Caswell CORPORATE COACHING Company

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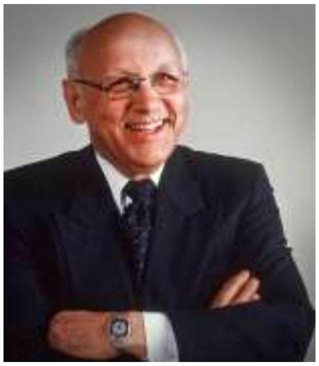
Change Management and all that



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Bill Caswell is an experienced coach of CEOs and senior executives around the globe. The author of 14 books, Bill has penned the 12-book series *The Respect Revolution* written, by a CEO for CEOs, as a guide to getting your company to *Excellence* and keeping it there.

What a mysterious pair of words is 'change management'! It conjures up all sorts of images – even actual working titles such as "I am a Change Manager!"

I try not to be facetious when I hear a job described that way, but I must remark: "I hope so!" The fact of the matter is that we are all change managers. My concern is that some schools of thought behave as if 'change' is a new concept, recently arrived at by today's management experts, gurus, professors, etc. Obviously, change has been with us for a long time: ask the buggy whip makers, black & white TV factories, the radio ham amateurs and, God bless them, too, the dinosaurs. CCCC states that one is the result of the other, that is, that management is the result of change or more specifically: "Management is about solving problems caused by change". Thus, where there is change you have to have management to respond. The cave dwellers were change managers; they had to be! And so are we all.

The latest 'change stirring' to cross my desk came from a recent edition of the Harvard Business Review. It asked a question that invited constructive response. The premise stated by John Kotter is that today's organizations are optimized for efficiency rather than strategic agility. Therefore, today's companies are poorly equipped to respond to change. He states that the "structures and organizational processes we have used for decades to run businesses are no longer up to the task of winning in this faster moving world". That is, companies fail to identify difficulties and hazards quickly enough, strategize about them, and nimbly move to form an appropriate response. This Harvard Business Review article feeds right into CCCC's lap.

The first reference in that Harvard paper is made to Daniel Kahneman's, *Thinking Fast and Slow*. A second one suggests a 'new operating system that continually assesses the business and reacts with greater agility, speed and creativity'. Both of these ideas have been staples in the CCCC Management System for the past decade. Let's talk about them now and see how they connect.

Two Brains

About a decade ago, CCCC revealed its "Greatest secret in the world", which, in a nutshell, is that emotions have far more to do with the human state affairs, for all of us, than does logic. We were not quite as early as we thought because the 18th century, Scottish philosopher, David Hume, was there well before us. We attempted to describe this effect in work modeled after Dr. Kahneman's concepts, which we called Two Brains, Brain One (the fast, emotionally responding part of the brain) and Brain Two (the logic processor). They constantly work against each other and sometimes with each other, the challenge being to recognize which one at any particular moment might be in control. Ultimately the task is to have them working together. Unfortunately, that is much more challenging than it might appear on the surface – which is why we have wars and other world nonsense. The key for this analogous presentation is that: just as we need Brain One to carry the biggest share of the mental load, and Brain Two to think more strategically, so a corporation must be two-brained. Here is how.

The Problem Management Council

We recommend that all companies set up a new, quickly responding corporate entity, which we happen to call the "Problem Management Council" to run in parallel with the main business body. We state that the Council should take no more than 2% of the attention of the company (Brain Two), leaving 98% with the main company operations (Brain One)[1]. The Council meets once a month to view new problems before the company, prioritize them, and set out to resolve them. Since, as stated in the second paragraph above, "Management is about solving problems caused by change" that precise sort of management is the primary function performed by the Council. The plus is that the Council is adaptable, quick, logical, and responsive.

The Council has a number of incumbent guidelines to make it run well — too complex to outline in such a short paper. However, key principles we dare not omit are: (1) The ten or so committee members should represent every tier in the enterprise from floor worker to chief of operations, so that decisions reflect input from all levels. (2) Members should have a term of only six months so the roles do not become mired in stuffiness or false prestige; rotation also ensures fuller participation, so that many more people in the business feel they have a stake in the outcome. The resulting buy-in enhances the ability of the Council to respond beyond rigid traditional barriers, political or otherwise.

Getting on with It

Step A is to decide if your firm would benefit from a parallel entity, that meets at least monthly, designed to offer quick strategic solutions to large changes. Step B would be to set up a group to investigate how the Council might be established at your company, to draw on those who already have done it, or on outside expertise. Step C is to give it a try to see how it works. Step D is to forever tweak it, to make your Council better and better, simply put: to make your company better and better.

Good luck,

Bill

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[1] *There are some flaws with the comparisons between the two brains and the dual-structured company, but the analogy, for the moment, connects the Harvard paper's two ideas.*