

Managing Change: Garden, Sandcastle, Mountain, Spaghetti

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In becoming an effective manager of change, it helps to think in terms of metaphors, says Jonathan Byrnes. Are you tending your change initiatives like a gardener, or are you snagged in spaghetti?

by Jonathan Byrnes

When I think of managing change, four images come to mind: a garden, a sandcastle, a mountain, and a plate of spaghetti. Let me explain.

A garden

The first image of change is a garden. My mother-in-law, who is very wise, introduced me to this image. She told me that a marriage is like a garden. A garden requires constant care and work, or it gets overgrown with weeds.

As a gardener, I know this is true. Behind every beautiful garden is an amazing amount of hard work: planting, fertilizing, and endless weeding. And a really great gardener always contemplates how to improve the garden. He or she periodically changes the garden's look and composition, moving plants around, introducing new ones, and taking old ones away.

Two key points emerge here. First, a garden that isn't getting better gets worse very fast. Second, only when a garden is good can the gardener see how to make it great, and only when it is great can he or she see how to make it truly outstanding.

Does your business look like this? Are you constantly weeding, adjusting, and improving it? Or does your portfolio of accounts, products, and services simply reflect "the way we do business"?

A great business, like a great garden, requires constant work even to stay the same. An essential element, one that is very often missing, is the process of constant weeding. As the business evolves and its markets change, accounts, products, and services lose their profitability and potential. They must be weeded away. Only if this weeding process is a constant, ongoing, integral part of the business can new high-potential initiatives be started and grown to keep the company healthy.

At Dell, for example, the process of "sunsetting" products is considered one of the company's most important strengths. It makes all the difference between stunning success and failure. Contrast this with a company in another business whose CEO confided that the product managers were always "one day away from profitability and one SKU away from greatness."

The failure to constantly weed leads to the situation of many companies in which 30 to 40 percent of the company is unprofitable by any measure. Once a company reaches this state, it is hard to give up revenues from the unproductive part of the business, even if profits will improve dramatically. Instead, it is far better to institute an ongoing system of profitability management and constant weeding.

A sandcastle

The second image is a sandcastle. Think about the process of building a sandcastle. First you pile up sand. Every time you pile the sand higher, some of the sand trickles down, you pile it up again, and it trickles down again. After a while, the sandcastle takes shape. Then one time when you pile the sand, a section falls away. You go to work fixing and changing that section: you pile the sand, and it trickles down, until you've replaced the section. Finally, you have a sandcastle. The sandcastle actually may look very different from the one you started building, because you had to change your vision of what it would look like in response to what happened during the building process.

Contrast this with the business case process in most companies. Most business cases, requests for financial investment in a project, identify a clear set of costs, a clear process for developing value, and a clear payoff. A business case of this sort makes sense in situations where the facts are well known, like investing in a new

machine for an existing process. The problem is that the same methodology is often erroneously applied to situations in which key elements are not knowable at the time. These situations look more like building sandcastles.

I recall advising several major telecommunications and other high-tech companies about investment in new technologies in the early 1990s. It always amazed me how our most important innovations could not have passed the business case test at the time they were developed.

Think about cell phones and PCs. Could you seriously see a major company deciding to develop a cell phone network so your teenager could call friends across the high school campus? Imagine presenting a business case to develop PCs based on the assertion that even retired people would use them once or twice a day for e-mail instead of using the phone. What is the implicit value of the customer's time? What market numbers would you use? Who would believe them?

Instead, the process of getting these enormous businesses off the ground was like that of building sandcastles: piling up sand, watching it trickle down, piling up more sand, experiencing major setbacks, until the market took shape and the investments finally were clearly justified. Here, it was necessary to "prime the pump" on market development for an extended period of time, even without a clear, well-grounded value creation process and calculation of returns. And it was crucial to accept constant minor and occasional major setbacks, and to view them as an integral, natural part of the market development process.

In an ambiguous, uncertain situation, there is necessarily a huge amount of probing the potential market and learning by doing. In fact, the really critical issue is how fast and effectively you can figure out how the market will evolve.

If a market is in your company's strategic sweet spot, it's best to start piling up the sand and to remember that setbacks are a natural part of the process. If you let business cases decide these critical matters, the market will move right past your company.

A mountain

The third image of change is a mountain. Think about climbing a very high mountain. The most essential part of the process is establishing a set of viable base camps along the ascent route. This involves identifying proper locations, organizing and coordinating logistics, provisioning enough supplies not just for the ascent but for the descent as well, allowing for time to acclimate to the altitude, and identifying alternative routes between base camps so that the climbers can react to the conditions they experience.

By contrast, many large-scale change management processes in companies focus primarily on the objectives and payoffs, and not enough on the process of getting there. Three common errors occur.

First, some teams try to reach the ultimate objective of the change in one step rather than establishing base camps along the way. This, almost always, is neither desirable nor feasible. It is generally necessary to try out new ways of doing business before settling on a final formulation. At the same time, different business functions are capable of changing at different rates. They need base camps in the change process in order to work out new ways of operating and to get realigned with each other, or performance may suffer.

Second, the teams may mistake the first base camp for the final objective. Change, like ascending a mountain, is daunting and grueling. There is a strong tendency to perceive progress toward a goal as achieving the goal. All too many change programs lack a clear definition of how much change is enough.

Third, teams sometimes reach an early base camp, and get discouraged by how much change they have left. This can occur if they fail to see or fail to believe that the change process is well conceived and well organized. In a well structured change process, they will have an opportunity at each base camp to get acclimated and adjust to their new situation before moving on to the next.

The underlying problem in many large-scale organizational change programs is that managers view the change process as all or nothing. They focus on selecting the peaks and envisioning the view from the top. In fact, the process of organizing and meting out change, establishing sound base camps along the route, makes all the difference between success and failure.

A plate of spaghetti

The final image of change is a plate of spaghetti. This is what you get if you neglect the other three.

All too many managers have a plate full of change initiatives that each has intrinsic merit, but together look like a plate of spaghetti. It doesn't have to be this way.

Most change initiatives fall into one of three categories: constant weeding, strategic market development, and large-scale organizational change. Each has a different nature, a different management and control process, and a different sort of outcome. All three types of initiatives are necessary, and together they enable the effective manager to deploy a program of renewing change that positions the company for today, tomorrow, and the evolving future.

Note to my readers: *These columns are now available on my Web site (<http://mit.edu/jlbyrnes>). If you want to receive notices of my columns and other writings, please register for the discussion forums on my Web site, or simply send me an e-mail (jlbyrnes@mit.edu).*

See you next month . . . here and at my Web site!



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