Quest: Leading Global Transformation

The 7 Journeys Reshaping Corporations Today

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End of a Successful Transformation Journey: Company

- Has sought to understand its environment
- Has provocatively questioned the status quo
- Has learned considerably from those initially ahead
- Has fashioned novel answers to existing problems
- Has overcome considerable obstacles
- Totally dominates its environment
End of a Successful Transformation Journey: Leaders

- Identify so totally with their company that they fail to appreciate an external perspective
- Think they have all the answers
- Ruthlessly seek to eliminate those that do not back them
- Rely stubbornly on what has worked in the past
- Underestimate the obstacles ahead of them
- See themselves and their company totally dominating the environment into the future
When Do Transformation Journeys Run Out of Steam?

When companies are unable to sustain distributed leadership development at all levels.
What is typically the trigger for a transformation?

Organization-wide sense of urgency on value creation and capture
When Ginni Rometty addresses restless shareholders on Wednesday at IBM’s annual investor day, it will be with the practised air of someone used to handling the regular upheavals of the industry.

“This company reinvents itself every decade. It’s doing it again,” she said this week during an interview at the US tech company’s headquarters in a wooded suburb north of New York. “I do believe this industry is going through very important change and it will reorder itself. We will be a leader out the other end, as we have been every other time.”
Architecture of a Transformation Journey

TRIGGERING QUEST

The Quest for Global Value Generation
To develop an organization-wide focus on value creation and capture.

ANCHORING QUEST

The Quest for Global Leadership Development
To build up distributed leadership capability at all levels of the organization.
The quest for creating an organization-wide focus on value creation and capture

**THINK: DIVERGENT VIEWS ON VALUE**
What do we mean by “value” and “who” are we creating it for?
How do we integrate strategic, financial, and marketing views of value?
Do we have the governance in place to avoid value destruction?

**ENABLERS: LOOK IN THE RIGHT PLACES**
Balance the trade-off between value creation and value capture
Use data and knowledge to drive value generation

**BLOCKERS: AVOID VALUE DESTROYING HABITS**
Poor governance at board level: Inability to monitor value
Using narrow metrics (e.g., costs) to track progress on value generation
Anchoring Quest: Global Leadership Development

The quest for building and managing a distributed leadership capability at all levels of the organization

**THINK: LEADERSHIP IS A NON-HIERARCHICAL CONCEPT**
Does top management invest time to coach the next generation of leaders?
Do line managers own the leadership development process?
Do we have a leadership competency model shared across the organization?

**ENABLERS: FIX THE FOUNDATIONS**
Intensify feedback: Let leaders use feedback to develop themselves
Rotate senior managers to broaden perspectives

**BLOCKERS: AVOID TALENT TRAPS**
Prioritizing short term performance over longer term development
Selective development of an “elite” cadre of “high potentials”
Architecture of a Transformation Journey: 3 Quests

- TRIGGERING QUEST
- LINKING QUEST
- ANCHORING QUEST
Do More or Different with Your Company’s:

- Products
- Customers
- Resources
- Partners, Suppliers, Vendors
Linking Quests

The Quest for Global Presence

Products: Take products global and leverage to create global organization.

The Quest for Global Solutions

Customers: To move from selling products to providing value-added solutions.

The Quest for Global Agility

Resources: Use existing resources in a more agile way.

The Quest for Global Sustainability

Resources: Use resources in a more sustainable way.

The Quest for Global Co-innovation

Partners: To open up sources of innovation beyond organizational boundaries.
Linking Quest (with Products): Global Presence

The quest for developing our international presence, through operations, customers or suppliers, in multiple countries/regions through acquisitions or start-ups

**THINK: ADOPT A LEARNING MODE**
- How global should we be?
- Which globalizing companies are threatening to disrupt our business?
- How culturally diverse is our leadership team?

**ENABLERS: ACT AS ONE COMPANY**
- Rewire systems and knit networks to act global and think local
- Maintain consistency in “our way” while expanding globally

**BLOCKERS: AVOID HITTING THE WALL**
- Acquiring weak businesses in the haste to develop global footprint
- Inability to integrate talent on a global scale due to “dominant” culture
The quest for providing integrated solutions to customers rather than just being a supplier of products and services.

**THINK: WHAT BUSINESS ARE WE IN?**
What do our customers do with our products that we *could* do for them? In trying to sell a solution, what customer “headache” are we addressing? How will the move to solutions destabilize our current value proposition?

**ENABLES: REWORK THE CUSTOMER INTERFACE**
Organize, equip, train, and incentivize the workforce to “learn” not just “sell”
Re-architect relationships with vendors, intermediaries, suppliers

**BLOCKERS: RE-ALIGNMENT FAILURE**
Inability to reshape an entrenched “sales” culture
Lack of competence in integrating solution-oriented systems
Linking Quest (with Resources): Global Agility

The quest for being strategically or operationally agile, in terms of both business functions (sales, marketing, distribution & R&D) and support functions (finance, HR & IT)

THINK: MULTIPLE ANGLES ON AGILITY
Is our priority strategic, operational, or cultural agility?
Which parts of the organization need to be more agile and in what way?
How should we use pilots and experiments to realign ourselves?

ENABLERS: CONSOLIDATE AGILITY ENABLERS
Leverage diversity to generate multiple options to exploit opportunities
Learn to prototype rapidly and institutionalize what works

BLOCKERS: AVOID AGILITY ASSASSINS
Blind spots that stop you from seeing the complete picture
Not cutting your losses quickly when something doesn’t work
Linking Quest (with Resources): Global Sustainability

The quest for integrating and moving beyond compliance and corporate social responsibility and towards genuine sustainability

**THINK: EXPAND THE VALUE HORIZON**
What is the key sustainability concern for our industry and business?
How important is sustainability to our strategic thinking?
How will we mobilize the entire organization in order to be more sustainable?

**ENABLERS: EMBED SUSTAINABILITY**
Engage stakeholders across the chain to become sustainable
Convey behavioral commitment of top management to the sustainability agenda

**BLOCKERS: AVOID RECKLESS MEASURES**
Lack of metrics reporting progress towards sustainability
Temptation of claiming shallow PR victories (‘greenwashing’)
Linking Quest (with Partners): Global Co-Innovation

The quest for incorporating innovation from external sources (in addition to internal ones) to broaden and exploit our knowledge of opportunities

**THINK: COLLABORATE TO CREATE**
What networks should we develop in order to access new ideas faster?
Do we share an understanding of what our innovation bottleneck is?
How ready are we to disclose know-how to new innovation partners?

**ENABLERS: SET UP FOR SUCCESS**
Develop the capability of addressing all points of the innovation spectrum
Ensure receptivity to new ideas through collaborative relationships

**BLOCKERS: INNOVATION CHOKERS**
Over-reliance on one or two points of the innovation spectrum
Resorting to ‘tight’ contracts with innovation partners

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A Transformation Journey

TRIGGERING QUEST
The Quest for Global Value Generation

LINKING QUEST
The Quest for Global Co-innovation

ANCHORING QUEST
The Quest for Global Leadership Development
Picking the Right Transformation Journey

- **Triggering Quest:** Understand the pressure on value creation and capture. *Know that the journey just starts here.*

- **Linking Quest:** Identify the factor that can be mobilized for transformation (products, customers, resources, partners). *Keep focus.*

- **Anchoring Quest:** The transformation needs to be sustained with leadership development across all levels. *Spread capabilities and embed throughout the organization.*