Changing the Status Quo

...or...

“Why didn’t that @%$&* Thinking Process work???”
Changing the Status Quo

Frank and Ernest

..AND THAT'S MR. FITZIMMONS ...OUR VICE-PRESIDENT IN CHARGE OF RESISTANCE TO CHANGE.
Agenda

• Why apathy (or resistance) to change occurs
  ➢ The role of RISK AVERSION

• A proposed strategy for initiating change

• A proposed change development and persuasion process

• Executive presentation

• Monitoring and responding
A typical scenario…

• You complete an exhaustive, logically-sound analysis using the Logical Thinking Process

• You present it to your decision-maker
  ➢ What the problem is (CRT)
  ➢ What the solution is (EC, FRT)
  ➢ How you propose to implement it (PRT)

• You get one or more of the following reactions:
  ➢ “Yes, but…”
  ➢ “That looks pretty good...well done! Excuse me, but I’ve got to get to another meeting...”
  ➢ “I don’t know...I’ll have to think about that…”

…and NOTHING more happens!
WHY does this happen?
(And what can you do to prevent it?)

- Logic is NOT enough

- Human emotion, motivation, and behavior enter into the equation

- Factors OTHER THAN logic are LIKELY to be even MORE DECISIVE
It’s emotional…

FEAR

To introduce something altogether new would mean to begin all over, to become ignorant again, and to run the old, old risk of failing to learn.

— Isaac Asimov
If you want your TP analysis to succeed, you must...

- Anticipate “push-back”
  - Recognize it when you see it

- Understand what’s causing it

- Take steps to “trim that Negative Branch” before it happens
  - Have a plan to deal with it
    - BEFORE it occurs
    - When it actually surfaces
Indications of Resistance

OVERT

• Outright opposition
  ➢ “That’s the worst idea I’ve seen yet!”

• Challenge to the logic
  ➢ “Your analysis is flawed.”

• Continual presentation of obstacles
  ➢ “Yes, but what about...?”

PASSIVE

• Apathy, lack of enthusiasm

• Non-verbal cues

• Inaction
WHY do people resist change (new ideas)?

Happiness

Satisfaction

Initiate change

Security

Resist change

Efrat’s Cloud
Change…

- Poses a risk for the initiator

- The “satisfaction-versus-security” dilemma
  - Change clearly leans toward to the “satisfaction” side
  - NOT changing leans toward the security side

- The degree to which a particular person will embrace or resist change depends on whether they tend to *EMBRACE* or *AVOID* risk
  - This is a personality trait
Initiating change
Mid-level management’s perspective

Would you want to try telling these guys they need to change…?
Initiating change
Mid-level management’s perspective

“You mean I have to tell the boss WHAT??!!

Mid-level manager

Mid-level manager’s assistant
Personal Predisposition

• Some people are “risk-takers”
  ➢ The ones for whom their need for satisfaction outweighs their need for security

• Others are “risk-averse”
  ➢ The ones for whom security is more important than satisfaction

• A significant number are somewhere in the middle
  ➢ SOME calculated risk is acceptable
The Technology Adoption Life Cycle

A similar concept can be applied to risk aversion...

Adapted from Geoffrey Moore, *Crossing the Chasm*, 1991.
A similar concept can be applied to risk aversion...
“Death Wish”

Al Gore tests the new “green” motorcycle
Risk-Takers

“If everything seems to be under control, you’re not driving fast enough.”

— Mario Andretti
How new ideas “get in”

- **At the top**
  - Discovered and embraced by senior executives / managers
  - Nearly unlimited authority to apply

- **In the middle**
  - Discovered by functional managers
  - Limited authority to apply

- **At the bottom**
  - Discovered by line employees
  - Little authority to apply
## Risk Aversion and Functional Level

*A Cross-Interaction Matrix*

<table>
<thead>
<tr>
<th>Organizational Level</th>
<th>“Death-wish”</th>
<th>Risk-taker</th>
<th>Calculated risk-taker</th>
<th>Reluctant risk-taker</th>
<th>Completely risk-averse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive/Senior Management</td>
<td>None*</td>
<td>Few</td>
<td>Most</td>
<td>Some</td>
<td>Very few</td>
</tr>
<tr>
<td>Middle Management</td>
<td>None*</td>
<td>Some</td>
<td>Many</td>
<td>Most</td>
<td>Some</td>
</tr>
<tr>
<td>Line Employees</td>
<td>None*</td>
<td>Very few</td>
<td>Few</td>
<td>Most</td>
<td>Many</td>
</tr>
</tbody>
</table>

* Individuals’ tendency toward extreme risk-taking is usually confined to their personal lives

- Most senior managers/executives are *only moderate* risk-takers
- Most middle managers are *somewhat less moderate* risk-takers
- Most line employees are *risk-averse*
What Risk-Aversion Implies for the Change Agent...

- Where you are in the organizational hierarchy influences your success (and the ease of application)
  - Executive level: Top-down mandate (Jack Welch – GE)
    - Major policy-level change
  - Middle level/staff: Substantial persuasion required
    - Contemporaries
    - Superiors
  - Line level: Substantial persuasion required
    - Limited largely to low-level functional changes
In spite of warnings, nothing much happens until the status quo becomes more painful than change.

—Laurence J. Peter
Where Change Originates

- EXTERNAL (“Not invented here”)
  - Little/no sense of “ownership”

- INTERNAL (“Home-grown”)
  - Higher probability of acceptance
    - Provided the risk-aversion issues can be accommodated
OBJECTIVE:

Maximize the origin of change from within…

- Develop logically-sound changes
- Ensure change development is internal
  - “Invented HERE!”
  - Participatory
A “Change” IO Map...

- **Goal**: Maximize origin of change from within
  - Develop logically-sound changes
    - Critical Success Factor
  - Logical change development method
    - Necessary Condition
  - Participation
    - Necessary Condition
  - Ensure change development is INTERNAL
    - Critical Success Factor
  - Process for “inventing here”
    - Necessary Condition
Why “Participatory”? 

• “Everyone wants to peel their own banana...”
  ➢ People at all levels of an organization feel more secure
    when they have some measure of control over their fate
    or environment

• Everyone can be a potential “Gandhi”
  ➢ Exercise passive resistance
  ➢ Promote failure by inaction

“The only thing worse than someone who will not do what they’re told
is someone who does ONLY what they’re told.”

• Even those without formal power can inhibit or stop change
A Change Implementation Model

- Effective, lasting change requires:
  - Commitment of everyone
  - Behavioral modification
    - Reinforcement
  - Performance management
    - Measurement/adjustment

- The part of this change model where the Logical Thinking Process fits in...

[Diagram showing the logical thinking process]

Goal Systems International
A Suggested Presentation Strategy

1. Determine the organizational level where the change originates
   - Executive (directly responsible)
     - Charter from above
   - Middle (intimately involved)
     - Inspire upward, downward
   - Line (affected) – rarely happens

2. Avoid the “bull-in-the-china-shop” approach
   - “Boil the frog one degree at a time”
     - Persuasion “sells” better than direction
3. Enlist limited participation in problem-solving

- **Ensure stakeholders are represented**
  - Those with ultimate responsibility (and perhaps purse-strings)
  - Those charged with executing (and operating under) the change
  - Those affected (but with the power to “torpedo” the change through passive resistance)

- **Limit the group size to no more than six**

4. Lead the group “Socratically”

- **Be the knowledgeable facilitator of the method**
- **Encourage input and scrutiny from everyone in the group**
Strategy (#3)

5. All of the group (6) should participate in IO Map construction, Evaporating Cloud resolution, and Prerequisite Tree development.

6. When the IO Map is complete:
   - Present IO Map to senior decision-maker for acceptance
     - OBJECTIVE: Obtain senior-level agreement on the goal, CSF, and major NCs of the organization
Strategy (#4)

7. Confine the CRT and FRT construction to yourself and no more than one or two others
   - Present the rest of the group with a “strawman” CRT or FRT to scrutinize and correct
   - Revise as necessary
     - “On-the-fly”
     - “Off line”

8. When the CRT/FRT drafts are completed by the group, involve other functional managers (intimately involved people) in a second-stage review
   - Obtain agreement or input for modifications
   - Refine the CRT/FRT
Strategy (#5)

9. Involve rank-and-file in the review as appropriate
   ➢ “We’re considering these changes to improve operations…”
     ▪ “Can you see any problems for yourself or the organization?”
     ▪ “How can we make this plan better for YOU and for the organization?”
   ➢ Live up to your word...do your best to incorporate their ideas or concerns
     ▪ Modify the tree as required

10. Final review with senior functional managers
    ➢ “This is our best cut at what the change should look like...last chance to offer suggestions before we go to the boss.”
      ▪ Obtain “buy-in” from the decision-maker’s direct reports, or
      ▪ Make last-minute (minor) modifications to obtain support
Strategy (#6)

11. Present the IO map (again) and CRT to the decision-maker
   - Direct-reports should also be present at the presentation
   - Present it as the consensus position of the functional/middle managers about what the problem is

12. Obtain a charter from the decision-maker to go solve the problems

13. Resolve any conflicts associated with change

13. Construct the FRT
   - Same original group
   - Add members as appropriate
14. Repeat Steps 5 through 14 for the FRT
15. Obtain a charter from the decision-maker to implement the Injections

16. Construct the appropriate PRTs
   - Define group membership according to relevance to/ responsibility for the Injection
     - No more than 5-6 members per PRT
     - Dispersion of PRT responsibility to affected departments (WITH supervision!)
   - Decision-maker assigns *accountability* and...
     - Performance
     - Cost
     - Schedule
Execution

• Prepare a “master FRT” for the change agent and the decision-maker
  ➢ On large paper
  ➢ Professionally printed
  ➢ With PRTs appended

• Use the “master FRT” to monitor and track progress of execution
  ➢ Apply OODA loop concepts
EXECUTIVE PRESENTATION

...or...

“How to prevent losing your most important audience”
The Hidden “Pitfall”

• The most critical part of applying the Logical Thinking Process is presenting the results to decision-makers
  ➢ Weeks or months of exhaustive work identifying and solving the problem can be undone in 30 minutes (or less)

• Executives have “the attention span of a 5-year-old child”
  ➢ They are easily bored
  ➢ They have many other critical concerns vying for their attention

• An ill-considered executive presentation risks:
  ➢ Disinterest
  ➢ Less-that-enthusiastic support
  ➢ Interruption
Challenge:

• Communicate the problem or the solution effectively
  ➢ The most “problematic” trees are the CRT and FRT

• Give the decision-maker *ONLY the information* they require to render a favorable decision

• Maintain the flexibility to expand to more detail if requested (by the executive)
Executive Summary Trees

A reasonable alternative

• Give the decision-maker only the minimum information required to draw the conclusion presented in the CRT or FRT

• Can be presented in 15-30 minutes

• Afford the selective amplification of parts of the tree
  ➢ IF (and only if) the decision-maker asks questions
    ▪ “How did you arrive at THAT conclusion?”
Executive Summary Trees

How to Construct

1. Complete your CRT/FRT

2. Isolate UDEs or DEs most important to the decision-maker

➢ Normally, this will be ALL of them
Executive Summary Trees

**How to Construct**

3. Identify the Critical Root Causes or Injections producing the UDEs/DEs

- Arrange the UDEs and CRCs on a NEW single page (flip-chart paper)
  - This is the Executive Summary Tree
Executive Summary Trees

*How to Construct*

4. Identify the major paths between the CRCs/Injections and the UDEs/DEs

5. Replicate the causal paths on the Executive Summary Tree
Executive Summary Trees

How to Construct

6. Transfer convergence/divergence entities from the CRT/FRT to the Executive Summary Tree
Executive Summary Trees

How to Construct

7. Identify key intermediate entities in each branch of the CRT/FRT
   ➢ Create “long arrows”
   ➢ Make sure they don’t exceed the length of the “leap of logic” the executive can follow
      Consider the executive’s familiarity with the system’s inner workings
8. Replicate the intermediate entities on the Executive Summary Tree
Executive Summary Trees

How to Construct

9. Finalize the Executive Summary Tree
Executive Summary Trees

How to Construct

10. Divide BOTH trees into page-sized segments

- Use “good ergonomics” to decide how many entities to display on a single page of the original CRT/FRT
Executive Summary Trees

*How to Present*

11. Present ONLY the Executive Summary Tree

- The whole “big picture” tree
- Use the sectioned version (at right) as your personal map
- Bring out detailed segments of the original CRT/FRT ONLY to answer specific questions from the decision-maker
  - Revert immediately to the Executive Summary Tree afterward
Executive Summary Trees

How to Present

Display **ONLY** the section of the complete CRT or FRT required to answer the decision-maker’s question

Return immediately to where you left off in the Executive Summary Tree

Provide a written copy of the entire CRT/FRT for the decision-maker to follow-along and take with them
Monitoring and Responding

The OODA Loop

Note how ORIENTATION shapes OBSERVATION, shapes DECISION, shapes ACTION, and in turn is shaped by the feedback and other phenomena coming into our sensing or observing window.

Also note how the entire "loop" (not just ORIENTATION) is an ongoing many-sided implicit cross-referencing process of projection, empathy, correlation, and rejection.

John R. Boyd, 1992
To summarize...
Successful System Improvement

My system improves. (RESULTS)

- I have the will/determination to act.
- I have, and know how to use, tools/procedures to improve the system. (METHOD)
- I am (more and more) empowered to improve my system. (POTENTIAL)
- I accept responsibility for action. (ACCOUNTABILITY)
- I have the desire to improve my system. (MOTIVATION)
- I have authority to change my system. (INFLUENCE)
- I have (more and more) sufficient understanding of the system, or access to it. (CONTENT KNOWLEDGE)

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Goal Systems International 52
What You Should Remember...

• Technical solutions are *NOT* enough

• People’s behavior is *LOGICAL*, and therefore predictable to some degree

• The Thinking Process can help ensure *POLITICAL FEASIBILITY*

*And, finally*...
“Practice, practice, practice…”

- The Thinking Process is a “use-it-or-lose-it” skill.
- In medieval Japan, samurai warriors practiced with the long sword until it became an extension of their arms.

“Practice is the only way that you will ever come to understand what the Way of the warrior is about... Words can only bring you to the foot of the path...”
—Musashi

- In Japanese fencing, kendo, the student practices day and night until “sword becomes no-sword; intention becomes no-intention.” *

* Miyamoto, Musashi. *A Book of Five Rings* (1645)
"Oh... so you didn't use the thinking process either?"
Anything worth shooting is worth shooting *twice.*

"Armed and dangerous..." (to yourself and others!)
IT'S TRUE, HOBBES, IGNORANCE IS BLISS.

BUT IF YOU'RE WULLFULLY STUPID, YOU DON'T KNOW ANY BETTER, SO YOU CAN KEEP DOING WHATEVER YOU LIKE!

THE SECRET TO HAPPINESS IS SHORT-TERM, STUPID SELF-INTEREST!

WE'RE HEADING FOR THAT CLIFF!
I DON'T WANT TO KNOW ABOUT IT.

I'M NOT SURE I CAN STAND SO MUCH BLISS.

CAREFUL! WE DON'T WANT TO LEARN ANYTHING FROM THIS.
LEARN FROM THE EXPERTS.