Producing Change

Getting Beyond Execution

THE PACE OF CHANGE CREATES RISKS TO VALUE

The "new normal", of increased frequency **and** variety of change, makes an organization's role as a **provider of value** far less certain versus any **predictability**.

But that risk is mainly based on *preconceptions* (explicit or not) about what kind of value is worth investing in. Organizations are usually structured to address the requirements for generating specified (preconceived) types of value.

But during the effort, **demand** and priorities for value may not stay the same. Risks of failure may prevail due to:

Ongoing change
Frequent change
Unpredictable change

Although change management efforts always come up with a plan:
Ongoing change can mean that prior structural preparation *lacks alignment* to newly emerged requirements.
Frequent change can mean that fixed structures are at best *only temporarily relevant.*
Unpredictable change can mean that the advertised requirements offer *little practical opportunity* to available providers.

When failure developed

The general "cause" of any failure usually amounts to the following: *while the effort was underway*, speed, complexity, or a shift in the most current need caused the effort to go out of alignment with the *eventual* target that could be deemed "success".

In short, the organization failed to adjust its effort over time, or the organization did not know how to use the results obtained, or both. This happens 66% to 75% of the time.

We have had decades of applying process models and certifications.
But the approaches have not resulted in more success.

In general, the impact needed from the efforts is **insufficient** because of: inadequate strength, relevance, or usability *at the finish*; or net negatives versus positives that occurred *along the way*.

Common inhibitors to accepted value may be intensified by Complexity and Speed of response

		ACCEPTED?	
		Approval	Preference
PROVIDED?	Acknowledged	Familiar results are more comfortable but may have ***inadequate influence*** on new problems	Requested outputs & outcomes may have an ***uncertain*** **lifespan of usefulness**
	Permitted	**Variations from norms or standards** may not survive beyond the *local* workgroup that made them	Discovered effects may be held back or held out due to ***unfamiliarity*** or the support burden

Too often, actual predictability is less than planned or imagined, due to issues that simply may not be adequately controllable.

The issues can prevent what looked like progress from having the needed impact, or they can prevent actual impacts from having the right importance.

During change efforts, effective response may not be possible in a timely and supported way.

Additional risk comes with difficulty and urgency that had not been expected.

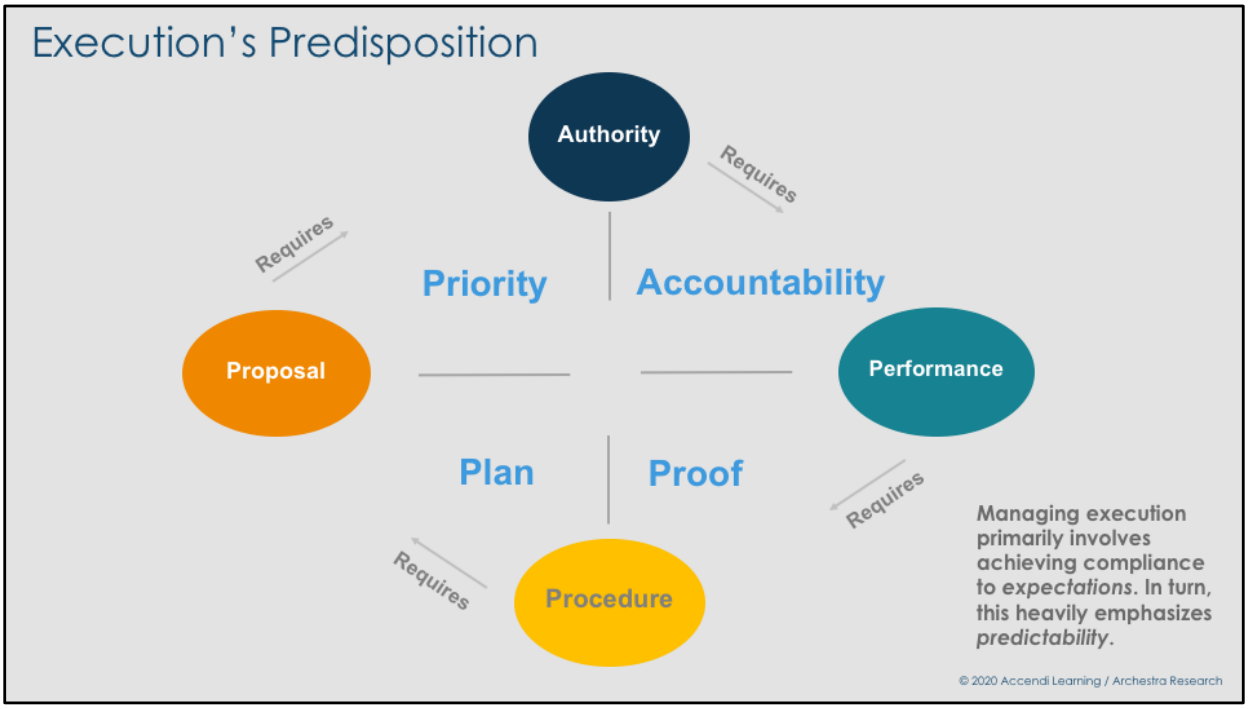
Failures can start before any activity has begun. For example:

The reasons why the change is considered "valuable" are either poorly understood or poorly accepted by people who need to be involved.

That leads to activities that are not aligned with what the change needs for success.

When the change effort is in progress, conditions and events occur that increase risks to progress and expectations.

PROBLEM: The conventional management concern with *execution* has **not** improved the success rate against these challenges.

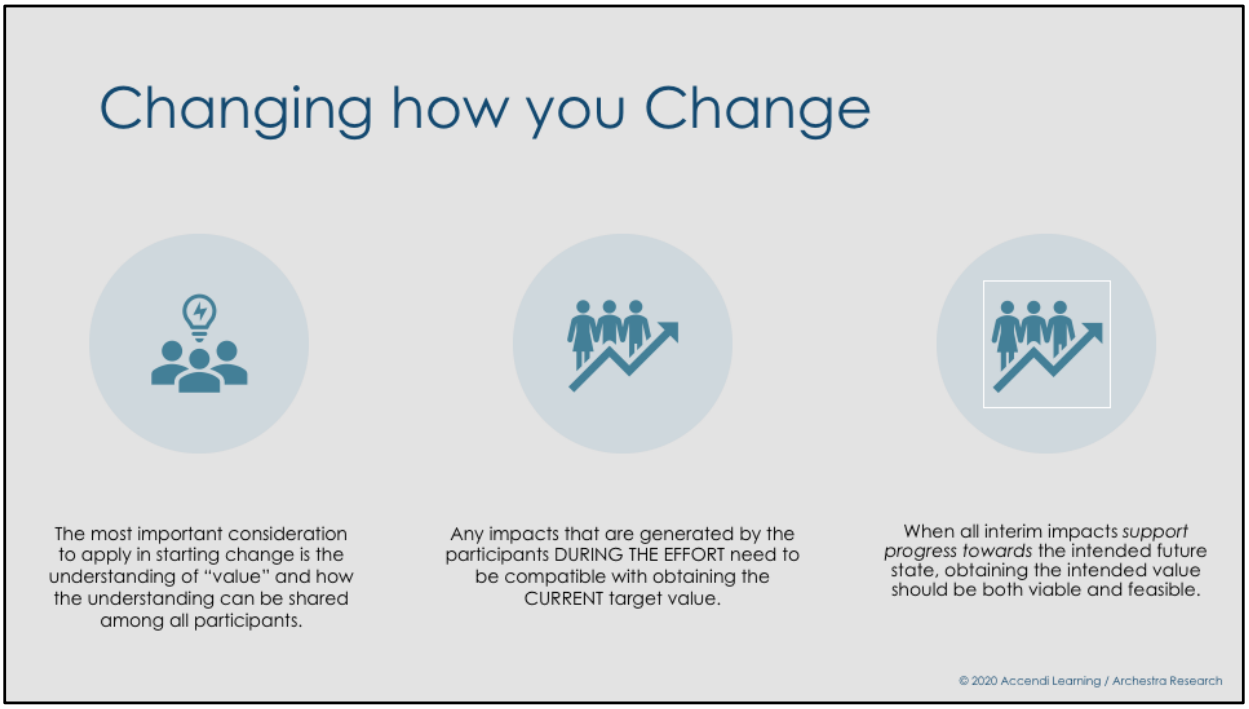


ACCOUNTABILITY for meeting demand dominates the **execution** mentality for managers.

Three other things quickly follow as the *supporting concerns for accountability*: proof to be seen; plans to drive outputs; and priorities to drive activity.

To make that happen, management influence starts out with authority, looks for performance, tries to assure that with procedure, and rests on confidence in the proposed procedure over others.

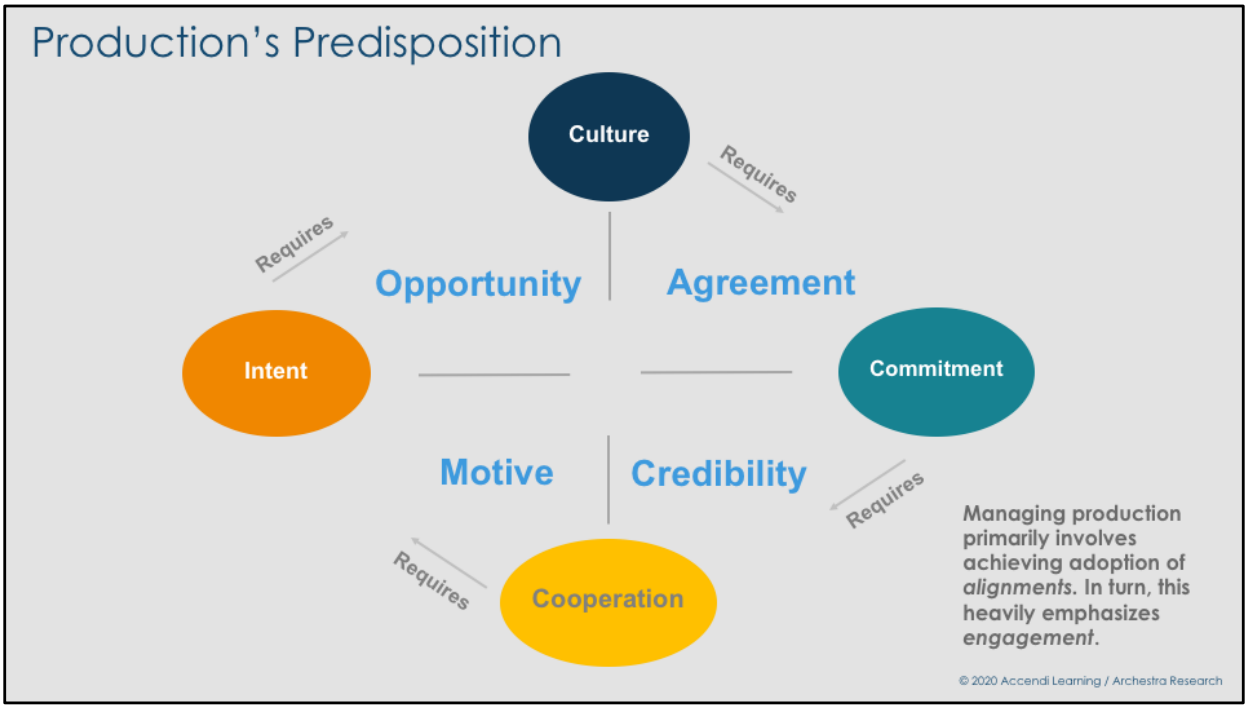
The main problem with the Execution orientation is that, **despite improvements over many years, doing the work right is not equating to doing the right work.**
Either execution's outputs continue to be deemed lacking in precision or scope, or… the value proposition that represents success is *not an expectation that execution can* target effectively.



What seems to be the case is that *managing risks to expectations* is **not** the right way to approach the challenge of more frequent and varied change.

When change is deemed to have failed, it always features a misalignment of outcomes versus the current prioritized needs.

The idea of ***managing*** requires setting and keeping primary focus on *current required value*, with a perspective that shapes decisions about action accordingly.



AGREEMENT for meeting demand dominates the **production** mentality for managers.

Three other things quickly follow as the *supporting concerns for agreement*: credibility to drive acceptance; motive to drive outputs; and, opportunity to drive activity.

To make that happen, management influence starts out with culture, which promotes commitment, supported by cooperation, focused on shared intent.

EXECUTION vs. PRODUCTION: TERMS OF VALUE

Key Aspects of Change Effort

	Execution	Production
Distinction	Predictability	Relevance
Target	Prescription	Opportunity
Measure	Performance	Impact
Motive	Completion	Effect
Means	Control	Creation
Risk	Efficiency	Scope

We can see the difference between the execution and production mindsets, and vocabulary!

The usual **references for value** are not the same for both mindsets.

But the business value of change will almost always be defined *as seen by Production*, whether execution concerns are met or not.

In maintaining alignment to current prioritized value, **Production decides** how to use Execution.

Some Value-driven Producers

All the following are **production** efforts that offer advantages against complexity (structural or environmental), demand for speed, or both, in the high pace of change.

- Startups *pivot*
- Innovations *monetize*
- Complementary products *integrate*
- Teams *self-organize*
- Architectures are *service-oriented*
- Agile developers *curate*
- R&D *experiments*
- Collaborators *open source*
- Designers *crowd source*
- The entire world of performing arts *creates* and *improvises*

All change is about a future state that is different from a prior state.

All value is about the benefit or significance that a certain difference has in a given context.

Production always both pursues the creation of value and expects demand to be variable.

Production uses organizational strategies and designs to **enable** meeting the goals of demand.

A VALUE-BASED MODEL of a CHANGE INITIATIVES PORTFOLIO

		WHY		
		RECOVER	GROW	INNOVATE
HOW	TRANSFORM	Escape obsolescence	Adapt for increased range	Create new advantage
	EVOLVE	Avoid disqualification	Meet higher standard or newer prerequisite	Become exclusive
	BUILD	Repair injury	Achieve completeness	Create uniqueness

"Successful" change has an impact that has **context-sensitive** importance.

A value-based portfolio identifies the relevant contexts and goals (the "Why") that distinguish the future state from the current state.

The goals represent **the significance of the difference (value!)** to be generated by the mode (the "How") of change.

This highly generic example of a portfolio displays why a single given output or impact could be meaningful in several contexts.

However, that impact's importance and desirability is not the same everywhere. Current prioritized value drives the intent to produce the outcome or impact.

Producing value follows being built for change

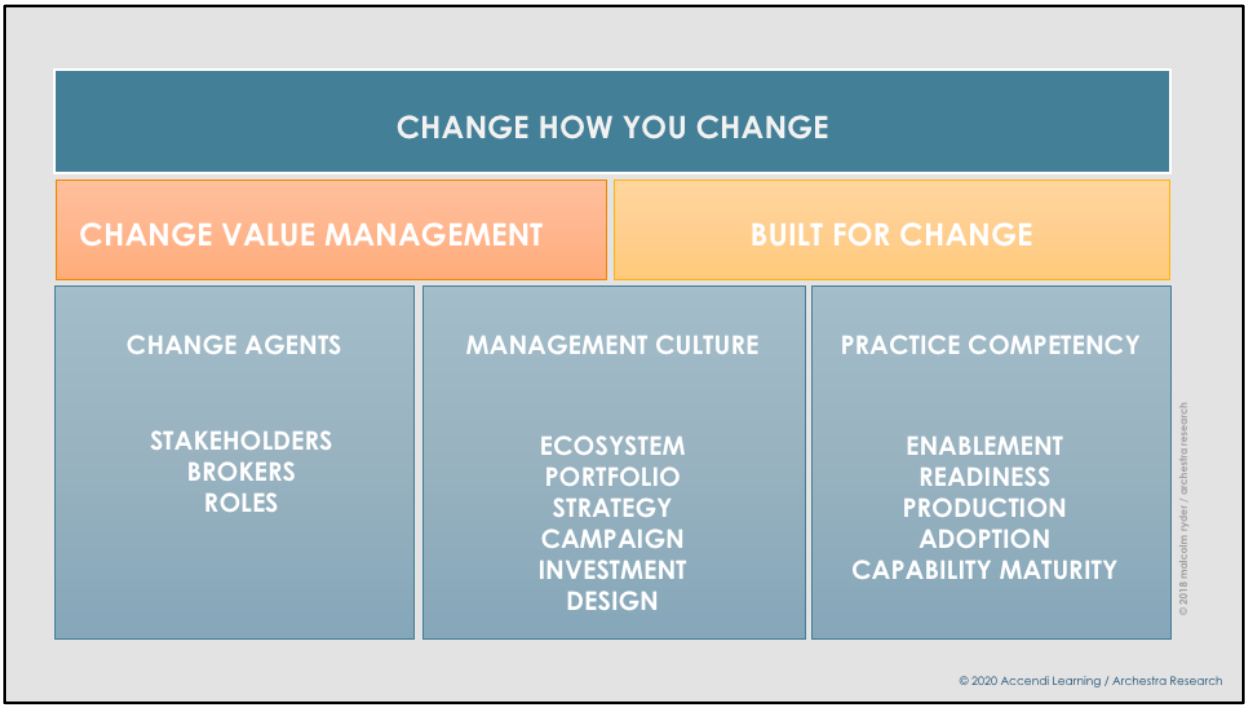
- Expecting and investing in diversity and variety
- Modeling business on value(s) available from impacts
- Adopting the *production* mentality and measures
- Cultivating capabilities for production impacts
- Mitigating risks to impacts, not risks to managers' performance evaluations

These items all concern themselves with ***the value of the impacts*** of all kinds of change.

They assume that the next needed solution may even need to be produced in a way not yet decided or done before.

But they are concerned with actually managing change itself – the combination of all influences - not just with a particular process or procedure.

Together they facilitate organizing the environment, influences and stakeholders for producing current prioritized value as required versus the current state.



We have just talked mainly about management culture as the focal point of getting past the persistent failure rates of change efforts.

The management culture imposes its requirements on all activity pursuing change. Its typical concern with value has been about performance-driven execution.

In particular, supporting that management idea of value has proved to be insufficient due to both Why and How it was done.

Our new perspective, on **value-driven production**, is part of a comprehensive overview on how managed change succeeds in the future.


ACCENDI
LEARNING
Archestra
The architecture of enterprise strategy
mmiranda@accendilearning.com
mryder@archestra.com
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