BIG IDEAS TO BIG RESULTS
SECOND EDITION

LEADING CORPORATE TRANSFORMATION IN A DISRUPTIVE WORLD

ROBERT H. MILES  |  MICHAEL T. KANAZAWA
Praise for *BIG Ideas to BIG Results*,
First Edition

“This book is a must read for leaders building focused and strategically driven businesses. Mike and Bob, the knowledge practice leaders in transformation leadership, here provide important insights for managers who aspire to impact the direction of their organizations.”

—**John W. Spiegel**, Chairman, S1 Corporation, and Former Vice Chairman and Chief Financial Officer, SunTrust Banks, Inc.

“*BIG Ideas to BIG Results* is Must Reading. Mike and Robert have honed the Accelerated Corporate Transformation Process based on innovative thinking and extensive real world corporate transformation experience.”

—**Sam Araki**, CEO, ST-Infonox, and Former President, Lockheed-Martin Missiles and Space

“Kanazawa and Miles provide you with a roadmap for success. They show you how to keep it simple, communicate the vision, and execute all levels of the organization.”

—**Peter L. Lynch**, Chairman, CEO, and President, Winn-Dixie Stores, Inc.

“I really like the frank, plain talking, honest approach. Many of the points Mike and Bob make match my experiences so I found myself smiling a lot as I read through the chapters. I would recommend this book to the CEOs I work with.”

—**Kevin Compton**, Partner, Kleiner Perkins Caufield & Byers

“Short, simple, and to the point, Kanazawa and Miles distill decades of corporate transformation experience down to a few, vital messages. Required reading for CEOs.”

—**Peter Darbee**, Chairman, CEO, and President, PG&E Corporation

“Mike and Bob have outlined an extensive and highly valuable set of actions and processes that can be implemented by corporate management to drive significant improvement in organizations. Their approach can be of great benefit not only to CEOs and their executive staffs, but also to vice presidents, general managers, and department heads.”

—**Richard Beyer**, President and CEO, Intersil Corporation
“This book is a must read for CEOs who are looking for time-tested principles and a proven process by which senior teams can realign their organization and its people with their strategic intent. In a fast moving world, nothing is more important.”

—Michael Beer, Cahners-Raab Professor of Business, Harvard Business School and author, Breaking the Code of Change

“BIG Ideas to BIG Results is a must read for CEOs, as well as managers empowered with bringing about meaningful change. Most executives are comfortable with functional change within their own areas of competence and responsibilities, but one of the most challenging realities of the 21st century is that competitive advantage and speed of change require complex cross-functional solutions. I am recommending reading this book to all of my C-level clients.”

—Jerry Black, President and CEO, Kurt Salmon Associates

“In the past years as a new General Manager and then as a new CEO, I have had the pleasure of working with Bob and Mike on corporate transformation challenges. They have done an outstanding job of distilling complex corporate turnaround principles into a practical book full of blueprints for CEOs, their executive staffs, and their boards to apply in corporate transformations.”

—Dr. Bami Bastani, President and CEO, Anadigics, Inc.

“ACT: an amalgamation of time-tested wisdom, frameworks, processes, and illustrative cases that provides a must read for both successful companies and those that are in transition. Everything is right here in this Little Red Book, for the CEO down to the managers of companies that need to execute.”

—Mas Sakamoto, Vice President, Corporate Planning and Marketing, NEC Corporation of America

“BIG Ideas to BIG Results is a superb handbook for leaders wanting to transform their organizations. With Bob Miles’ expert guidance, our company launched a transformation four years ago, and our Drive for Value business model is now embedded in the way we operate.”

—Shirley Gaufin, Chief Human Resources Officer, Black & Veatch

“For the past ten years, leader-led techniques have helped us transform Delta TechOps from a cost center to the largest maintenance repair and overhaul center in North America. Mike and Bob make it simple and easy to execute.”

—Anthony Charaf, Senior Vice President, TechOps, Delta Air Lines, Inc.
“ACT was employed at the Tour a decade and a half ago to help the new commissioner ‘take charge’ and most recently to relaunch the Nationwide Tour. It is simple, it gets the job done rapidly, and it can be adapted to any corporate transformation challenge.”

—Worth W. Calfee, President, Nationwide Tour of the PGA Tour

“An important reading for any executive who wants to revitalize his/her company, and do it efficiently!”

—Jay W. Lorsch, Louis E. Kirstein Professor of Human Relations, Harvard Business School

“BIG Ideas to BIG Results captures a very simple but powerful methodology for transforming ideas into action. Their recipe for leadership really moves the corporate mountain.”

—John Baker, CEO and President, Florida Rock Industries, Inc.

“BIG Ideas to BIG Results shows how to take strategies and connect them with tactics, align an entire organization around a common set of goals, and get everyone bought in. It is the one ingredient most companies miss, and this is the one that helps you win.”

—Tony Weiss, Vice President/General Manager, Software, Peripherals, Imaging, Displays, and Dell Direct Retail, Dell, Inc.

“BIG Ideas to BIG Results is chock full of practical tools to get your strategy and operations in synch and moving faster down the track—a ‘do more on less’ guidebook for every executive.”

—Marty Beard, President, Sybase 365

“Want to improve your valuation? Get your ACT in gear. This book is highly recommended reading for executives who understand that higher market values are commanded by those companies that consistently generate big ideas and convert those ideas into big results.”

—Michael Gardner, Executive Vice President, Wedbush Morgan Securities

“Having experienced guidance from Mike on his process for strategic transformation in our business unit, I must confess that I am now reconciled with strategic business consultants! This book is a must-read for any executive willing to engage into a reshaping of its organization for a more ambitious future.”

—Olivier Le Peuch, President, Schlumberger Information Solutions
“Our executive clients consistently ask for tools, rather than theory, that they can immediately implement in order to execute strategy. BIG Ideas to BIG Results offers a uniquely clear and practical format for confronting and transforming reality with proven results.”

—Whitney Hischier, Assistant Dean, Center of Executive Development, Haas School of Business, University of California at Berkeley

“BIG Ideas to BIG Results describes a powerful yet simple way for leaders to reposition a company in a highly efficient manner, critical in today’s fast-paced, everchanging, ‘flat’ world. It produces clear measurable results, energizes and aligns everyone in the organization, and is the only methodology I have experienced where everything you do is an integral part of your job—period!”

—Javed Patel, CEO, Sierra Monolithics

“It’s one part strategic focus, one part business operations, one part leadership, and one part employee engagement. Mike and Bob show you the streamlined, simple, and potent recipe for combining these elements to turn your big strategic ideas into real business results.”

—Pascal Lenoir, CEO, NagraStar

“BIG Ideas to BIG Results is a must read for every CEO, offering a practical approach to alignment and engagement that will result in unbelievable transformation. This book is easy reading and is full of great case studies that will inspire every person in a business leadership role.”

—Carlo Saggese, Vice President of Application Development, Vistage International—The world’s leading chief executive organization

“Kanazawa and Miles provide an easy to relate account of some often paradoxical issues with large corporations. The authors provide sound advice in a book which can be easily read on a long flight.”

—Peters Suh, President, Vodafone Asia Pacific Ltd and Vodafone Ventures Ltd

“Mike Kanazawa and Bob Miles lay out a powerful, proven process for leaders at all levels. With a focus on alignment and engaging the entire organization, this book is an excellent resource for leaders who want to drive results.”

—Ann Marie Beasley, Vice President, Office of Strategy Management, Symantec Corporation
“This is a must-have handbook for any leader guiding an organization through strategic change. It provides practical insights that ensure the entire organization understands its role in fulfilling the strategic aims of the business. Too many transformational frameworks rely on a top-down approach; this book helps you ensure all the oars are in the water and rowing together.”

—Matt DiMaria, Chief Marketing Officer, Sonic Solutions

“I love the topic the book is addressing. Its approach simplifies the recipe for success for any business, large or small, private or public, from the aspect of making ideas produce results. Too often, we as corporate executives go out of our way to complicate the planning and implementation process. It is obvious that the authors have witnessed this tragedy over and over, as their writing is filled with practical examples of ‘how-to’ bridge ineffective scenarios to become high-performing environments.”

—Esther de Wolde, CEO, Phantom Screens

“Whether your organization numbers 10 or 10,000, you owe it to yourself and your team to read this book! The proven process will enable you to refocus your organization, implement lasting change, and produce sustained superior results.”

—Rob Koteskey, airline captain, naval officer, and team performance consultant

“Big ideas are the easy part. Getting big results requires the joint efforts of all, and not just going through the motions or going along with the flow. BIG Ideas to BIG Results provides the recipe for combining your big ideas with an inspired and engaged team. Simply put, it just works.”

—Larry Mondry, CEO, CSK Auto

“BIG Ideas to BIG Results strikes a balance that is very difficult to achieve in that it’s not so rigid as to seem artificial, yet not so flexible as to lack conviction. This book provides real, sound advice.”

—Bill Hopkins, Managing Principal, Odyssey Investment Partners

“BIG Ideas to BIG Results provides leaders with a solution that instills confidence, purpose, and alignment throughout an entire organization and spikes it with a bias for speed and ACTion. The ACT ‘leader-led’ process is a dramatic departure from traditional consulting methods in that it unleashes value creators at every level of an organization.”

—George A. Coll, SVP, New Services, Sears Holdings Corporation
This page intentionally left blank
BIG Ideas to BIG Results

Leading Corporate Transformation in a Disruptive World
This page intentionally left blank
BIG Ideas to
BIG Results
Leading Corporate Transformation
in a Disruptive World
Second Edition

Robert H. Miles | Michael T. Kanazawa
To the future:
Miles Curtius Lewis
and
Katharina Anna-Sophia Miles
With love,
—Bob

To my wife and children and the life we share,
   to John Dare and David Takeuchi and the businesses
   we built and to co-workers and clients
   for the experiences we create. ...
—Mike
Contents

Preface .................................................. xvii

Chapter 1  Accelerated Corporate Transformation:
The Foundations  ........................................... 1
  Tactical Is Not Transformative  .......................... 4
  Get Your ACT Together .................................. 7
  Make Transformation a Simple Routine .................. 11
  The ACT Basics: Powerfully Simple .................... 12
  Creating Safe Passage—A Clear Transformation Process .15
  This Is Not a New Religion, Just a Better Way of
  Managing the Business .................................. 18
  Tips for Planning an Accelerated Corporate
  Transformation ........................................... 19
  Endnotes .................................................. 20

Chapter 2  Structuring Your Transformation Launch ............ 21
  Imprinting Your Organization ............................ 21
  Structuring Rapid Transformations ....................... 22
    The No-Slack Launch ................................... 23
    Launch Speed = Simplicity × Compression ............ 26
    The In-Between Work .................................. 29
    Devil in the Meeting Details ......................... 30
    Transformation Initiative Co-Champion
      Structure ............................................. 32
  Quick Starts ............................................ 36
  Tips for Structuring Your Transformation Launch ........ 39
  Endnotes .................................................. 40

Chapter 3  Crafting Your Launch Process .......................... 41
  Confronting Today’s Reality ............................. 42
    About the Emperor’s Clothes ......................... 44
  Dialogue Versus Discussion .............................. 45
    Generating Dialogue as a Leader ...................... 47
    Priming the Pump ..................................... 49
    Canary in a Coal Mine ................................ 50
  How Tablework and Structured Dialogue Work ............ 54
CONTENTS

Chapter 4 The Focus Phase ........................................... 65
Gridlock and the Task Overload Epidemic ..................... 66
  Best Intentions in Big Box Retail ........................... 67
  Undermining Accountability and Customer Loyalty ........... 69
  Busting Through Gridlock .................................... 69
  The Leader’s Challenge: “Doing More ON Less” ............. 70
Sharpening the Transformation Arrow ......................... 70
  A One-Page View of the Future ............................... 72
  Articulating a Purpose ......................................... 74
  Creating a Strategic Vision .................................... 76
  Distilling the Business Success Model ....................... 79
Due Diligence on Yourself ....................................... 80
Transformation Initiatives: The “Hows” ......................... 84
  Triage to Three Corporate Initiatives ....................... 85
Tips for Orchestrating the Focus Phase ......................... 88
Building the Transformation Arrow ............................ 88
Endnotes ............................................................. 89

Chapter 5 The Align Phase ........................................... 91
Absolute Alignment .................................................. 92
Individual Commitments to Action ............................ 92
  Alignment of Commitments Across “Silos” .................. 94
  Where Should Lightning Strike? .............................. 95
Alignment of Values ............................................... 97
  The Values-Performance Nexus .............................. 100
Structuring Widespread Commitment ......................... 101
  The First “Stop Doing” Pause ................................. 103
  Put Your Money Where Your Game Plan Is .................. 105
  The Bottom Line on Alignment .............................. 106
Gut Check on Commitment ...................................... 109
Tips for Simplifying the Align Phase ......................... 109
Endnotes ............................................................. 110
## CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Perspectives on Speed and Outside-In</td>
<td>167</td>
</tr>
<tr>
<td></td>
<td>Speed Is the New Management Discipline</td>
<td>167</td>
</tr>
<tr>
<td></td>
<td>Get the Train Moving, Now</td>
<td>167</td>
</tr>
<tr>
<td></td>
<td>Benefits of Productive Speed</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>All Aboard at Internet Speed</td>
<td>172</td>
</tr>
<tr>
<td></td>
<td>The Discipline of Productive Speed</td>
<td>176</td>
</tr>
<tr>
<td></td>
<td>The Outside-In Perspective</td>
<td>176</td>
</tr>
<tr>
<td></td>
<td>On the Outside Looking In</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>Send Employees Out</td>
<td>178</td>
</tr>
<tr>
<td></td>
<td>Talk with Customers and Noncustomers</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>You Are Here: Map the Market</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>Tips for Incorporating Speed and Outside-In Perspectives</td>
<td>187</td>
</tr>
<tr>
<td></td>
<td>Endnotes</td>
<td>187</td>
</tr>
<tr>
<td>9</td>
<td>Building Transformation Traction</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>Building Traction Through Transformational Leadership</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>Commit with Confidence, Publicly</td>
<td>190</td>
</tr>
<tr>
<td></td>
<td>Simple Closed-Loop Accountability</td>
<td>191</td>
</tr>
<tr>
<td></td>
<td>Promises Versus Declarations</td>
<td>196</td>
</tr>
<tr>
<td></td>
<td>Shoot for the Moon—Drive Innovation</td>
<td>197</td>
</tr>
<tr>
<td></td>
<td>Above and Below the Waterline</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Don’t Get Overly Fixated on the Dashboard</td>
<td>201</td>
</tr>
<tr>
<td></td>
<td>Ground Truth: The Real Results</td>
<td>203</td>
</tr>
<tr>
<td></td>
<td>Misguided Incentives</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>The Process Support Team</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td>Performance Coaching</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>Tips for Building Corporate Transformation Traction</td>
<td>211</td>
</tr>
<tr>
<td></td>
<td>Endnotes</td>
<td>211</td>
</tr>
<tr>
<td>10</td>
<td>Disruptive Innovation in Transformation</td>
<td>213</td>
</tr>
<tr>
<td></td>
<td>Purpose-Infused Transformation: The Three I’s</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>Design-Centered Strategic Thinking</td>
<td>217</td>
</tr>
</tbody>
</table>
Enterprise Social Media and Wisdom-of-the-Crowd . . . 220
Agile Business Innovation . . . . . . . . . . . . . . . . . . . . 224
Tips for Leveraging Disruptive Transformation
  Methodologies . . . . . . . . . . . . . . . . . . . . . . . . . . . 226
Endnotes . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 227

Chapter 11 Are You Up to the Challenge? . . . . . . . . . . . . . . . 229
  White-Hot Commitment of the Leader . . . . . . . . . . . . . . 229
    Change the People, or Change the People . . . . . . . . . . . . 231
  You Don’t Have All the Answers (And Nobody
    Expects You To). . . . . . . . . . . . . . . . . . . . . . . . . . 235
    Get Real . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 237
    Go for It! . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 238

About the Authors . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 241

Index . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 245
Preface

Corporate transformation is tough work, but extraordinarily rewarding for all involved when led successfully. Somebody’s got to do it, and do it well. What if that someone happens to be you? Where will you start? How will you frame your transformation game plan and lay out its roadmap? What will you do first, and who will you engage when in the enterprise? How will you keep it alive after the early excitement? And how will you make it part of your management process so that it can become a reliable core competency for rising to the increasing rate of disruptive transformation challenges facing your company?

Leading Rapid Corporate Transformations in a Disruptive World

Getting from BIG Ideas to BIG Results was the promise of our first book, and it remains so in this second edition. In the first edition we focused on sharing insights gleaned from over two decades of intensive support of dozens of successful CEO-led corporate transformations. In this edition, we want to respond to the many requests from readers for guidance on how to lead a rapid transformation, step by step. The book has been reorganized—indeed, transformed—from a topical exploration of rapid corporate transformations into a roadmap of chapters that actually reveal the required phases of work.

The second reason for writing the new edition has to do with dramatic changes that have taken place in the decade since we first put our BIG Ideas to BIG Results pens on paper. The frequency and intensity of disruptive innovations are increasing, emphasizing the importance to the fundamental capability of leaders to drive corporate transformations and leading to new accelerators and innovations.
to how transformations are realized. Today, transformations require purpose, a clear focus on customer experience, design, agility, and an ability to engage digitally connected stakeholders inside and outside of the formal organization. We have continued to evolve our approach by incorporating accelerators that have allowed companies to stay a step ahead of the megatrends that are reshaping the business environment and the constant onrush of disruptive new competitors.

In this new book, we have attempted to take the complexity out of leading corporate transformations, thereby enabling you to speed it up to keep everyone’s attention and realize early breakthrough results. This simplified format and streamlined roadmap are not only essential to guide Chief Executive Officers, but they are also critical for the success of the senior leaders who report to the CEO as well as of the leaders of the business and functional units that must implement the transformation initiatives. Understanding this same streamlined approach is also important for the managers and employees throughout the enterprise in order to translate the corporate transformation game plan for execution in relevant ways in their areas of responsibility. Finally, staff professionals, who are called upon to support the implementation of a corporate transformation, will find this simplified and compressed approach uniquely effective in engaging the corporate community and accelerating its performance and learning cycle.

Each chapter in the streamlined transformation roadmap outlines the essential steps and specific interventions and embeds them in actual case studies so they may be observed in action. If an executive leader rapidly paces an organization through these steps, he or she will be able to significantly raise the probability of achieving the early breakthrough results that are targeted in their transformation game plan.

We have developed and refined over the decades a methodology for enabling CEOs and executive leaders to rise to a wide variety of corporate transformation challenges—one that is perfectly horizontal,
meaning that it works in every industry and setting in which we have applied it. We often say that it represents simplicity on the other side of transformation complexity. The latest version of the methodology is called Accelerated Corporate Transformation, or ACT.

For quite some time now, successfully leading an organization through a corporate transformation has consistently been one of the most significant challenges for executives to navigate in their careers. But today’s competitive disruptions are coming faster and with greater severity. This means that leaders and their organizations must now become effective at continuously transforming departments and entire businesses, not just once every five to ten years. Creating a leadership team and organization that can, first, achieve and then maintain this level of strategic agility over time has become an essential corporate competency.

Even though our practice has been almost exclusively devoted to CEO-led corporate transformations, the principles and the transformation game plans we have derived from the great variety of corporate transformation challenges, as you will see from the case examples we report, also work for transformation leaders of business units and functional departments. Indeed, many of the embedded ACT principles and techniques are applicable in the final analysis to the manner in which supervisors and first-line employees can more effectively plan and execute their jobs. They actually get trained in these techniques through participation in an ACT-based corporate transformation as part of what we refer to as a Trojan Horse for management development.

With all of the fundamental changes around us and desire to uncover the stepwise process, we saw a need to more deeply elucidate and illustrate in this book what is still forever true about transforming organizations and also share the newer disruptive innovations to the way corporate transformation approaches are being shaped by these same megatrends. Our continued work, side-by-side with executives in leading corporate transformations, has given us the ability
to validate the fundamentals of transformation that have been true as long as people have been organizing and creating businesses and better understand some of the new wrinkles to transformation in this age of innovation and disruption.

We enjoyed hearing from you about the first book, without which we would not have written the “transformed” new edition. Given the more operational tack in the new edition, we look forward to hearing about how you adapted and deployed the ACT-based approach to your transformation challenges and turned disruption into opportunity. We will also be on the lookout for any additional lessons you have to share about increasing the simplicity on the other side of transformation complexity.
Accelerated Corporate Transformation: The Foundations

In this world of disruption and innovation, the need to drive sustained growth and profits and generate results through consistent execution of strategy are the top challenges noted by CEOs. To rise to these challenges, leaders at all levels need to execute large-scale transformations, while at the same time delivering short-term results every day. As you will soon see, corporate transformations usually boil down to “a few well-articulated initiatives targeted for breakthrough results in a short period of time...in a sea of necessary incremental improvements.”

Achieving this balance is one of the most difficult challenges you will face as a leader in your career and one of the most rewarding when you get it right. And the challenge has become more acute than before imagined. Until recently, it was generally recognized most executive leaders got to rise to a corporate transformation challenge only once in a career. With little practice beforehand, the odds of success in these previously uncharted waters was slim. Those who could pull off such a feat became the CEO icons of their age.

But today’s universal compression of cycle times across almost all industries is creating waves of transformation challenges in rapid succession that have had two major consequences for the guidance available to executive leaders to ensure success. Even industries previously insulated from big swings in fortune have had to yield to the speedup and compression of many aspects of their business as a derivative of
the march of new technology. First, the speed with which transformation must achieve breakthrough success has greatly accelerated. Put simply, transformations must be both bold and rapid to be successful. Second, the compression of successive waves of potentially disruptive competitive forces has created an environment in which companies must build the competence for leading transformations deeply into the marrow of their management process. Where once it was sufficient to transform something to a target future state, now that once-acquired transformational competence must be enabled to permeate the entire enterprise so as to make it continuously agile in anticipating and adapting to new challenges.

Transformation has been used to describe everything from high-risk overhauls of a business to tactical changes in IT systems. So to be clear, by transformation, we mean a wide range of actions and opportunities required to drive continuous prosperity in a business. These range from a new leader “taking charge,” to launching a new phase in the organization, to entering new markets, to integrating major acquisitions, to breaking down silos to operate as “one company,” to boldly launching a major strategic initiative.

This is tough work, and most efforts fall short.

Imagine you are the leader of an organization and you are about to launch a corporate transformation or shift in strategic direction. Your executive team has just completed a set of anonymous interviews with an objective third party. You’re looking over the results as you prepare with your leadership to launch a transformation effort intended to ensure the company’s next growth phase. You wonder how to respond to anonymous quotes like the following:

- “We never follow through on anything all the way to see if it will produce results. We launch things, and then when they don’t immediately turn results, we just start launching more things.”
- “We are the best at being second best.”
• “There should not be 20 initiatives; we should focus on a very few things.”
• “We have organizational attention deficit disorder, starting at the top.”

These are actual quotes from senior executives at some of our multibillion dollar clients who were calling for a shift to a new level of play. Not too encouraging when you are trying to drive a major strategic shift in direction to achieve breakthrough results. These quotes, while alarming, are being expressed in all corners of organizations today. Why do so many high-achieving leaders feel this sense of dread when confronted with the challenge to take things to the next level? Why all the frustration and skepticism?

The need for these major course corrections and interventions to break the status quo—for corporate transformations—is coming in one wave after another because of the challenges of rapid earnings growth expectations, globalization, commoditization of markets, and executive turnover rates, as well as from challenges from activist investors.

How are we doing with these challenges? Not great. Based on data from a poll of 11,000 workers, fewer than half of employees understand their company’s strategic goals, less than 25% feel their organization sets goals that people are enthusiastic about, only 38% believe their planning results in clear assignments for individuals, and 43% feel there isn’t any follow-through on the plans anyway. Whoa! Not a fertile field upon which to nurture a major transformation.

The range of methods for attempting to lead transformations is as varied as transformation challenges themselves. Some leaders resort to dramatic communication “campaigns,” believing that if people can just “get it,” they will “get on with it.” Others attempt to grease the skids of a transformation launch with a barrage of tactical change management and training interventions. Others quickly turn their transformation over to program management offices and then move
on to other issues. And still other leaders scorecard everything in sight because of their gut belief in measurement and delegation.

Clearly, each of these and many other management orthodoxies contain elements that can contribute to corporate transformation success. But none of these more operational and tactical approaches were designed from the outset to handle all of the key moving parts in an enterprise-wide, top-to-bottom, corporate transformation. However, within the orchestration of a proven corporate transformation game plan, many of these tactical methodologies can play an important supporting role—as long as they take their lead from the corporate transformation plan and roadmap that we are about to introduce.

**Tactical Is Not Transformative**

Let’s pause briefly to examine how one of these potentially useful tactical approaches failed to deliver the whole of a corporate transformation.

A typical mid-cap corporation needed to transform to meet new competitive pressures. The senior executive pulled a small team together to build a plan based on industry best practices focused on process and systems enhancements that were targeted at operational savings in Finance, IT, HR, Supply Chain, and other functional areas. A small group of internal analysts provided data to the team to build a financial model that promised to save hundreds of millions of dollars in operating expenses, based on applying ratios of the best practices to the company’s financials. These huge expected savings, then taken as a given, would provide much room for investing in reorganization and systems implementations to achieve the savings. With a huge expected return on investment firmly established, the executives signed up to launch the transformation effort.

Right off the bat, rows of cubicles were set up to make room for a newly funded transformation team of process and systems experts to
do their work. Bright and energetic people showed up with great credentials and fantastic analytical skills. They polled managers to build process maps of the current state of the business. Then they applied their “knowledge base” to create a future state of the business, which, of course, included the many organization and systems upgrades they had proposed.

A year into the process, it was time for the organization changes and systems to be rolled out to the “troops.” Blank-faced line managers were now told to “buy in” and start producing the hundreds of millions of dollars in expected savings by implementing the new organization structure, systems, and processes. The money was already spent, so there was no turning back. Unfortunately, the managers weren’t fully engaged in the process and had never agreed with many of the suggested changes. In fact, some of the most high-leverage systems and process changes had not even been addressed because they weren’t a part of the rollout, and the organization changes actually created new problems bigger than the ones they intended to solve. Solutions based on external best practices turned out to be impractical. They didn’t take into consideration how work was actually done in that particular company or their unique approach to customer experience. The process stalled while the rollout team struggled with numerous meetings to listen to the troops’ concerns. By that time, of course, it was too late to make expensive adjustments on a timely basis, and the transformation careened out of control.

Seeing the impasse, the senior executive decided that an internal person should take point because the troops were beginning to reject the entire transformation program. So, two years into the process, a high-potential, upper middle manager was named transformation “czar.” The poor, unsuspecting high potential manager, of course, had little operational clout but fought valiantly in a last-ditch effort to regain momentum for the transformation effort. But, in the end, the effort died a slow death. Some savings showed up as aggressive layoffs. Redeployments caused people to have to do “more with less.”
And a few of the systems changes actually worked. However, the result was far from transformational. It was chalked up by the troops as another “flavor of the month”—just one more layer of projects and programs adding to the overload and gridlock they already faced. Or as one manager called it, “Just another sugar high.” Another quick peaking activity followed by a crash.

And what typically happens next? Management sees the lack of results and looks for the next new thing to launch, while employees become even more skeptical and unwilling to salute each successive clarion for change. The high-potential czar is shown the door.

Most of us have seen this type of effort play out similarly to the curve shown in Figure 1.1.

![Figure 1.1 Typical Cycle of Failure](image)

Nobody is immune to the kinds of rapidly changing market conditions that create the need for these bold calls to action, just as nobody can avoid the macro business cycles that make fortunes rise and fall. And special transformation teams certainly have the ability to help in a more productive way if placed in the correct supporting roles where their true expertise is leveraged. The real question from this description of a sad but all-too-common story: How can we break this cycle? How can we lay out a corporate transformation game plan up front that allows everyone to understand, relate, and commit to performing his or her role in an aligned and energetic manner? How can we
orchestrate a leader-led transformation? And how can we sustain the early high level of energy and focus throughout the Execution Phase?

**Get Your ACT Together**

More than 25 years ago, groups of CEOs, division presidents, and their executive teams gathered for two weeks to participate in an innovative program at the Harvard Business School. There, they would work collaboratively on their top business challenge with non-competing peers and key faculty. Spending time in the hallowed halls of ivy was not at all a time-out from real business for intellectual theorizing. While sequestered on the Harvard campus, they would help each other build action plans that they would implement back home. They would then return nine months later to describe to their peer group how the solutions worked and how they could be improved.

After several years of the program, a clear pattern emerged. The biggest and most common problem facing executives was in leading different types of corporate transformations. They had trouble getting their organizations to execute on their stated strategies quickly. The rudiments of the process that resulted, later refined over decades and now known as ACT (Accelerated Corporate Transformation), was conceived through the ideas and trials by these groups of leaders. Its value proposition reads as follows:

ACT is a proven, enterprise-level process architecture. It enables an executive leader to rapidly orchestrate the launch of the next major phase in his or her organization in a simple, high-engagement manner to achieve breakthrough results.²

---

**The Origins of ACT**

The ACT (Accelerated Corporate Transformation) process was originally distilled by Dr. Robert H. Miles through the innovative “Managing Organizational Effectiveness” program, which he
Over the years, countless leaders and teams have leveraged the same process and refined and streamlined it with their contributions.

By keeping the responsibility for leading the transformation squarely in the hands of business leaders themselves, the result is not only quantum improvement in the targeted initiatives in a shorter-than-expected period of time, but also a fundamental improvement in the leadership acumen from top to bottom in the organization. Through experience across many transformations, it is clear that each of the ACT process steps counts and, hence, should not be sidestepped. However, the manner in which you and your team lead the organization through the steps really makes the difference. For this reason, in the core chapters of this book, the keys to success are largely conveyed through the stories told by the leaders who have used the ACT process architecture to successfully generate large-scale breakthroughs while driving short-term execution and results.

Following are three examples of the dramatic shifts in performance that are possible, even at a very large scale, within a matter
of months (not years). The companies profiled implemented and adopted the ACT process into their operating and management models to quickly generate their breakthrough results. In comparison to the typical cycle of failure, these successful efforts looked like the curve in Figure 1.2 where focus and energy were built early and then sustained, leading to compounding growth in results.

![Figure 1.2 Business Cycle of Success](image)

- Twelve months after it failed to merge with a major competitor, the new, internally promoted CEO of a major global retailer faced a huge challenge: to rapidly revitalize the company’s sagging retail operations. The company’s leaders resolved to once again make the company the industry’s most compelling place to *invest, shop,* and *work.* Indeed, these became the major transformation initiatives upon which the company’s revitalization was launched. They succeeded. In a year, the company’s share price jumped by 156%, customer complaints fell by 50%, and employee retention rates rose by 72%. The company also moved up from the bottom 10% of the Standard & Poor’s 500 to number two in terms of percentage increase in shareholder value. “The biggest surprise,” the CEO reflected, “was how
quickly people in our company said, ‘Count me in. Let’s go.’ I knew it would happen; I just didn’t think we’d get there this fast.”

- One of the largest electric utilities in the U.S. needed to transform its major production function, which consisted of fossil fuel and hydroelectric power plants spread over several geographically dispersed operating companies, each with its own union, into a single, new generation company (or GenCo). Changing from a confederation of line units within a regulated public utility into a self-contained, competitive business required the GenCo to learn a whole new way of thinking and acting, all under the white-hot light of a nationally prominent parent company that was acclaimed as Fortune magazine’s “Most Admired” company in the utility industry and was the nation’s largest power company at the time. The makeover involved almost 100 plants and over 50,000 union-based employees reporting to several separate subsidiaries, and the feat was accomplished in the middle of a CEO transition. After the repositioning, the company’s operating costs plunged by more than $100 million in a year and over $300 million in three years, while accidents were cut by 30% and union grievances fell by 72%. Employee morale soared as well.

- Once a vibrant Silicon Valley high-tech company, a global high-tech software leader had stopped growing. Sales had stagnated at a little less than a half billion per year, largely because its past strategy of acquiring companies for growth had run its full course. In fact, all of the best targets in the market had been acquired, and future growth would require a different strategy based on internal innovations. With strong leadership and the simple ACT-based transformation process, this software leader managed to fold its disconnected subsidiaries into one smoothly integrated business focused on customer needs. The new customer focus and highly engaged team revived innovation, inspired new products, and triggered steady sales growth
worldwide. In the first year alone, the company improved morale, slashing employee turnover by 41%, while its stock price rose by 53%, its revenue jumped by 24%, and its profitability soared by 290%.

The key differences in these successful efforts compared to the typical failed effort can be seen by comparing the success versus failure cycles in Figure 1.3. The keys are generating a tight focus and an accelerated, high employee engagement launch up front and then maintaining alignment and follow-through for the remainder of the performance year. The transformation phases have to be carefully orchestrated by senior leadership. With that kind of corporate transformation game plan in place, it comes down to consistency in driving the process on an annual basis to continually stretch performance.

![Figure 1.3 Key Differences Between Success and Failure](image)

**Make Transformation a Simple Routine**

Overall, driving transformations and dramatic shifts in performance is hard work. Old habits die hard. In transformation work there are many moving parts and tough decisions to make. But if you are intent on breaking your organization free of mediocrity or sending
it in a bold, new direction, you can profit from the insights of leaders who have succeeded in doing just that in the chapters that follow. If you put the right process in place, it will handle 90% of all of the lessons, keys to success, and subtle warning flags to which you need to pay attention. Then you can spend your time thinking strategically, working closely with your leadership team, and communicating clearly with all your employees—the key areas where you can provide the most value.

The surprisingly simple ACT-based process architecture can be put in place to bring all of the critical principles into play. It contains the foundational elements for simply and reliably leading a rapid and successful corporate transformation. Most of the remaining chapters lay out in sequence the foundational accelerators that you need to deploy, starting with the Launch Phase and continuing all the way through the Execution and Replanning Phases.

So let’s take a closer look at ACT.

The ACT Basics: Powerfully Simple

The ACT process itself does not look too exciting or different on the surface. Many people sharing advice and methodologies have maps that will look almost identical to the untrained eye. However, there are big differences when you go to use them; just as two pieces of music can look very similar on paper, one creates beauty when played, and the other creates dissonant noise. On the surface, both scores will have notes, bars (the lines where the notes sit), and different markings that are the basics of music. But if the notes aren’t in the correct sequence and timing and played in the correct key and note combinations, it will just produce noise. One of the pieces of music in Figure 1.4 is the first part of Mozart’s Eine Kleine Nachtmusik (A Little Night Music), a beautiful song. The other is noise, given a few subtle changes and errors. Can you tell which is which? Clearly, some
musicians and experts will immediately know, but it is tough to tell on the surface. If we played them both through for you, you’d immediately know for sure. The second one sounds really awful.

Figure 1.4  Harmony or Cacophony?

Consider the ACT process architecture a symphony that has continuously been played through, improved, and boiled down to the essentials over years of productive work and active use. Each time a new leader uses it, he or she turns another crank on streamlining the process that’s been going through refinement for over 30 years. So, the fact that it is simple and not some Rube Goldberg type of process with a million extra moving parts with fancy names is intentional and took hard work. Each part has been simplified and optimally sequenced, and it plays off the other parts in an intentional way in which you as a transformation leader can depend. The methodology is perfectly horizontal. It has never met an industry vertical for which it did not succeed.

In its simplest expression the Accelerated Corporate Transformation, or ACT, process architecture takes the form illustrated in Figure 1.5. The highlighted elements are what we refer to as the Foundational elements that are necessary for effectively leading a rapid transformation.
The basic ACT-based plan starts with the Launch Phase, compressed into a few months that goes from clarifying the purpose, strategic vision, business success model, company values, and corporate transformation initiatives, as well as some obvious “Quick Starts” to get the process moving while planning proceeds. The Launch Phase consists of a series of steps, starting with confronting reality, focus, and alignment, which ends with a transition to the Cascade Phase, which rapidly engages the full organization, and which enables and engages managers and employees at all levels to translate the corporate transformation constructs into individual commitments to action that are relevant for their level and job scope. ACT accomplishes this rollout with its unique Rapid, High-engagement, All-employee Cascade™ methodology and tools.

The cascade is followed by a longer Execution Phase that puts in place quarterly leadership performance checkpoints to hold accountabilities, share best practices across the businesses and departments, and make mid-course adjustments in an agile way when needed. Each
quarterly checkpoint is quickly followed by a mini-cascade that enables all managers and employees to make timely refinements in their commitments to further accelerate the corporate transformation.

Finally, there is a Renew Phase at the end of the first performance year under ACT, which is designed to refresh the corporate transformation initiatives in light of actual achievements and associated organizational learning. This phase engages everyone in a relaunch of the ACT-based corporate transformation process, although in a more streamlined manner than was possible the first time through.

The top of Figure 1.5 shows a graphic of the full process architecture; the bottom of the figure shows how the organizational energy and focus are built and sustained over time. Notice that the process steps are designed and sequenced specifically to maintain the business focus and energy at the correct level to drive results over the course of the first full performance cycle, usually one year. When implemented without skipping its few simple steps, the ACT process creates energy and momentum, as well as an acceleration of business performance and culture change as it is integrated into the business operations.

**Creating Safe Passage—A Clear Transformation Process**

Before leaving this introduction to ACT, we want to highlight the importance of its first step, “Creating Safe Passage.”

The first key to effectively launching a tight corporate transformation game plan is to make sure that everyone understands the path that will be followed and how and where they fit in. It is fun to say that “we need a burning platform” to get people moving. It sounds decisive. You might get people scrambling out of fear, but that is not the kind of energy you need to create to be successful.
Before “lighting the fire,” you need to make sure that there is a clear and safe passage from the state of things today to the new state or strategic direction. Safe passage does not mean that 100% of the people will keep their jobs or that all budgets will remain intact. Everyone knows and understands the realities of making tough trade-offs to refocus a business. So, above all, be honest if there are these types of tough decisions that will need to be made. All that is expected by your team is that you lay out a very clear process architecture that shows a few critical steps: who will make decisions, when and how people will have input into the decisions, when you will announce final answers, and what will happen as these decisions are made.

There is one qualifier to the term “safe passage” from the perspective of motivating a whole organization to drive the effort. It is not enough to simply lay out your process in advance. Your process needs to be specifically designed for speed and high engagement to be received well and to work. In addition, it is better to set a purposeful “burning ambition” as the motivator to change. Rather than running away from the past based on fear, the idea is to build such a compelling shared purpose and reason for being as a business that employees are magnetized and drawn down the transformation path to pursue the new.

Many processes don’t have both the speed and high-engagement elements covered. The typical belief is that to get speed, you can’t spend time on communications and dialogue. While under the gun by a board or boss to quickly focus an organization on a new strategic path, it can seem too messy and time consuming to get too many people involved. However to generate a burning ambition in the team necessary to engage fully and continue driving the transformation, it is required. Strategy is not done by consensus, that’s true, but it can be done quickly with high engagement. As is typically the case with shortcuts like speeding past engaging the right people up front, things actually end up taking longer because of repeated revisits of past decisions, continued questioning, lack of alignment, and rework. With the
right process for engagement up front and leverage of proper technology such as crowd-sourcing and enterprise social media platforms, execution actually goes faster and farther in the end.

A story of a new leader who had been placed in such a position comes to mind. Like many new leaders, he was charged with rapidly turning around the performance of his organization. As a first pass, he and one other executive gathered for a few days with an external consultant to the business and hammered out the new strategy for the company. It was bold, well worded, and to the point. He gathered his VP team to share the document and to get some feedback from them before rolling it out to the entire company.

As he finished reading out the new strategy, the room was absolutely silent. This was uncharacteristic for the hard-driving and outspoken team of executives. He said later that it was one of the worst meetings he recalled being in. He tugged at each of the VPs to obtain a few slight changes to some words, but clearly nobody had any energy or excitement. In fact, they seemed completely disinterested. The team left quietly when the meeting was over. This was the impact of trying to change the direction of the company without the engagement of the right players within the leadership team. It certainly was fast to gather just three people to hammer out the document, but the Senior Leadership Team had no ownership, didn't believe that the right things were considered, and assumed no accountability for making it better. They were being asked to “buy in” to something that they should have been included in building up front.

From there, the leader moved quickly to launch the new strategy through various corporate events and communications, but the people’s reception was similar at all levels. Following several months of lackluster execution, the executive team decided to double-back to engage the organization in the strategy development process. Not surprisingly, the result was the complete opposite. The engagement effort re-energized the executive team, who began talking with each other about the business, departmental silos began to disappear, and
enthusiasm for the future rebounded radically. As one of the executives put it, “People went from feeling like defeatists back into thinking we could win.”

This Is Not a New Religion, Just a Better Way of Managing the Business

We do have a word of caution on launching this type of process. We generally find it necessary to provide an overview of ACT at the beginning of engagement with each level of employees. That seems to be sufficient aside from reminding people when they gather where they stand in terms of waypoints on the transformation roadmap. But ACT is intuitive enough that it doesn’t require its own center stage to become operational. As one of our CEO clients once reflected,

So many other times we would launch programs that were extraneous to our regular jobs. And those other programs were focused just on the executive team. We would come back from one of those off-sites, and everyone on the team would be looking at us suspiciously and questioningly, like ‘OK, just tell me what you want me to do now.’ With an effective transformation process like ACT, it is not a program. It just becomes the way the business is managed. The process just became our normal management practice as a part of daily life from setting strategy to setting individual personal business commitments and following through on performance.

In the ACT process architecture (refer back to Figure 1.5), you see the essential design elements in the streamlined process architecture. As another seasoned CEO of technology start-ups as well as large companies pointed out following his ACT-based intervention explained,

Our transformation process was all about taking charge of our future. The process was an opportunity to look at the business
as a whole and ask really tough questions. Instead of defending the status quo, it was more about understanding where the world was going. This type of effort has to be a formal process; otherwise, you won’t make the time to address it or the conditions for people to be open minded and self-critical, which are necessary components.

With this brief overview of the ACT process architecture, and its opening gambit of “creating safe passage,” the bulk of the subsequent chapters pace you through the transformation roadmap, with each chapter devoted to one of the major phases of this approach to rapid transformation. And each chapter reveals what you need to do to successfully lead your transformation as it unfolds, one step at a time.

We call these ACT steps the Foundations of transformation—those few steps that all transformation leaders must master for success. They have been distilled and refined from over 30 years of serving as principal process architects at the right hand of CEOs in over 30 successful corporate transformations.

**Tips for Planning an Accelerated Corporate Transformation**

- Follow a simple, streamlined process that creates “safe passage” for the full team (easy-to-understand, clear rules of engagement, and is internally led by leaders at all levels).
- Begin with a clear roadmap in place that shows how and when people will be engaged and decisions will be made.
- Leverage a proven corporate transformation process architecture and customize it for your situation.
- Be principally guided by an emphasis on simplicity of content and compression in process.
- Treat your approach to corporate transformation as simply how business will be done, not as a new “religion.”
Endnotes


### Index

**A**

- accelerators of transformation
  - agile business innovation, 224-226
  - design-centered strategic thinking, 217-220
  - social media, 220-224
- accountability, 191-195
  - promises versus declarations, 196-197
- ACT (Accelerated Corporate Transformation), 7-11
  - Align phase, 91-92
    - alignment of values, 97-100
    - best practices, 109-110
    - budget alignment, 105-106
    - CTAs, 92-97
    - ensuring full commitment, 106-109
  - Cascade phase, 14
  - Engage phase, 111-112, 118-120
    - Black Friday, 114-115
    - dialogue, importance of, 118
    - generating engagement, 115-118
    - performance, 113-114
    - Rapid, High-engagement, All-employee Cascade, 121-131
  - Execution phase, 15
    - motion versus preparation, 172-175
    - post-launch slump, 142-149
    - relaunch slump, 158-166
    - slumps, 139-142, 165-166
    - speed, managing, 167-176

- Focus phase, 65
  - busting through gridlock, 88
  - Transformation Arrow, 70-84
- foundations of, 1-4, 19
- intuitive nature of, 18
- Launch phase, 14
  - compressing, 29-30
  - confronting reality, 42-43
  - creating safe passage, 15-18, 60-62
  - imprinting your organization, 21-22
  - micro intervention, 41-42
  - “No-Slack” launch, 23-25
  - pacing, 26-29
  - procrastination, avoiding, 25
  - Quick Starts, 36-39
  - structured dialogue, 41, 54-59
  - structuring, 21
- process architecture, 12-15
- Renew phase, 15
  - as simple routine, 11-12
  - successful examples of, 9-11
  - tactical methodologies for transformation, reasons for failure, 4-7
- Transformation Initiatives
  - Co-Champions, 32-36
  - team structure, 34-36
- active leadership, 59-60
- agile business innovation, 224-226
- Align phase (ACT), 91-92
  - alignment of values, 97-100
  - company values, 98-100
  - values-performance nexus, 100
  - best practices, 109-110
  - budget alignment, 105-106
CTAs, 92-97
- capturing for everyone in organization, 101-110
- SMART CTAs, 102
- “Stop Doing” exercise, 103-105
- ensuring full commitment, 106-109
- pilot tests, 108
- analysis paralysis, 170
- annual refreshes, 159-160
- avoiding
  - procrastination during Launch phase, 25
  - slumps, 165-166

B
- ballast-and-keel role, 144
- bedrock values, 97
- behaviors, 162-163
- best practices
  - for Align phase, 109-110
  - for building traction, 211
  - for managing speed, 187
- Black Friday, 114-115
- budgets, aligning with Transformation Initiatives, 105-106
- building
  - Transformation Arrow, 88-89
  - transformation traction, 189-211
  - accountability, 191-195
  - best practices, 211
  - categorizing issues, 200-201
  - CTAs, setting, 190-191
  - driving innovation, 197-200
  - ground truth, 203-205
  - incentives, aligning, 206-208
  - performance coaching, 209-211
  - Process Support Team, developing, 208-209
  - promises versus declarations, 196-197
  - simplifying performance measurements, 201-202
- business cycle of success, 9
- Business Success Model
  - defining, 79-80
  - due diligence, 80-84
- busting through gridlock, 88

C
- capturing CTAS for every in organization, 101-110
- SMART CTAs, 102
- “Stop Doing” exercise, 103-105
- Cascade phase (ACT), 14
- cascades, 124-130
  - mini-cascades, 148, 153-157
- categorizing issues, 200-201
- changing leadership teams, 231-235
- checklist for due diligence, 82-83
- closed-loop accountability, 191-195
  - promises versus declarations, 196-197
- Co-Champions, 32-36
- company values
  - identifying, 98-100
  - values-performance nexus, 100
- comparing
  - active and passive leadership, 59
  - classic versus design-centered strategic thinking, 220
  - dialogue and discussion, 45-47
  - promises and declarations, 196-197
  - strategist and operator views, 177-178
- compressing the Launch phase, 26-30
- confronting reality
  - criticizing the status quo, 49-50
  - denial, 42-43
  - dialogue
    - versus discussion, 45-47
    - middle management and leadership teams, 50-54
  - market map, creating, 182-186
  - market maps, creating
    - expanded market view, 184
    - narrow market view, 182-183
- Outside-In Perspective, 176-187
- seeking opinions, 180-182
- setting tone for, 44-45
- core competencies, 69
- purpose, developing, 74-76
- corporate initiatives
  - Business Success Model
    - defining, 79-80
    - due diligence, 80-84
CTAs, 92-97
  capturing for everyone in organization, 101-110
  SMART CTAs, 102
gridlock, 66-70
  busting through, 88
  solving, 69-70
two-drawer method for solving, 68
  undermining customer loyalty, 69
corporate pivots, 213-215
creating
  market maps, 182-186
    expanded market view, 184
    narrow market view, 182-183
  safe passage, 15-18
  strategic vision, 76-78
creating safe passage, 60-62
criticizing the status quo, 49-50
  cross-organizational duties for “No-Slack” launch, 24
CTAs (Commitments to Action), 74, 92-97
  capturing for everyone in organization, 101-110
  ensuring full commitment, 106-109
  setting, 190-191
  SMART CTAs, 102
  “Stop Doing” exercise, 103-105
  updating, 156
  “white hot commitment of the leader,” 229-235
customers
  loyalty, undermining, 69
  seeking opinions of, 180-182
diagonal-slice teams, 179
dialogue, 45-54
  versus discussion, 45-47
during Engage phase, 118
generating, 47-48
  leader-led transformation, 59
  middle management and leadership teams, 50-54
  structured dialogue, 54-59
    Facilitator role, 56
    feedback, handling, 58
  Recorder role, 56
discussion versus dialogue, 45-47
disruptive innovation, 213-215
  agile business innovation, 224-226
  design-centered strategic thinking, 217-220
  purpose-infused transformation, 215-217
  social media, 220-224
  “doing more ON less,” 70
due diligence period, 80
E
Einstein, Albert, 79
ELT (Extended Leadership Team), 21-22
  CTAs, setting, 94-97
  launch meetings, preparing for, 30-31
  Launch phase, pacing, 26-29
  quarterly ELT checkpoint meetings, 148-149
  “Emperor Has No Clothes” syndrome, 44-45
employee supercharger, 124-130
Engage phase (ACT), 111-112, 118-120, 137
  Black Friday, 114-115
  dialogue, importance of, 118
  generating engagement, 115-118
  performance, 113-114
  Rapid, High-engagement, All-employee Cascade, 121-131
    employee responses to, 131-137
    employee supercharger, 124-130
  leader-led double loop, 129-131
  “overcoming the buts,” 135-137

delaminations versus promises, 196-197
defining
  Business Success Model, 79-80
  transformation, 2
delegation, 143
denial, 42-43
design-centered strategic thinking, 217-220
developing
  Process Support Team, 208-209
  purpose, 74-76
transformation engine, 123-124
as Trojan Horse, 134-135
examples of successful ACT implementation, 9-11
Execution phase (ACT), 15
midcourse assessment, performing, 152-153
midcourse slump, 150-157
innovation, 151
mini-cascades, performing, 153-157
sailing analogy, 150
motion versus preparation, 172-175
post-launch slump, 142-149
ballast-and-keel role, 144-145
oversight, 147-148
quarterly ELT checkpoint meetings, 149-149
two hats of executive leadership, 145-147
relaunch slump, 158-166
annual refreshes, 159-160
behaviors, 162-163
launching year 2, 158-162
slumps, 139-142
avoiding, 165-166
speed, managing, 167-176
productive speed, 170-172
expanded market view, 184

F
Facilitator role for tablework exercises, 56
failure of tactical transformation methodologies, reasons for, 4-7
feedback, handling for tablework exercises, 58
Focus phase (ACT), 65
busting through gridlock, 88
Transformation Arrow, 70-84
building, 88-89
CTAs, 74
purpose, 74-76
strategic vision, 76-78
total system analysis framework, 72-74
Transformation Initiatives, 84-88
foundations of ACT, 1-4, 19

G
GenCo (generation company), 10
General Electric, 234
generating
dialogue, 47-48
engagement, 115-118
Outside-In Perspective, 176-187
gridlock, 66-70
busting through, 88
solving, 69-70
“doing more ON less,” 70
two-drawer method, 68
undermining customer loyalty, 69
ground truth, 203-205

H-I
handling feedback for tablework exercises, 58
Holmes, Oliver Wendell, 22
identifying company values, 98-100
imprinting your organization, 21-22
incentives, aligning, 206-208
innovation, 151, 197-200
disruptive innovation, 213-215
agile business innovation, 224-226
design-centered strategic thinking, 217-220
purpose-infused transformation, 215-217
social media, 220-224
intuitive nature of ACT, 18
IPPs (independent power providers), 178
issues, categorizing, 200-201

J-K-L
keel, 144
launch meetings, preparing for, 30-31
Launch phase (ACT), 14
compressing, 29-30
confronting reality
criticizing the status quo, 49-50
denial, 42-43
dialogue versus discussion, 45-47
middle management, dialogue with leadership teams, 50-54
setting tone for, 44-45
creating safe passage, 15-18, 60-62
launch meetings, preparing for, 30-31
micro intervention, 41-42
“No-Slack” launch, 23-25
cross-organizational duties, 24
motion, 24-25
roadmap for transformation, 23-24, 29
pacing, 26-29
procrastination, avoiding, 25
Quick Starts, 36-39
structured dialogue, 41, 54-59
structuring, 21
imprinting your organization, 21-22
launching year 2, 158-162
leader-led double loop, 130-131
leader-led transformation, 59
leadership
active and passive leadership, comparing, 59
transformational leaders, 235-239
“white hot commitment of the leader,” 229-235
leadership teams, 22
changing, 231-235
CTAs, setting, 94-97
delegation, 143
diagonal-slice teams, 179
due diligence teams, 83-84
Launch phase, pacing, 26-29
oversight, 147-148
“Stop Doing” exercise, 103-105
structured dialogue, 54-59
dialogue with middle management, 50-54
two hats of executive leadership, 145-147

market maps, creating, 182-186
expanded market view, 184
narrow market view, 182-183
measuring performance, 201-202
meetings
leader-led transformation, 59
quarterly ELT checkpoint meetings, 148-149
“Stop Doing” exercise, 103-105
structured dialogue, 54-59
methods of transformation, 4
micro intervention, 41-42
Microsoft, vision statement, 78
midcourse assessment, performing, 152-153
midcourse slump, 150-157
innovation, 151
mini-cascades, performing, 153-157
performance assessment, performing, 152-153
sailing analogy, 150
middle management, dialogue with leadership teams, 50-54
Miles, Dr. Robert H., 8
mini-cascades, 153-157
Montana, Joe, 119
motion versus preparation, 172-175

N
Napster, 182
narrow market view, 182-183
noncustomers, seeking opinions of, 180-182
Nordstrom’s, vision statement, 78
“No-Slack” launch, 23-25
cross-organizational duties, 24
motion, 24-25
roadmap for transformation, 23-24, 29

O
operator view, comparing with strategist view, 177-178
Outside-In Perspective, 176-187
best practices, 187
market maps, creating
expanded market view, 184
narrow market view, 182-183
seeking opinions, 180-182
P

pacing the Launch phase, 26-29
passive leadership, 59-60
performance
  coaching, 209-211
  incentives, aligning, 206-208
  measuring, 201-202
performing
  midcourse assessment, 152-153
  mini-cascades, 153-157
Plato, 45
post-launch slump, 142-149
  ballast-and-keel role, 144-145
  oversight, 147-148
  two hats of executive leadership, 145-147
preparation versus motion, 172-175
preparing for launch meetings, 30-31
Presenter role for tablework exercises, 56
presumption of perpetual motion, 158-166
private equity investment firms, 80
Process Architects, 36
process architecture (ACT), 12-15
  Align phase, 91-92
    alignment of values, 97-100
    best practices, 109-110
    CTAs, 92-97
    ensuring full commitment, 106-109
  Engage phase, 111-112, 118-120
    Black Friday, 114-115
    dialogue, importance of, 118
    generating engagement, 115-118
    performance, 113-114
    Rapid, High-engagement, All-employee Cascade, 121-131
  Execution phase, post-launch slump, 142-149
  Focus phase, 65
Launch phase
  compressing, 29-30
  confronting reality, 42-45
creating safe passage, 15-18, 66-62
imprinting your organization, 21-22
launch meetings, preparing for, 30-31
micro intervention, 41-42
“No-Slack” launch, 23-25
pacing, 26-29
Quick Starts, 36-39
structured dialogue, 41, 54-59
Process Support Team, 36, 208-209
procrastination, avoiding during
  Launch phase, 25
productive speed, 168-170, 176
project Corona, 198
promises versus declarations, 196-197
purpose, 215-217
  Business Success Model,
    defining, 79
    developing, 74-76
Q

qualities of transformational leaders, 237-238
quarterly ELT checkpoint meetings, 148-149
Quick Starts, 36-39
R

Rapid, High-engagement,
  All-employee Cascade, 120-131
  employee responses to, 131-137
  employee supercharger, 124-130
  leader-led double loop, 129-131
  “overcoming the buts,” 135-137
  transformation engine, 123-124
    as Trojan Horse, 134-135
reality, confronting
  criticizing the status quo, 49-50
  denial, 42-43
dialogue
  versus discussion, 45-47
  middle management and leadership teams, 50-54
market maps, creating, 182-186
  expanded market view, 184
  narrow market view, 182-183
Outside-In Perspective, 176-187
seeking opinions, 180-182
setting tone for, 44-45
Recorder role for tablework
exercises, 56
relaunch slump, 158-166
annual refreshes, 159-160
behaviors, 162-163
launching year 2, 158-162
Renew phase (ACT), 15
Rice, Jerry, 119
roadmap for transformation, 23-24, 29
rules for structured dialogue, 54-59

S
safe passage, creating, 15-18, 60-62
selecting Co-Champions, 34-36
simplifying performance
measurements, 201-202
SLT (Senior Leadership Team), 22
Co-Champions, 32-36
confronting reality
criticizing the status quo, 49-50
setting tone for, 44-45
CTAs, setting, 94-97
dialogue, generating, 47-48
launch meetings, preparing for,
30-31
Launch phase, pacing, 26-29
oversight, 147-148
“Stop Doing” exercise, 103-105
slumps, 139-142
avoiding, 165-166
midcourse slump, 150-157
innovation, 151
mini-cascades, performing, 152-157
performance assessment, performing, 152-153
sailing analogy, 150
post-launch slump, 142-149
ballast-and-keel role, 144-145
oversight, 147-148
two hats of executive leadership, 145-147
relaunch slump, 158-166
annual refreshes, 159-160
behaviors, 162-163
launching year 2, 158-162
SMART CTAs, 102
SMEs (subject matter experts), 36
social media as disruptive technology, 220-224
Socrates, 45
solving gridlock, 69-70
“doing more ON less,” 70
two-drawer method, 68
speed
as enabler of success, 168-169
of Launch phase, determining,
26-29
of transformation, managing,
167-176
best practices, 187
productive speed, 170-172, 176
status quo
criticizing, 49-50
CTAs, ensuring full commitment, 106-109
“Stop Doing” exercise, 103-105
strategic vision
Business Success Model,
defining, 79
creating safe passage, 76-78
structured dialogue, 41, 45-59
versus discussion, 45-47
Facilitator role, 56
feedback, handling, 58
leader-led transformation, 59
Recorder role, 56
structuring ACT launch, 21

tablework, 41, 54-59. See also
structured dialogue
Facilitator role, 56
feedback, handling, 58
Recorder role, 56
tactical methodologies for
transformation, 4
reasons for failure, 4-7
team structure for Transformation
Initiatives, 34-36
templates for Transformation
Initiatives, 86-87
the three I’s, 215-217
traction, building
accountability, 191-195
promises versus declarations,
196-197
best practices, 211
categorizing issues, 200-201
CTAs, setting, 190-191
driving innovation, 197-200
ground truth, 203-205
incentives, aligning, 206-208
performance coaching, 209-211
Process Support Team, developing, 208-209
simplifying performance measurements, 201-202
transformation
  defining, 2
disruptive innovation, 213-215
  agile business innovation, 224-226
design-centered strategic thinking, 217-220
  purpose-infused transformation, 215-217
social media, 220-224
leader-led transformation, 59
leader teams, changing, 231-235
“white hot commitment of the leader,” 229-235
methods of, 4
Process Support Team, developing, 208-209
speed of, managing, 167-176
  best practices, 187
  productive speed, 170-172, 176
tactical methodologies, reasons for failure, 4-7
Transformation Arrow, 65, 70-84
  building, 88-89
Business Success Model
  defining, 79-80
due diligence, 80-84
CTAs, 74
  purpose, 74-76
  strategic vision, creating, 76-78
total system analysis framework, 72-74
Transformation Initiatives, 84-88
  templates, 86-87
transformation engine, 123-124
Transformation Initiatives, 84-88
  aligning with budget, 105-106
  Co-Champions, 32-36
  company values
    identifying, 98-100
    values-performance nexus, 100
CTAs, 92-97
  capturing for everyone in organization, 101-110
  ensuring full commitment, 106-109
SMART CTAs, 102
“Stop Doing” exercise, 103-105
gridlock, 66-70
  solving, 69-70
two-drawer method for solving
  gridlock, 68
two-drawer method for solving
  gridlock, 68
U-V
undermining customer loyalty, 69
updating CTAs, 156
values
  bedrock values, 97
  company values, identifying, 98-100
values-performance nexus, 100
virtual banks, 214
vision statements, 76-78
W-X-Y-Z
Welch, Jack, 234
“white hot commitment of the leader,” 229-235
year 2, launching, 158-162