

Foreword

by Stephen R. Covey

Oliver Wendell Holmes emphasized, “I wouldn’t give a fig for the simplicity on this side of complexity, but I would give my right arm for the simplicity on the far side of complexity.” This book is “simplicity on the far side of complexity.” Using the Pareto Principle, where 80 percent of the desired results flow from 20 percent of activities, Stewart Black and Hal Gregersen have put a laser beam focus on that 20 percent. They effectively get at the subtle the important dynamics and practical solutions involved in bringing about change in our highly accelerated, complex, globalized world.

I have many friends and associates in the strategy and consulting world, and it has almost become a joke that in spite of brilliant analytical studies of the opportunities and threats inside an industry or a profession, in spite of extensive research into alternative strategies, in spite of brilliant feasibility studies and recommended strategic paths, seldom are these strategies effectively *implemented*. This is particularly true in today’s digital, globalized world, simply because the hearts and minds of the people—the culture, if you will—are too mired in the past and people fail “to see” the need for change. They thereby fail to cultivate the new skill set and to organize the resources “to move” forward and “to finish” the job.

The logic of this book is compellingly built around a paradigm or mental map of inside-out (individual out) rather than outside-in (organization in). Unless the needed change is embedded in individuals, it cannot show up in the larger organization in a way that consistently affects behavior and results. It reminds me of a statement that the great sociologist Emile Durkheim said: “When mores are sufficient, laws are unnecessary. When mores are insufficient, laws are unenforceable.” In other words, when looking at the issue of organizational change, until the needed

changes get deeply embedded in the values, mindset, and skill set of individuals, organization change simply will not happen—no matter how brilliant the new organizational strategy, structure, or systems. As the subtitle of the book says, “changing individuals changes organizations,” not the other way around.

I remember a visit I had with the president of Toyota in Japan. He was talking about the cultivation of the spirit of “kaisen,” meaning “continuous improvement.” He emphasized how absolutely necessary it was for the hearts and minds of the people “on the line,” to emotionally connect with kaisen, to deeply “see” or buy into it as informed, economically literate and involved people. In fact, he even suggested that the level of this understanding and involvement should reach the point that every *one* desires and takes responsibility to make things better and any one individual can stop the line and initiate a discussion on how to make things better, improve quality, and lower costs. I remember him saying, “Detroit simply doesn’t get it. They think the answer is in marketing and design and technique and technology. They don’t understand that the answer lies in the hearts and minds of every individual worker.” In other words, using the language of Stewart and Hal’s mentor and my dear friend, J. Bonner Ritchie, the Toyota workers had their own “map,” consequently their own “metaphor,” to guide their behavior

Of course, deep change does not happen instantly. To some, this approach may seem less efficient, but after more than 40 years of experience, I can say with confidence that the approach is infinitely more effective. Why is this more important today than ever before? Simply because we are moving out of the Industrial Age into the Knowledge Worker Age. Today 70–80 percent of the value added to goods and services comes from knowledge work, where even 20–30 years ago it was only 20–30 percent. The job of leadership in the Industrial Age was one of control, rather than one of unleashing human talent. People became cost centers and were managed like things; just like machinery, to be controlled.

But because unlike machinery people had feelings, and getting different behavior out of them required more than simply adjusting a knob or dial. As a consequence, the carrot-and-stick—the Great Jackass Theory of Human Motivation—became the dominant change tool during this era.

Thankfully the world has changed. Today managers recognize that people have minds and hearts and spirits, not just bodies to be controlled and manipulated. People today want a sense of meaning, a sense of voice, a sense of belonging to an innovative community that adds true value. It is a different world, and the need for changing to that different world, as well as transforming how we bring about change in others, has become compellingly clear and obvious. Paraphrasing the great historian Arnold Toynbee, “You can summarize the history of organizations, institutions and societies in four simple worlds: ‘Nothing fails like success.’” In other words, if you have a new challenge, the old successful response routinely fails. Thus it is with organizations: The old successful carrot-and-stick way of bringing about change fails in our new environment. To become competitive at a world-class level today and into the future, change must be anticipatory change, not reactive change, or change because of crisis, as this book so compellingly illustrates. However, despite the ever-larger size of organizations, with ones like Wal-Mart likely to have 2 million employees around the world within a decade, the reality is that leaders must keep individuals at the center of the change process. Mother Theresa once said, “If I look at the mass, I will never act. If I look at the one, I will.”

From my own work with organizations, I have learned that the key to the 99 is the one, and also that every one of the 99 *is* one. I have also learned the central lesson taught in this book is that until individuals deeply see and feel the need for change, make the necessary moves, and fight to the finish in making good things happen, the change will not work its way into the culture (the shared value systems of individuals), and until that happens

you simply don't see sustained change with powerful positive impacts.

I have seldom seen a work so replete with such powerful, real-life business examples that readers can relate to. These are not abstract examples, but compelling real-life examples of businesses that most of us have done business with, either through our businesses or as consumers. As the book clearly illustrates, we need a new mental model or map, regarding the very processes of change itself, so we don't fall back into the Industrial Age model of control and manipulation. We have to get past the notion that changing organization strategies, structures, or systems will magically change individuals. This last mindset change is the toughest of all. In science this is called a *paradigm shift*. From a historical review of these shifts, we know they are not easy because every significant scientific breakthrough has required a "break with" an old way of thinking, an old paradigm, an old model, an old map. Ptolemy, the Egyptian astrologist, developed the map that the Earth is the center of the universe. It was not only Earth-centric, it was egocentric. Copernicus showed that the Earth revolves around the sun and that the sun is the center of our universe, and that there are many universes. He was castigated as a heretic. Such a flawed map persisted for centuries. Even Galileo, many centuries later, proved through the telescope the Copernican model correct, and he himself was castigated as a heretic, put out in front of a church and every parishioner stepped on his body. At the end, he lifts his bloody body and head and they asked him, "What do you have to say now?" and he says, "The earth still revolves."

Bloodletting was the common medical practice for much of the Middle Ages, even after the Germ Theory had been discovered by Semmelweis out of Hungary and Pasteur out of France. The Divine Right of Kings paradigm persisted for millennia. Then the concept of "government of the people, by the people, for the people," surfaced to unleash the greatest prosperity known to man, a profound breakthrough.

In 2006, Mohammed Yunus received the Nobel Peace Prize for his leadership of the worldwide micro-credit movement, wherein less than a generation of more than 500 million people have come out of poverty. What was the key? A new map that viewed people as able and responsible and saw that in aggregate many seemingly small changes could result in a great movement. One of the keys in creating a culture where people who received credit paid it back was that the women who received credit sat on the credit committee to evaluate the next applicant. A deep change in individuals became embedded into the culture of many. The fundamental value was that if you receive credit, you pay back. The result was an astounding 98.9 percent payback. Armed with new paradigms, you can see why Leonard E. Read's statement, "Every significant movement in history has been led by one or just a few individuals with a small minority of energetic supporters" is so true.

Robert Peel, the founder of modern policing, put it this way: "The basic mission of police is to PREVENT crime and disorder. The public are the police and the police are the public, and both share the same responsibility for community safety." This is a new map. This is a map of prevention rather than just catching bad guys. Today community policing has become the most powerful force in preventing crime. Because it involves tapping into individuals, parents, children, and teenagers, in many places in the world today, crime has been reduced up to 80 percent, and recidivism has gone down to 5 percent. So many other illustrations from different fields of human endeavor could be shown to demonstrate that "every significant breakthrough for the future is a break with the past."

Bottom line, this book is a breakthrough book because it is a break with the outside-in approach to change and gives innumerable practical frameworks of thinking and illustrations. The authors demonstrate the need for a new change process, inside-out, based on the idea that until the heart and mind of an individual change, not much else will happen. Simply

announcing a new strategy or structure will not do much, even if the announcement is communicated by videocast, podcast, webcast, satellite, cable, microwave, or any other broadcast. Why? Execution will not happen. On average, only about one-third of people say they clearly understand what their organizations are trying to achieve, and only 10 percent feel very highly energized by and committed to their organization's goals. Why? Because trying to impose change from the organization onto the individual doesn't work in a more global and sophisticated world. You have to work from the inside out.

At first this may seem like a significant and perhaps overwhelming demand, especially if you are a senior executive with ultimate responsibility over hundreds, or thousands—or hundreds of thousands—of employees. Along with the authors, I look at it differently. It is not only possible but vastly more rewarding to help individuals see the need for a change, empower them to make the necessary moves, and encourage and support them through the finish. In turn, they can then repeat the same rewarding personal change process throughout their lives. We are capable of it. We have the power of choice. We are the creative force of our own lives. We can lift ourselves out of the quicksand of past habits, past practices, however successful they may have been, and can rise to this new world challenge and the magnificent new opportunities that it provides. But it all starts with one. It starts with each one of us and our relationships with one another.

Perhaps Margaret Mead put it best: “Never doubt that a small group of committed people can change the world; indeed, it is the only thing that ever has.”