PROPHET

Creating a Culture Capable of Thriving with Disruption

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Disruption is an opportunity for **change**

Disruption requires chasing after your fastest moving customers

Culture eats strategy for breakfast
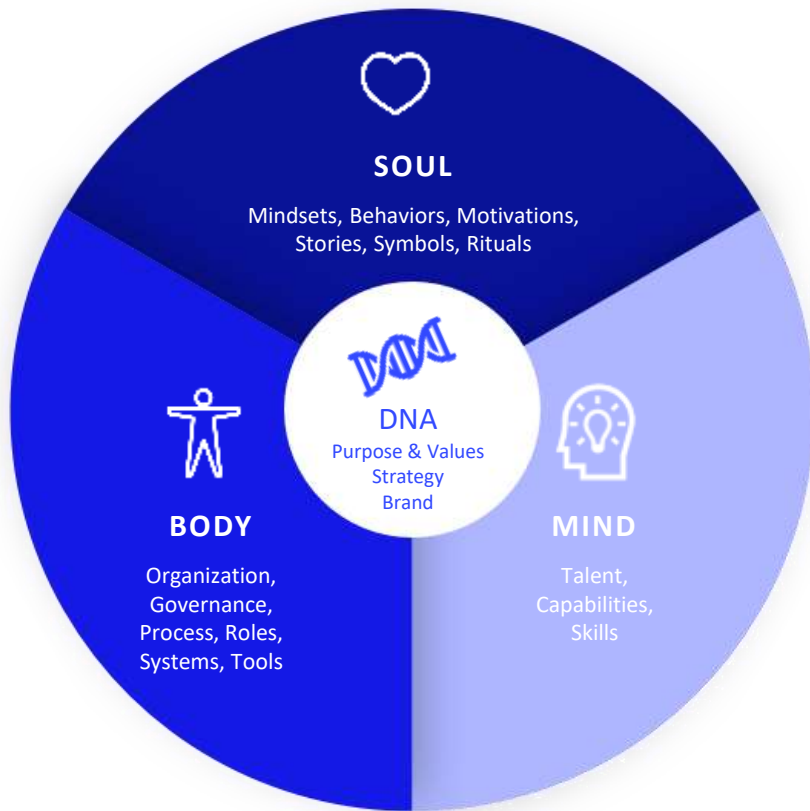
Turning the aircraft carrier

Stuck Culture Thinking

- Says, "This is the way we've always done it."

- Knowledge is power, so hoard information to make everyone come to you

- People are confident that what works today will in the future

- Tests are used to be proven right

Flux Culture Thinking

- Says, "There's got to be a better way."

- Sharing is power; spread information to empower people to act

- People are paranoid that what works today won't in the future

- Tests are used to be proven wrong – and improve

Transformation requires a holistic approach, aligning across four organizational elements to drive sustained change

SOUL

Mindsets, Behaviors, Motivations, Stories, Symbols, Rituals

DNA
Purpose & Values
Strategy
Brand

BODY

Organization, Governance, Process, Roles, Systems, Tools

MIND

Talent, Capabilities, Skills

DNA – DEFINE THE CHANGE

What precisely is changing in the Purpose & Values, Strategy or Brand which requires a transformation?

SOUL – MOTIVATE THE CHANGE

What mindsets, behaviours, beliefs and rituals must be leveraged to ensure employees adopt and evangelize new ways of working?
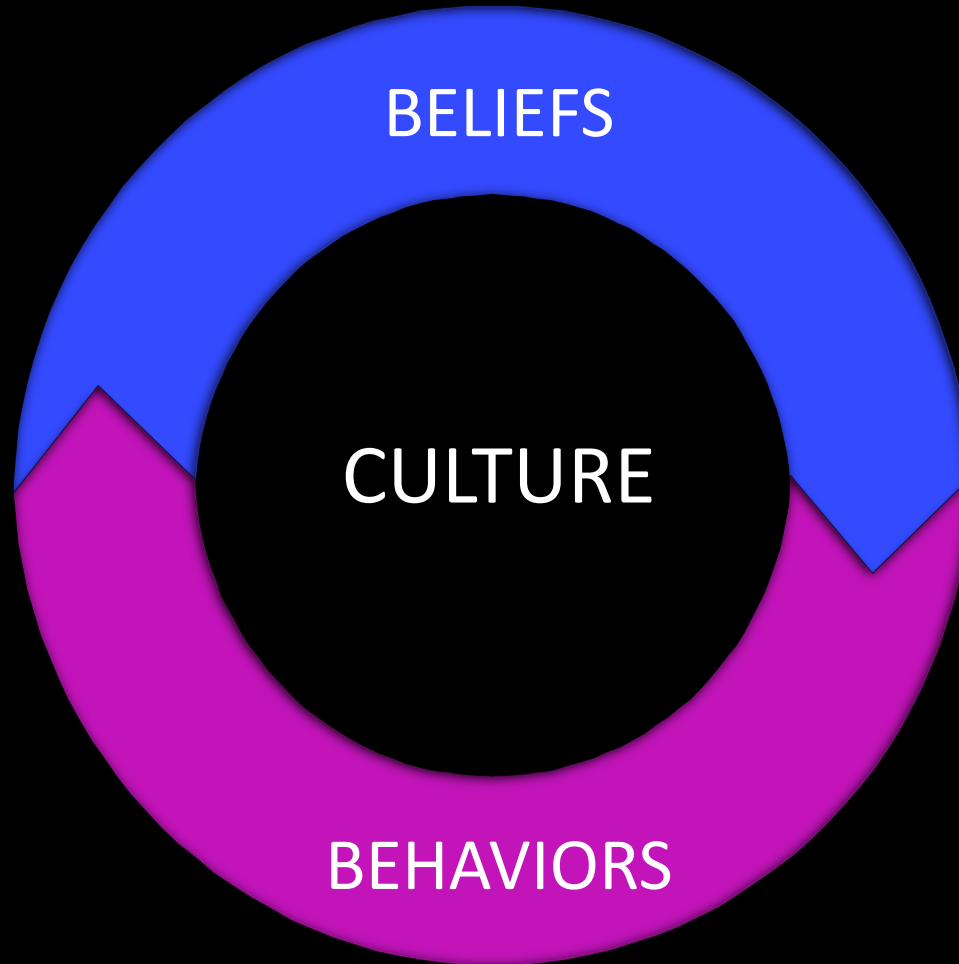
MIND – ENABLE THE CHANGE

What new skills and capabilities might be required for employees to drive transformation?
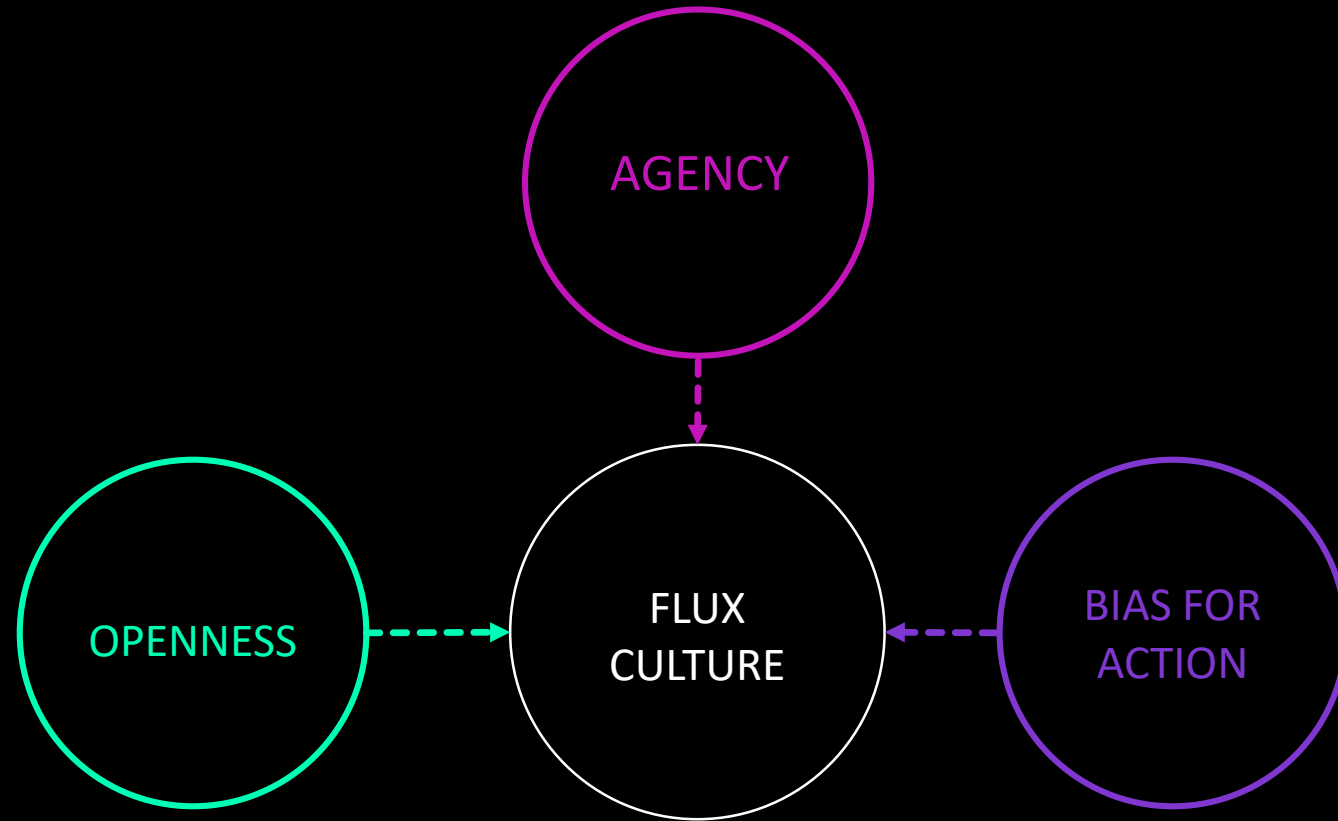
BODY – DIRECT THE CHANGE

What about the operating model needs to change to make transformation real?

Reinforce focus on future customers

BELIEFS

CULTURE

BEHAVIORS

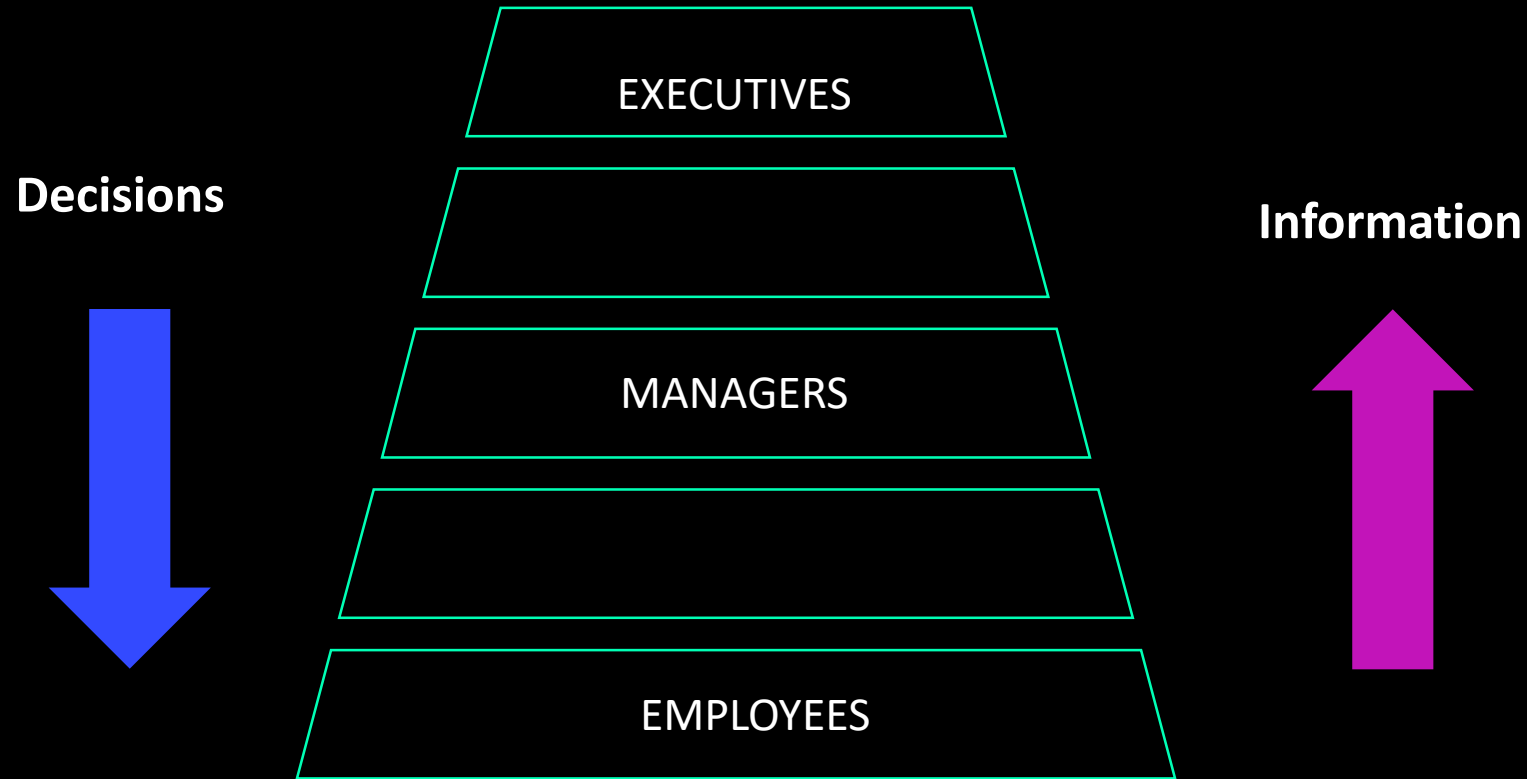# The Three Beliefs of Disruptive Organizations

OPENNESS

Encouraging openness to create a foundation of trust

Traditional hierarchies defined relationships

Information flowed up and Decisions trickled down. Managers act as gatekeepers because of high cost of communications

Decisions

Information

EXECUTIVES

MANAGERS
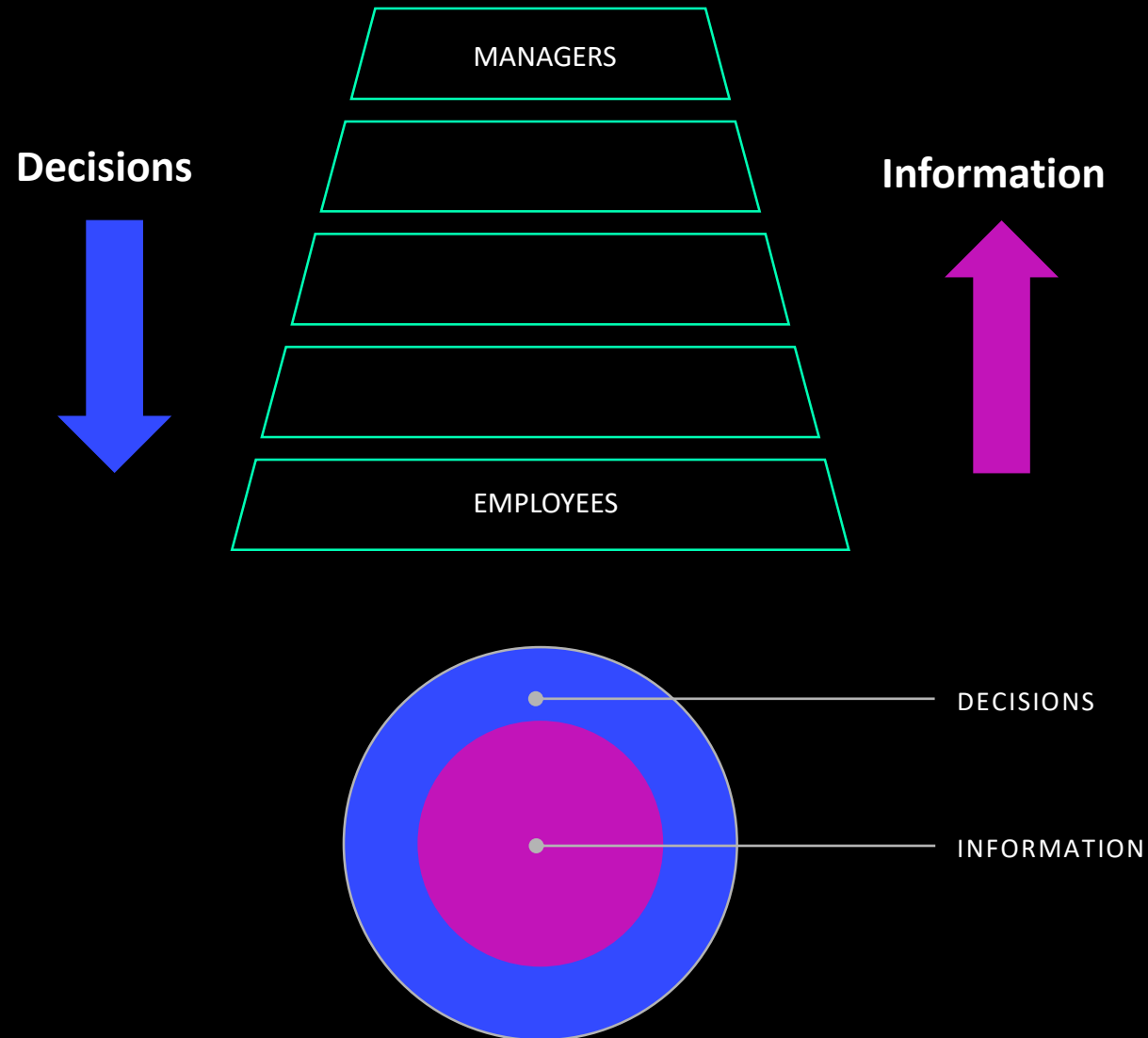
EMPLOYEES

How work really gets done

Game-changing collaboration tools

Distributed teams shifted relationships

Disruptive organizations democratize information and decision making

MANAGERS

Decisions

Information

EMPLOYEES

DECISIONS

INFORMATION

Why openness and transparency support disruption

- Creates accountability

- Forces difficult conversations

- Removes fear of failure

- Creates opportunities for diverse perspectives to filter up

No news is bad news.
Bad news is good news.
Good news is no news.

RISTO SIILASMAA

Chairman of Nokia

Giving up control that you never really had

How open do you need to be?

How fast do you want to go?

How much do you need to trust your team to use information and make decisions to execute your strategy?

How to create openness

- Identify places where trust is low and address with openness

- Put vital data where it can be best used — default is open, private is the exception

- Personally use collaboration platforms to encourage sharing

AGENCY

Giving employees agency
to act like owners

Don't fall prey to "HIPPO" (Highest Paid Person's Opinion

Two of Amazon's Leadership Principles

1 > Ownership

2 > Have Backbone; Disagree and Commit

Instilling Agency in Your Organization

1. Demonstrate your trust in their judgment

2. Shift ownership and authority in chunks

3. Forgive and learn from failure

4. Simplify decision making

5. Clarify when disagreement is expected and when it's time to commit

BIAS FOR ACTION

Embracing A Bias For Action To Chase
After Opportunities

Organizations with Strong Action Beliefs Exhibit These Behaviors

1. Embrace "done is better than perfect"

2. Make decisions with minimally viable data

3. Test and fail their way to success

4. Define next steps and deadlines

Instilling Bias for Action in Your Organization

1. Increase and measure change capacity

2. Invest in and develop your employees' extrasensory skills

3. Define the decision field

4. Identify the minimally viable data needed

5. Force decisions and action with impossible deadlines

What beliefs hold us back?

Formal beliefs can morph over time into informal beliefs

What beliefs hold us back?

- "I can't speak up, I might get fired."

- "We need more data to be absolutely sure."

- "Things have to be perfect."

- "I can't change anything – I'm just a _____."

- "Transformation isn't my job."

- "Everyone needs to agree before we can move forward."

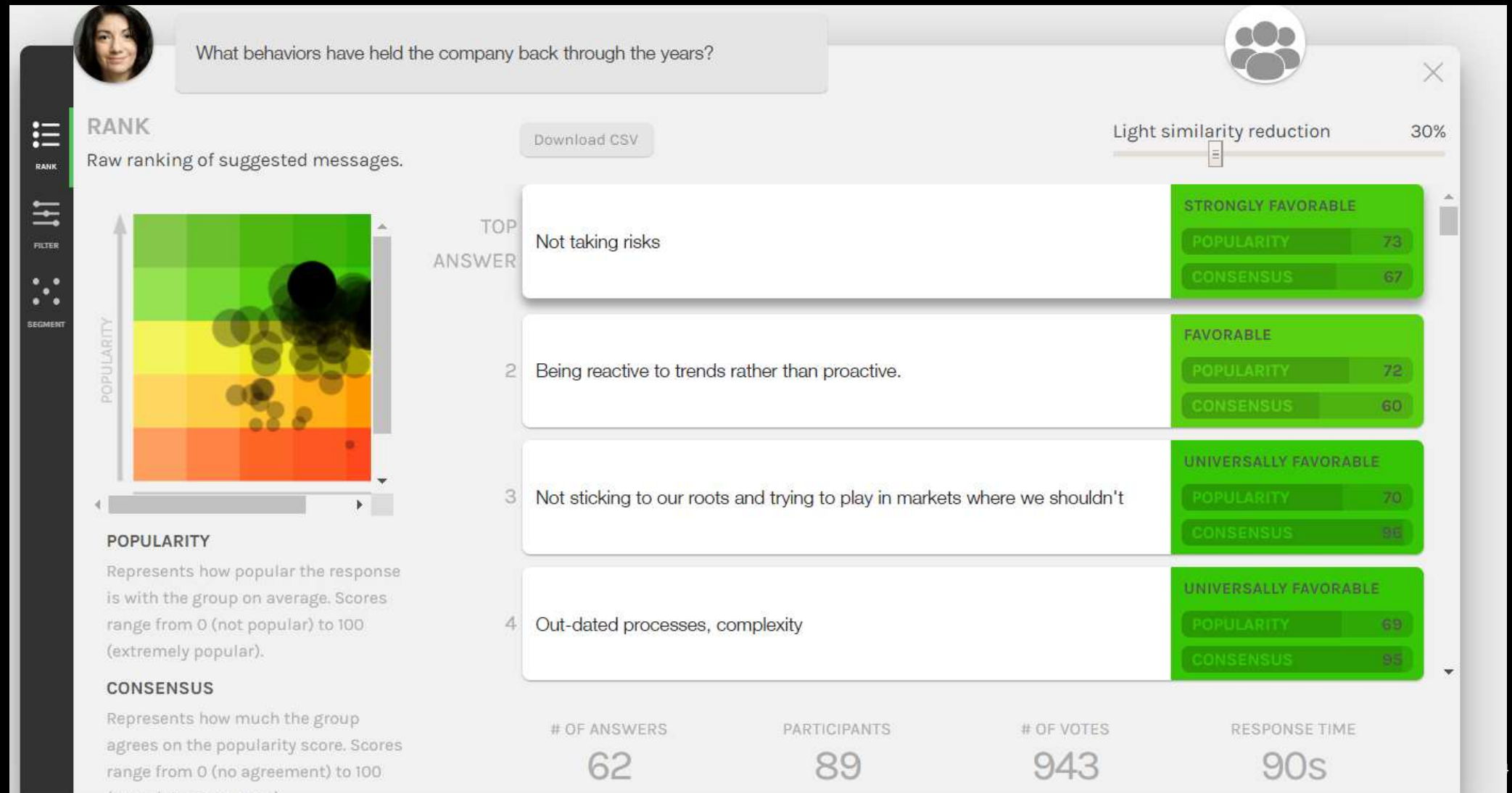# What beliefs do you think hold your orgnization back?

Pause scroll

Slide is not active Activate

0

Use technologies to identify beliefs and behaviors holding your organization back

What new beliefs must we adopt?

THE FLUX
OPERATING SYSTEMS

THE FLUX OPERATING SYSTEM

1. Structure [the backbone]
2. Process [the lifeblood]
3. Lore [the soul]

The Orange Code

Our behaviours

You take it on and make it happen

You take responsibility for getting it done, for keeping your promises, for the consequences of your actions

You delegate to motivate others, maintain momentum and create impact

You ask actively for help and feedback. Your colleagues will help you succeed if you let them

You speak up – crediting good work and having the courage to confront poor performance

You help others to be successful

You collaborate - putting personal agendas aside to achieve the goals that matter to ING

You listen – investing in others, irrespective of status, background or opinion

You contribute across business lines and bring in people from outside your area

You trust the intention and expertise of others

You are always a step ahead

You challenge conventions, complexity and your own assumptions, but only when you are prepared to be part of the solution

You bring change by adapting quickly when the situation calls for a new approach

You invent and simplify – if it doesn't work, you reinvent it. If it does work, you make it better

You are courageous - admitting and learning from mistakes by being open about them

ING Bank's Orange Code

Define good processes

Lore

RITUAL

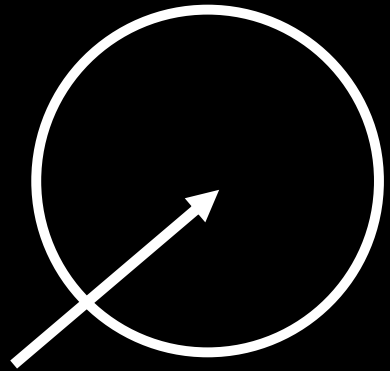SYMBOLS

STORIES

Rituals create belonging

Bring your parents to work day

OXO'S Glove Wall

Stories inspire

Your comfort zone

Where
the magic
happens

Action Steps

1. Audit your formal and informal beliefs. Are they working hard for you or holding you back?

2. Review and revise your purpose statement

3. Assess your culture operating system to ensure it supports your purpose and beliefs.

4. Include a culture review in your next executive retreat.

How Altimeter and Prophet Can Help Your Organization Thrive With Disruption

| HOLISTIC TRANSFORMATION	DNA Define the change	SOUL Motivate the change	MIND Enable the change	BODY Direct the change
Culture Transformation • DNA • Soul • Mind • Body • Change Management	**Purpose & Values** Clarifying the intent and ambition of the enterprise, articulating its enduring beliefs, and engineering the programs to bring them to life	**Culture & Engagement** Designing the target culture to deliver the enterprise strategy, aligning senior leadership, building the roadmap, and creating compelling events and experiences that catalyze the change	**Talent & Capabilities** Crafting compelling and relevant employee value propositions (EVP), and designing next-generation leadership models and development programs that attract, select, motivate, and develop fit-for-purpose talent	**Organization & Operating Model** Identifying the required organizational capabilities and structures and deploying new ways of working that are more agile, innovative, and accountable and defining the metrics of performance
• Transformation Management • TMO • CX=EX	• Purpose and values definition with strategy alignment • Activating purpose to become purposeful	• Culture diagnostic and blueprint development (including behavioral mapping and definition) • Culture change roadmap • Employee experience – key touchpoint interventions	• Strategic workforce planning • Leadership development • EVP definition and design	• Operating model assessment, redesign and implementation • Performance assessment and incentive redesign

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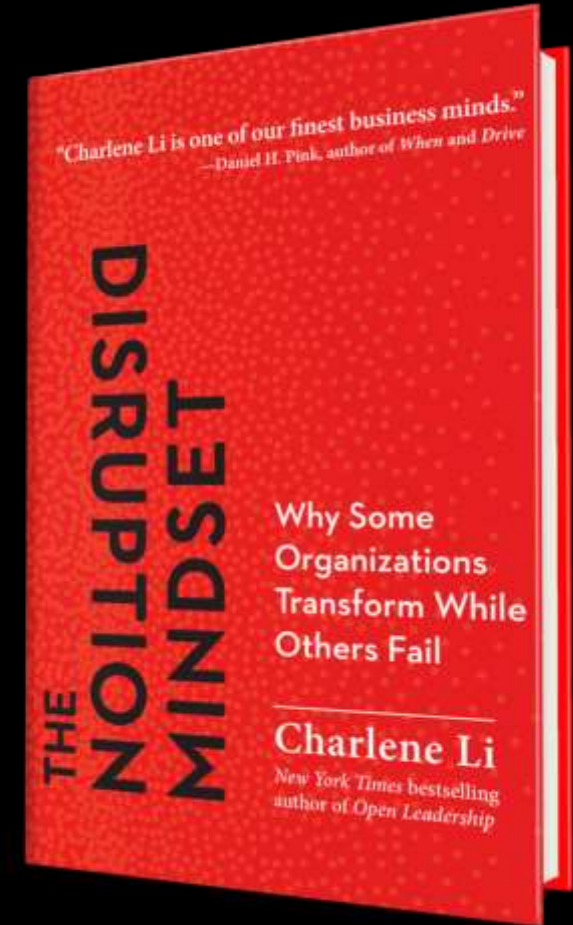
More resources at prophet.com/thinking/leadership

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