

It's a New Game

Leading Complex, Continuous Change

By: Bill Pasmore, Author of *Leading Continuous Change: Navigating Churn in the Real World*





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Introduction

Organizations succeed when leaders recognize the need to change AND are able to implement changes effectively.

Unfortunately, knowing that change is needed—even picking the right changes—does not guarantee success in making it happen.

Failing at change is all too common. Change efforts fail 50-70% of the time. This is unacceptable. We need to get better at change—and get better quickly.

But how?

Most of the advice about leading change and the models we have are based on dealing with a single change effort or change initiative. But in reality, change is ongoing and simultaneous. A single change cannot be teased out or isolated from everything else in the organization, or divorced from other changes taking place at the same time. We are surrounded by churn.

Consider the acquisition of one organization by another. On the surface, it sounds like a single change that must be managed. In reality, many changes must take place for the acquisition to be integrated successfully. Key decisions about

talent in each organization need to be made and the fallout from each decision managed. IT systems and other processes need to be aligned, necessitating changes in technology and retraining for employees. Boards need to be merged, customer relationships transitioned, space reconfigured, brands rationalized, cultures melded, strategies reconciled, marketing campaigns redesigned. At the same time, competitors are responding with new moves; new products or services are hitting the market; consumer tastes are evolving; regulations are being imposed; key people are retiring; lean thinking is being implemented; and new strategies are being formulated. Change is multifaceted, complex, and continuous. What seems to be a single change is anything but—it is a complex change that competes for time, attention, and resources with other changes that are already underway, and those changes yet to be conceived.

As a leader, you know this reality. Every day, you face *complex, continuous change*, which is defined as a series of overlapping, never-ending, planned, and unplanned changes that are interdependent, difficult to execute, and either cannot or should not be ignored.

Consider your own experience. How much change are you comfortable taking on at one time? How does this compare to how much change your organization *must* take on? How many projects or initiatives are going on at the same time in your organization? How well are these changes being integrated and supported? How many of them are likely to produce the changes they are intended to produce? If you are like most of your peers, you accept the need for widespread change but find it difficult to do everything you are supposed to do at the same time, giving each initiative the attention it deserves.

Because of the challenges and opportunities around us—including globalization, technological advances, and the mobility of talent—we're playing a new game. Figuring out how to play this game and win is a leadership responsibility. As a leader, only you can make the key decisions that will determine your organization's fate.

The position held by the Center for Creative Leadership (CCL®) is that leading complex, continuous change is doable, but it takes a level of rigor you may not have applied before. It includes

- understanding what is required of you to succeed at leading change
- willingness to revise your way of thinking about change
- knowing how to tell when you have exceeded your capacity to change—and recognizing that continuing as you are will not lead to the outcomes you desire
- learning greater discipline and focus, and how to slow down to get faster at change
- improving over time—as an individual, with your team, and throughout your organization

This paper introduces key ideas for leading complex, continuous change, based on the experiences of leaders across a wide range of industries and geographies. It is drawn from the book [Leading Continuous Change: Navigating Churn in the Real World](#).

What Makes Complex, Continuous Change So Hard?

Leading single change efforts can be challenging. Even seemingly simple changes can get out of hand, demanding more time, money, and attention than we predict. Those challenges are magnified when leaders and organizations are faced with multiple, ongoing changes. Complex, continuous change is more difficult because it demands:

Prioritization across efforts. Leadership attention, financial resources, stakeholder involvement, process changes, and organizational design can be optimized for a single change. Multiple changes require tradeoffs and, ultimately, sub-optimization of one change to support others.

Attention to integration. Leaders need to integrate efforts to achieve the greatest impact in the shortest time at the least cost and with the least disruption. This requires seeing the big picture, understanding how efforts either reinforce or contradict one another, the impact that each effort will have on different parts of the system and when, and how everything will be accomplished.

Not exceeding capacity. Wishful thinking—assuming limitless capacity—can cause people and organizations to reach the breaking point. Leaders need to understand the capacity of the organization to manage change and not overload the system with more simultaneous change than it can handle. They are also responsible for finding ways to increase change capacity to allow more change to occur concurrently.

Broader and deeper engagement. Leaders must tap into collective intelligence to manage the complexity of everything that is happening. Otherwise, teams or individuals create bottlenecks and become overloaded with information or problems to solve.

Agility. Complex, continuous change always involves adjusting the approach and priorities on the fly as new information becomes available. While single changes can be “rolled out,” continuous change is always “a work in progress.”





Four Actions to Manage Complex, Continuous Change

Complex, continuous change requires leadership beyond that involved in undertaking single-change efforts.

The first thing you need to do is *pause*.

Typically, our overwhelming need to respond to threats and opportunities forces us into immediate action (even if not well conceived). We try to do too much at once (without a coherent plan). We don't think about how Change A affects Change B and how both changes work against Change C. We confuse activity with progress. We trust our intuition rather than stepping back to develop a better-informed plan of attack.

Instead, it is important to get on top of things, decide what's really important, and do those things well.

As a successful change leader, you *pause* to discover what is really going on before you leap to the next change opportunity and then the next. You pause to

decide which of the many opportunities are the most important to do well. You pause to plan how you will go about change and who needs to be engaged for it to be done well and quickly. You pause to reflect on what you have learned and put in place stronger processes and structures to help you do all of those things better in the future. You pause to see things in perspective, bringing people together frequently to make certain they are aligned. You pause to celebrate success but work even harder at capturing what you have learned because change won't stop and it won't get easier.

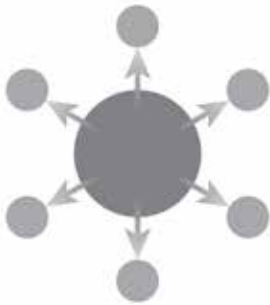
There are four key actions to take—and each requires a specific mindset. Learn and practice the actions, stretch your mindsets, and begin to work out which actions, or combinations of actions, will have the greatest impact.

The four key actions and related mindsets are:

Discovering: *stepping back, scanning, visioning*

While change is a necessity, not all change is a necessity right now. The process of Discovering allows you to identify viable opportunities for change. Later, having identified those opportunities, decisions can be made about which ones to pursue. The goal is to identify the most important opportunities rather than create an exhaustive list. Discovering requires

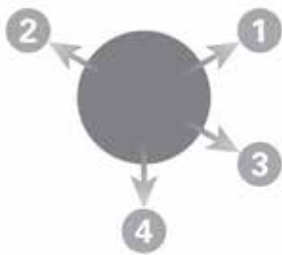
- *stepping back*: calling a time-out to do a thorough appraisal of possibilities
- *scanning*: collecting valid information about the current state of affairs
- *visioning*: creating a clear picture of the desired future



Mindset: Think fewer. Behind every aspiration to improve is real work. Thinking fewer means thinking realistically and thoroughly about what you are asking people to do, what is realistic, what commitments you are actually prepared to make. The point of thinking fewer is to *focus*, not to give up on what is both important and exciting. Pick one or two big goals and go for them, but don't try to do everything you can imagine at the same time. By thinking fewer, there is a better chance that a few big changes will actually happen.

Deciding: *diagnosing, focusing and prioritizing, scoping and designing*

Your organization has a limit to how much change it can handle. Until you can build greater change capacity, you must try to avoid overloading the system with change. Deciding actions determine what must change in the organization to implement the vision. *Diagnosing* the fit between the current state and the desired state helps you to understand what is important to address. The work of *focusing and prioritizing* forces us to step away from the buffet of possible change activities to make certain that the activities we choose will address the most important issues. Finally, *scoping and designing* provides the roadmap for the change: who, when, where, and how.



Mindset: Think scarcer. Even with a tightly defined vision and a few clear goals, there is still much that needs to be done to achieve a transformation in your capabilities. Know there is not enough resources, time, and attention to do them all. Plus, aligning efforts across multiple, complex changes takes more time and resources; and the more changes there are to align, the greater the work and complexity involved. Get real about limits.

Prioritization is a Problem



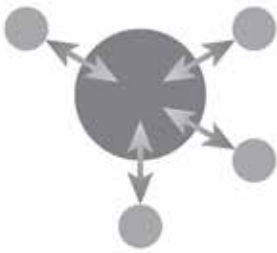
CCL Research:
How important is it for your organization to prioritize initiatives?
How effective is your organization at doing so?



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Doing: *communicating, engaging, piloting, and implementing*

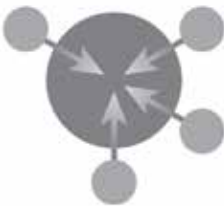
Whatever your organization's current pace of change, it is probably too slow. Increasing the clock speed of change from start to finish requires a shift in how you think about change. In complex, continuous change, executing is *always* happening. Helping people understand what to pay attention to and why, at any given moment, requires constant *communication*. Tapping the collective intelligence of the organization helps the overall change process be faster and more effective—and requires *engagement*. *Piloting* using rapid prototyping saves enormous time and energy so that the careful work that leads to successful *implementation* can take place.



Mindset: Think faster. Develop a real hunger for speed. The real world demands that we respond to change at the pace that it is occurring, not on our own schedule of when it's most convenient. Shed what is unessential and slowing you down. But, keep investing in things that remain important and relevant, even if it takes time to achieve them.

Discerning: *aligning and integrating, assessing, adjusting*

In single-change efforts, learning is a low priority because the change may not be repeated. In complex, continuous change, learning is a wise investment. To learn, we must discern what is working as intended and what is not. Aligning and integrating change efforts requires real-time learning. Assessing what is being accomplished compared with what was expected requires reflection. Finally, the whole point of learning is to adjust actions going forward so that more can be accomplished with less.



Mindset: Think smarter. Learning as you go is the mindset that allows you to grow change capacity over time. Invest in developing your ability to take on more change efficiently and effectively. Whether projects succeed or fail, never miss an opportunity to learn from them what worked well and what caused problems. Taking the time and making the effort to learn is an investment that will repay itself as soon as you undertake another change effort and avoid the pitfalls of the last.

A CEO of a consumer products company understood the interwoven processes of leading change—and was able to take the long view to see it through. He joined as CEO after an extended period of mediocre performance by the company, which had been built by a series of acquisitions that never had been fully integrated. As a result, each unit ran independently and the culture of each was distinct. To add to the challenge, each unit was headed by a vice president who sought to maximize his autonomy, making it difficult to reach consensus on the changes necessary to improve performance.

Each unit had its own IT platform, fiscal calendar, and sales force. The supply chain was not integrated, and manufacturing costs and quality varied widely from one location to another. Very few common processes existed for managing innovation, customer service, human resources, and financial planning and tracking. Finally, the senior team was not aligned on the nature of the issues facing the organization or what to do about them.

The former CEO had let these and other issues persist. The new CEO was an experienced hand who had seen a lot over the course of his career and understood that real change required focus, commitment, and sometimes unpopular decisions.

He understood that some issues were more important than others. He knew that as long as the units maintained their unique cultures and identities, he could not solve the other problems. He began by prioritizing

the issues that needed to be addressed, beginning with structural changes and replacing key leaders who held on to the past, including two of the unit vice presidents. Once these actions were taken, under the guidance of a cross-unit team, he began reappointing leaders to positions outside their original fiefdoms, with responsibility for developing common processes that cut across the entire enterprise. Bright stars were promoted to positions of authority, and managers who could not support the new order did not stay in those roles. Energy increased dramatically, and a belief that the organization could actually win grew and began shaping behavior. Results improved, as did morale, and people who had considered leaving decided to stay.

The change was dramatic but required the better part of five years to fully implement. Over this period the new CEO was constantly challenged but never flinched. He stayed the course until the change had settled in and was irreversible before he retired.

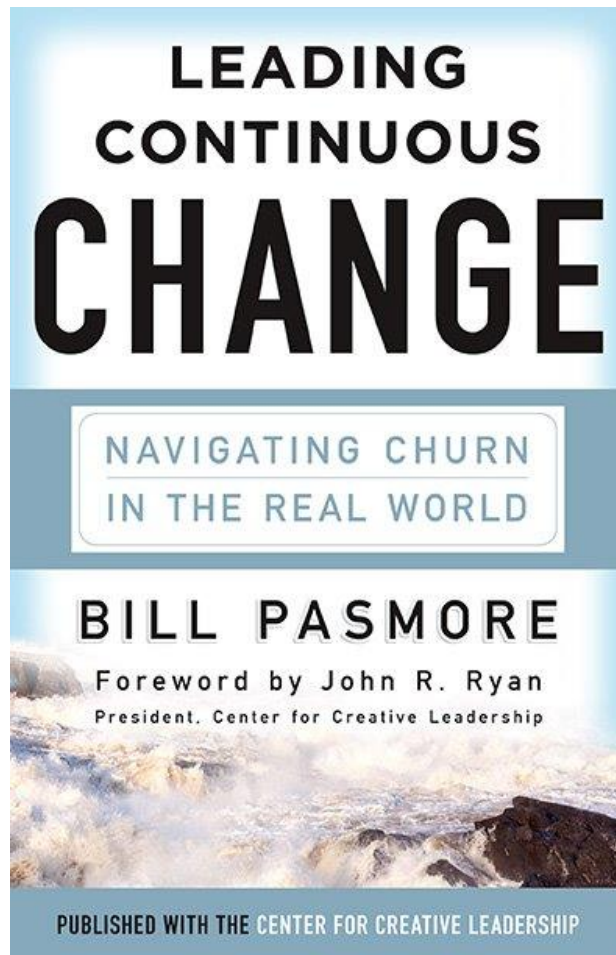
Of course, the CEO did not do this all by himself. But he knew what it would take to lead complex change: motivating people to change and guiding them through the difficult emotional waters that dramatic change entails; dealing with people respectfully but fairly; putting the needs of the enterprise before his own comfort; and trusting other talented people. Throughout, he built on many past experiences and continued to learn from what worked and what did not.

You Can Improve Capacity to Lead and Navigate Change

Change is not going away. If you want your organization to more effectively navigate churn, you need to take action. You can begin to improve capacity to lead and navigate complex, continuous change when you:

- Enlist a fresh pair of eyes to help you see. Conduct a rigorous, objective investigation into the state of change in the enterprise. What is working—and what isn't.
- Insist on rigorous processes for leading complex, continuous change. Hold people accountable for Discovering, Deciding, Doing, and Discerning. Do not accept weak alternatives.
- Help people understand the new reality.
- Be prepared for the new approach to shake things up.
- Change the way you lead. Leading complex, continuous change starts at the top. If *you* don't make some changes, nothing else will change.

This white paper is adapted from [Leading Continuous Change: Navigating Churn in the Real World](#) by Bill Pasmore (Berrett-Koehler Publishers, Inc., 2015).



Bill Pasmore draws on his years of experience at the Center for Creative Leadership and Columbia University to offer a four-part model and four mindsets that allow leaders to handle multiple changes simultaneously without drowning in the churn. This comprehensive guide will help you to navigate change the way it happens today.

Visit <http://solutions.ccl.org/Leading-Continuous-Change-Navigating-Churn-in-the-Real-World> to order your copy and learn more!



About the Author

Bill Pasmore is senior vice president at the Center for Creative Leadership (CCL®) with responsibility for the organization's global Organizational Leadership business. Bill also holds the position of professor of practice at Teachers College, Columbia University, in which he helps link scholarship in the field of organizational development and leadership to practice. He teaches in the college's doctoral and master's degree programs and conducts research in leadership and organizational change.

Bill's current work focuses on leading complex change, applying design thinking to organizational innovation, and using network analysis to accelerate change. He consults with CEOs, senior teams, and organizations on leading change, senior team effectiveness, collaborative strategic planning, organizational design, executive talent assessment, CEO succession, and executive development.

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