

SURVIVING AND THRIVING IN THE NEW WORLD OF CHANGE

Looking back a thousand years from now, historians will recognise that the late 20th century was the first time that the **pace of change** outstripped the **rate of learning** on a global scale. For those of us who are alive now, change at such a terrifying rate demands that we learn how to cope with and perhaps even manage it.

The causes of this dizzying pace are now understood - **innovation, connectedness** the pervasiveness of **cyberspace**. In this New World of change though, there *are* some constants - one is change. Through practice and research I have discovered seven 'laws' which if understood and applied to your thinking and behaviour make it much easier to cope with, steer and occasionally manage change. Ignoring these laws makes failure a surprise and success elusive.

The 1st Law: One change leads to another

Change is the seed and fruit of itself -
Business strategies or tactics which fail to take into account the first law usually start off looking successful and then degenerate into failure. As a leader or manager try to anticipate the additional ‘knock-on’ effects of any change you start. Think through the chain of events to the end. For example, an e-mail to all staff in an organisation of 1200 people which takes 30 seconds to open will consume 10 hours of resource, costing about £1000. If your business has a margin of 10% the net result of you pressing the ‘send’ button is that someone will have to make an additional £10,000 of sales quickly just to stay in the same place. They may put pressure on long standing customer relations to achieve a quick result. This will probably affect customer and brand positions. Was this what you were planning?

The 2nd Law: Adding change to change creates 'chaos'

End before starting - Sometimes abandoning change = Success -

Organisations are very fond of starting to implement new initiatives and strategies whilst old ones are still not complete.

They will happily move a manager from one active role to another without much thought of the implications. Asking anyone at the receiving end you will easily discover that the resulting confusion often cancels out any advantage which would have been gained. Always use 'endings' - any ritual or statement is better than none. Close or kill a major set of activities before opening another.

The 3rd Law: People create change - people constrain change

Remember the fundamental design of human beings - Imagine millions of years ago your ancestors in the primeval forest suddenly startled by a noise. What did they do? A. Think logically about the

problem? B. Start to run as fast as they could? Guess what happened to the ones who chose A? They're dead, extinct. You are here, reading this, because your ancestors chose B. Your design is: Any change I observe is a potential threat to my security. This gives rise to an emotional response (usually fear, with adrenaline) and then later, when you feel safe, the logic circuits start up in your brain.

Ever met someone who has had an idea? However terrible everyone else may think it is the owner will stick to it - even calling it 'my baby'. When people invent ideas for change they often become obsessed and unstoppable in wanting the change to succeed. Create situations where people **invent** and **create** *their own* change - avoid forcing change on people, it makes them resistant.

A personal hint to make sure that you can deal with change better: Spend all your free time thinking about impossible things which do not already exist or happen in

your organisation - What if we were half the size or twice the size? What if we merged with our key competitors? What if we sold our plant and leased it back? You will then have invented future change in your own mind and then when it happens you will be able to avoid an emotional reaction.

The 4th Law: Accomplished change is change chosen and carried out carefully

Chunk it or junk it - Choose changes which give benefits. In a business, only select change where there is a good chance that you will make more money. Good ideas, in the long run, may not allow you to survive. Break up the change and benefits into smaller pieces or projects. A grand project to install a computerised purchasing system becomes five smaller projects each with a smaller spend and earlier inflows of cash. Think about service stations. Old World: build all units - petrol station, shops, motel - and open. New World: build petrol station first, use the revenue to

build the shop and eventually the motel. This way your cash flow profile looks more like a ‘w’ than a large deep ‘V’ and your exposure to the risks of your project going wrong and the risks that external events will alter the need for your project are greatly reduced.

The 5th Law: The challenge of creating change is the converse of the accumulated complacency

First we shape our organisations, thereafter they shape us - The longer people have worked in a particular way the harder it is for them to accept change. If you require easy or quick results start with people who are least entrenched in their ways. If you must fight a long history make sure that it is worth the battle.

The 6th Law: Resistance to change accumulates over time and the cumulative need for change can't be carried out all at once

Sometimes you must go backwards to go forwards - You want to create a flexible, electronic, paper-less business. You may have to invent new processes which instead of computerising you first run with paper based systems to get buy-in before computerising. A single step to computerising is often just too much change and people may secretly continue with the old process.

The 7th Law: Sparsely coupling change creates calm

Pagoda's survive earthquakes - Rigid structures do not cope well with change but by loose coupling of elements of the business, networking the people, having few but clear lines of accountability in the organisation or by linking of key suppliers or customers the complexity and unpredictability of the New World can be dramatically reduced.

Problems are diverse and inexhaustible, the opportunities for change are infinite.

At the same time an individual's ability is bounded and has an end. There is certainly a limit to what you can do. If you try to range over infinite change, opportunities and problems with limited resources and ability, your judgement will be biased and your spirit will end up exhausted.

Remember the Laws of change and use them to Master The New World of Change