of DaimlerChrysler, when heading up its predecessor company, Daimler-Benz, developed a war room to facilitate the company's most important strategic initiatives. It played an instrumental role in helping Schrempp identify Chrysler as a potential merger target. "The room was wall to wall high technology: banks of computer screens, video-conferencing equipment, a big-screen television, monitors that flashed the latest news and stock quotes from wire services around the world. Clocks on the wall showed the time in Detroit, New York, Stuttgart, Tokyo, Bangkok, Sydney and Johannesburg." The war room provided executives "with access to two thousand commercial databases, and every budget item and sales report in Daimler's far-flung operations."[12]

A war room has both symbolic and practical purposes. It creates a physical venue that cues people to focus on a single issue only, thereby preventing distractions. It creates a setting in which shared materials, documents, charts and maps can be kept for viewing. When placed near the executive offices, it also signifies the importance of the issue under "attack." General Motors has used its environmental war room for public relations as well as a place to do work. It has invited reporters in to inspect the visual displays on the walls.

Supply Lines

The concept of "supply lines" is fundamental to any firm's supply-chain strategy just as logistics has been central to military campaigns. As one British WWII general wrote:

> The more I see of war, the more I realize how it all depends on administration and transportation. It takes little skill or imagination to see where you would like your army to be and when; it takes much knowledge and hard work to know where you can place your forces and whether you can maintain them there. A real knowledge of supply and movement factors must be the basis for every leader's plan; only then can he know how and when to take risks with those factors, and battles are won only by taking risks.[13]

Indeed as has often been reported, the logistical accomplishments of Operation Desert Storm—supplying a half-million gallons of fuel and 80,000 meals per day—were as impressive as its military accomplishments.

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[11] Calori, Roland, Charles Baden Fuller and Brian Hunt, op cit.

[12] Vlasic, Bill and Bradley A. Stertz. *Taken for a Ride: How Daimler-Benz Drove Off with Chrysler*. New York: HarperCollins Business, 2001, pp. 171 – 172.

[13] Van Creveld, Martin. *Supplying War: Logistics from Wallenstein to Patton.* Cambridge, UK: Cambridge University Press, 1977, pp. 231 – 232.

When applied internally to organizational-change efforts, the concept of supply lines helps executives focus on the scarce time and attention they, and the people they hope to change, can give to change initiatives. Most often an initiative fails, not because the money to support it is insufficient but because the attention to "grow" it is not forthcoming. Attention is oxygen. One research study found that close to one-half of all corporate initiatives get stuck simply because people did not believe that they addressed an issue of importance. Initiatives simply did not garner sufficient attention.[14] Another study suggests that the situation is not getting any better. Reviewing 16 management fads, its authors argue that their life spans are getting shorter, they require greater implementation efforts and are abandoned sooner.[15]

One important way in which an initiative garners the requisite supply of attention is through the judicious use of meeting venues. In 1997 KPMG International, under the direction of Colin Sharman, launched a campaign to develop a set of corporate values.[16] Values clarification would help make good on its promise to function as a one global firm despite its highly federated structure. To manage the initiative KPMG executives relied naturally on meetings to engage managers at all levels in clarifying, crafting and reviewing proposed value statements. However, they decided very early on *not* to rely on especially organized value-clarification meetings. Instead, they piggybacked on already scheduled international events and bid for time on their agendas. This way they avoided the scheduling bottleneck and meeting overload that can strangle any new initiative no matter how valuable and could also rest assured that their work would get in front of a wide range of KMPG employees. Just as trucks and jeeps ferrying supplies to the front can create a paralyzing traffic jam, meetings scheduled in an already overloaded calendar can block the flow of attention the initiative needs to grow. Moreover, by linking the values work to other work, even if only by sharing the same events, they minimized the chances that the values clarification work would be seen as something separate from "real" business issues. "The culture agenda always remained part of the business agenda."[17]

Just as it is important to share meeting venues, it is also important to commit dedicated resources. We consulted to the leadership team of a technology-services firm. Pressed to develop a new business plan for introducing new products in new markets, as their products were maturing, they allocated the work of planning to seven different executives, each of whom, because of his or her many commitments, took up the work only partially. As a result, the plan was weak and, unfortunately, the executives began blaming one another for the inadequate work. A person dedicated to an initiative can deliver attention when and where it is needed.

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[14] Darragh, John and Andrew Campbell. "Why Corporate Initiatives Get Stuck." *Long Range Planning*, 34, pp. 33 – 52.

[15] Phillips Carson, Paula et al. "Clearing a Path Through the Management Fashion Jungle: Some Preliminary Thinking." *Academy of Management Journal*, December 2000, pp. 1143 – 1158.

[16] Thornbury, Jan. "Revitalizing Culture Through Values." *Business Strategy Review,* 10(4), pp. 1 – 15.

[17] Ibid, p. 5.

The concept of supply lines is illuminating in another way. In the 19th century, most armies fed their soldiers from the countryside. In the 20th century, an insurgent group could successfully mount a guerilla-warfare campaign by drawing on the material and human resources provided by the local population. In both cases the supply lines are local. This leads to the idea that executives managing campaigns should draw on the supply of *other people's attention and energy.*

Indeed, the best initiatives draw on the fund of passion that people already bring to the issue represented by an initiative. It is striking how frequently senior executives launch initiatives unaware of the bootlegged projects that individual managers are passionately committed to and to which they freely give their attention. If they built initiatives based on these passions, they could rapidly turn resistance into cooperation. These underground initiatives represent the organization's large and creative "unconscious" that should be tapped rather than pushed aside in the competition for attention. Passion unrecognized and untapped leads to insurgency. For example, at 3M a project for developing "thinsulate," now a big selling insulation material for clothing, was officially killed by Livio D. Desminoe, a general manager, who is now the CEO. Yet several scientists continued to work on it as a skunkworks project by moving their work to a different lab. The ending was a happy one, but too often insurgencies of this kind are ultimately defeated. When executives cannot tap the company's creative unconscious, they wind up fighting passions, all the while wondering why their own initiatives meet with passive resistance. A successful change process taps already developed supply lines of attention and passion that can sustain it. This is like army officers locating points in the terrain—a ridge, a valley or a shallow river crossing—where supply is naturally facilitated. This is why corporate changes, which flow out of an effective process of "listening in," are much more likely to succeed. Recall that the hotel managers who believed that market conditions were changing on the ground clued in the executives of Novotel. They were giving the future their fullest attention.

This is also why orienting people toward strategic change based only on an image of the future can be difficult. For example, beginning with CEO David Kearns, Xerox developed the concept of the "document company" as a way to create a bridge from a sales and finance culture rooted in copiers to one rooted in services, systems and solutions. However, the stretch proved to be difficult because it was too abstract. The sales force found it hard to grasp the document as a value carrier and as platform for selling something. They did not emotionally bond to the idea and, as a result, could not give it their fullest attention. This is one reason Rick Thoman, who succeeded Paul Allaire, failed even though his strategy for selling bundled services through a sales force organized along industry lines followed faithfully in the line of thinking begun by Kearns and then Allaire. Unless the future is already "showing up" in at least some managers' experiences, e.g., their lead customers have new requirements that current equipment does not meet, it is very difficult to reorient these managers' thinking and practice. Part of the difficulty Xerox faced is that its sales channel exposed its sales force to heads of operations and chief administrators rather than senior executives. This is why companies that can learn from their "lead customers" are advantaged. It is not that they simply see the future first but rather that the future is made real for people throughout the organization. Our own experience confirms that executives can most successfully pace organizational change when, by "listening in," they amplify the signals from the future *that other managers are already feeling*. In this sense, senior executives lead through *interpretation*. This is how they secure their supply lines.

Beachhead

The term "beachhead" alerts executives to the complexities of establishing a foothold in a change process. There is a long tradition of establishing pilot projects to test an idea, a system or a method of decision making. Similarly, one common method for initiating change is to go after "low-hanging fruit" so that organizational difficulties are minimized in the beginning but, using these methods, executives often fail to secure a beachhead. A pilot project can become encapsulated; easy change efforts do not expose managers to the difficult organizational dynamics they must ultimately face. Thinking militarily, beachheads are *never* easy to secure. That is what makes them strategic. Once secured, they create a viable path to achieve a goal.

The limitations of pilot projects and projects that focus on easy wins was evident in the 1980s when many manufacturing companies tried to change the design of jobs. Companies could design "green-field" sites in which labor-management relationships were vastly improved or first-line supervision was made much more participative; however, it became very difficult to transfer these learnings to other plants. People in other plants discounted the success of the green-field site by making reference to the old adage, "the exception proves the rule." Similarly, when managers introduced "Quality of Work Life" programs by first involving front-line workers in decisions about the layout of the lunchroom or about how suggestions and complaints could be more effectively handled, early successes rarely led to more systematic changes in the way in which people participated in workplace decisions. Securing a "small win" that taught the wrong lesson often created employee cynicism as managers, upon confronting real difficulties for the first time, pulled back. This finally changed when manufacturing companies, facing serious quality and profitability problems, took up the work of reengineering entire plants.

Perhaps the most successful failed beachhead is the Saturn division of the General Motors Corporation. It succeeded in producing small cars at a cost competitive with Japanese auto makers, but it failed as a beachhead for transforming the wider culture of the corporation including the way General Motors related to its broad base of customers. Its unique brand of union-management collaboration did not spread; other divisions did not take up its one-price, no-haggling selling policy; and, most importantly, the purchase of a Saturn did not lead a customer to "buy up" to a larger GM car later. All the work that went in to creating the distinctive Saturn brand (and surely they created an extraordinarily loyal base of customers) actually interfered with General Motors' ability to leverage the brand for the corporation's wider benefit. Indeed, the reverse appears to be happening. Saturn is being reabsorbed into the General Motors bureaucracy. It is now run from

Detroit rather from Spring Hill, Tenn., it shares parts with other General Motors vehicles, and its union local has elected to withdraw from the activities of designing and engineering its cars.

Rabobank, a cooperative bank owned by 400 independent local banks in the Netherlands, established a "future center," which employees join on temporary assignment.[18] They work with others to experiment in the design and delivery of new financial products and services. This center functions as an unusual beachhead. Because it has no permanent employees, the learning and discovery it affords finds its way back to the branches when employees leave the center and return to their regular jobs. Moreover, because it is not an operating branch, it is not resisted by other managers who might feel threatened by a green-field site that could be institutionalized. It represents a beachhead to the future without generating the counterpressure to conform to the normal organizational model.

Pilots into Beachheads

In a divisionalized corporation the different divisions often provide a good setting for pilots, but the company needs more if the pilot is to be a beachhead. Return again to the case of HP. Its Corporate Quality Office sponsored a corporatewide conference on "Quality One on One" after it had begun collaborating with the different divisions to develop customer-intimacy tools. By creating visibility for these efforts and supporting a community of interest around the issue of satisfying customers, the office upped the ante of its investment in the overall effort. It had put more skin in the game, but it did so on the basis of experience gained in the field. Similarly, it subsequently formed a "work-innovation network" for quality managers and innovators who wanted to work on these customer-intimacy questions and who were at risk of feeling isolated in their back-home divisions. This is how you create momentum, going from one beachhead to the next and each time increasing your stakes in the change effort. As your stakes grow, your impact grows and, paradoxically, your risk falls. However, in the beginning you must take a risk.

This sheds some light on the conventional wisdom that organizational changes must be led from the top. In a divisionalized corporation, the CEO at any given moment is faced with far too many options then he or she can thoughtfully entertain to reorganize, implement new programs and introduce new methods. The scarce resource is his or her credibility, and it cannot be risked too early in any effort. A change agent, someone else hungry for standing, has to take the risk to secure the first beachhead and, if the effort proves useful and draws attention and resources, the CEO can later come in to support the effort. This is the meaning of the colloquial term "bringing in your big guns," which, as the phrase suggests, should be done sparingly. It is also why senior politicians release "trial balloons" in the name of an "unnamed senior official." Lew Platt did not initiate the customer-intimacy effort at HP, but he was a keynote speaker at the 1995 "Quality

[18] Smits, H.N.J. and J.M. Groeneveld. "Reflections on Strategic Renewal at Rabobank: A CEO Perspective." *Long Range Planning*, 34, 2001, pp. 249 – 258.

One on One" conference in which stories about "Quality One on One" were recounted and "heroes" were celebrated.

Conclusion

The nimble organization facing a strategic inflection point can change its basic practices quickly. It turns on a dime. Reflecting on our research and consulting experience confirms that changing practice often means launching advertising, political and military campaigns. In successful campaigns leaders tap into people's thoughts and feelings and build winning coalitions based on a kaleidoscope of leadership, while deploying scarce resources at the right beachheads at the right time and with adequate supplies of attention and passion. Absent any one of these campaigns, executives run the risk of undermining their change effort. Executives will be seen as social engineers—they will meet political resistance or they will fail to secure those beachheads that help create authentic momentum. Executives who hope to position their companies for the future should become effective campaigners.

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