

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

William M.  
Duke

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

Today, the rate of change is overwhelming. An endless line of scholars and business leaders have lamented the turbulent age we live in and a few, like John Kotter, have given us a powerful theoretical structure for leading organizations through change. But, somewhere in the past decade or so, a line was crossed. That hazy, imperceptibly vague line separated a past world that changed in fits and starts from the world we live in now; a world of constant, relentless and disruptive change. We can no longer, to use Kotter's metaphor, be content with building a guiding coalition to lead us off our melting iceberg and into safety. Instead, we must be prepared to maintain a coalition to guide us from this melting iceberg where we currently reside to the next, and the next, and the next . . . . Change is perpetual. We have to run just to stand still. Unlike the penguins in Kotter's famous change metaphor, organizations are no longer just seeking a new iceberg to call home. Organizations must accept perpetual strategic transience.

Building upon his great work in *Leading Change* (Harvard Business School Press, 1996), John Kotter's, *Accelerate* (Harvard Business Review Press, 2014), transforms his 8-step model of 'fits and starts' change management into a perpetual change management model for the 21st century. This is an important theoretical transformation because leading through perpetual change is a different and far more challenging task for organizations. Most significantly, however, is that Kotter's perpetual change management model calls for a process to drive change leadership as an endless quest rather than a one-time effort. The prescription for the detailed implementation for Kotter's theoretical outline is the Flawless Execution® methodology.

Theories are great. They provide a mental model to interpret our world. But, they rarely provide detailed, process-oriented guidance – the specific details that people need to take action on a daily basis.

“Theories are great. They provide a mental model to interpret our world. But, they rarely provide detailed, process-oriented guidance – the specific details that people need to take action on a daily basis.”

Kotter’s 8-stage model provides more detail than most theories but it still lacks the detail to scale change initiatives throughout the enterprise. It requires process-oriented guidance that is simple enough for anyone, regardless of their position, to understand and utilize.

The question, then, is how much detailed guidance does Flawless Execution provide to support Kotter’s 8-stage change management model? Furthermore, how does Flawless Execution support the new theories he presents in his latest book, *Accelerate*? The short answer is ‘very much.’ What follows is a comparative discussion of the relationship between Kotter’s prescriptions and the processes and techniques within the Flawless Execution methodology.

### **The Challenge for Modern Organizations**

Fundamentally, the challenge that modern organizations face is complexity. It’s the complexity in the global system that creates change and forces organizations to change in turn. Before the hyper-turbulence of our modern environment, organizations could develop large hierarchies that sacrificed efficiency for agility. Now, agility is a coveted characteristic of successful organizations which has threatened the hierarchies that have made modern corporations so successful. But, Kotter recognizes that those stiff hierarchies are not a bad thing. They are needed to operate large businesses efficiently. What is also needed, however, is a greater capacity to change and adapt rapidly, the hallmarks of agility. In *Accelerate*, Kotter proposes that

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

organizations adopt a dual system; a “left” side that maintains the effectiveness of hierarchy and specialized function, and another “right” side of networked individuals perpetually focused on change and adaptation. What he proposes is not a radical notion. Organizations have been experimenting with this dual system for some time. But successful implementation of a dual system is tricky because it requires careful alignment and communication throughout the enterprise.

How can you devise a process that promotes agility and provides guidance for the networked “left” side of the dual system? The secret is in the structure of the process. Most processes are conceived as linear processes. A linear process is one in which the steps of the process are followed in sequence from beginning to end. Rather than linear, the processes that one must utilize in an agile system are non-linear or cyclical. Specifically, agile processes are iterative and recursive. Iterative and recursive

processes repeat endlessly and refer back to themselves such that each iteration of the process produces information that is utilized in the next iteration. The result is continuous adaptation and improvement. Flawless Execution is just such an iterative and recursive process.

Agility has become a popular term to describe the capacity to innovate and change with mindful intent. The roots of agility in the Flawless Execution model and the agility described by management scholars can be traced to a common source, the military strategist John Boyd (1927-1997) and his OODA loop. ‘Loop’ is a word that expresses well the notions of iteration and recursion. Boyd chose ‘loop’ to describe an iterative cycle of four parts – observe, orient, decide, and act – that military aviation has utilized for many decades to improve tactics and aircraft design. Fundamentally, the OODA loop literally enabled fighter pilots to become more agile or maneuverable than their opponents in aerial combat.

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

Boyd's ideas have informed the development of Flawless Execution, other iterative cycles proposed by management scholars, methodologies for information technology product development, and even training products in corporate learning and development programs. Agility and adaptability are critical capacities that companies have come to recognize the world over. As the recent Global Leadership Research Project conducted by Chally Group worldwide indicates, adaptability is what corporate leaders consider to be the most important attribute of good leadership.

The value of Flawless Execution is that the iterative 'loop' or process that it prescribes enables agility and adaptability for Kotter's "right" side while simultaneously enabling continuous process improvement on the hierarchical "left". Because the processes are the same, both sides of the dual system are able to share a common methodology and, therefore, reduce friction and improve communication and coordination between the two.

## **Situational Awareness<sup>SM</sup> and the Big Opportunity**

Kotter introduces a new concept in Accelerate that relates to the first step in his 8-step change management methodology. He calls it 'the big opportunity.' This is an important addition to his original first stage of change, establishing a sense of urgency, because, instead of focusing on the danger of failing to act on necessary change, the big opportunity turns change toward the positive by identifying opportunities rather than threats. Building a positive vision around opportunities that exist are more effective in energizing people than simply around the negative burning platform of 'change or die' (or for his iceberg metaphor, to move or drown).

But opportunities are often difficult to identify. So, Flawless Execution utilizes nominal group aggregation techniques (brainstorming observations at the individual level followed by group discussion and assimilation) around a disciplined process to build situational

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

awareness. Flawless Execution defines situational awareness as an acute awareness of the present environment and the ultimate effects of the range of possible actions one is taking and one might take to affect that environment. As a consequence of building situational awareness<sup>SM</sup>, an organization can begin to identify trends that indicate big opportunities while also identifying major threats, the proverbial burning platform that drives a sense of urgency – Kotter’s first stage.

“The most fundamental problem,” writes Kotter, “is that any company that has made it past the start-up stage is optimized much more for efficiency than for strategic agility – the ability to capitalize on opportunities and dodge threats with speed and assurance.” But, from the perspective of the Flawless Execution methodology, it is important to maintain a capacity to do both.

## **Self-Similarity and Organizational Execution**

If an organization is going to adopt a dual

system as Kotter advises, it must keep its fundamental operating model simple. The more complicated the basic processes, mental models, and cultural artifices an organization possesses the more challenging it is to scale those models and promote communication and cooperation across the hierarchical silos of the “left” side and the networked structures of the “right.” Self-similarity is a scientific term used to describe repeating patterns or structures that look the same regardless of scale. Flawless Execution is self-similar because its fundamental process iterates at the highest strategic levels almost exactly as it does at the day-to-day operational and task-oriented levels of the organization. Whether utilizing Flawless Execution to plan and execute broad and long-range strategy, managing projects, or just to get through another day on the job, the process looks and functions the same except for a few minor adjustments. This means that anyone can learn the process and apply it regardless of scope and scale.

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

At the grandest scale, Flawless Execution enables stages 2 through 5 of Kotter's 8-stage model through what is called Organizational Execution, or OrgEx<sup>SM</sup>. The OrgEx is about collaborating as a leadership team to develop situational awareness, create vision, and then communicate that vision in the form of leader's intent. The concept of leader's intent is critical to empowering others to act on the vision and to the notion of a networked, agile "right" side. Leader's intent is not a centralized order to the lower ranks of a hierarchy. Instead, it is a broad and often intentionally ambiguous or open-ended statement that allows the "right" side network to gather information and act on its own to accomplish the intent. It provides a balance between a centralized order-giving hierarchy and a misaligned and uncontrolled 'rogue' force.

Forming a powerful guiding coalition, Kotter's stage 2, is the natural consequence of a leadership team that has built situational awareness and engaged in the planning process in a

collaborative way that includes not just the leaders of the organization, but specialists and representatives from middle management and front-line leadership. Participants in the Flawless Execution planning process naturally become energized and empowered through their explorations and deliberations – by facing the cold hard truths of their environment.

Aligned around the threats and the big opportunities, the planning team is ready to move on to stage 3 – creating a vision of the future. Flawless Execution takes a unique position on vision creation. It asserts that providing sufficient detail and balancing the description of the future to include a full spectrum of the attributes of an organization to be critical to good vision creation. It holds that vision is an insufficient term. Instead, Flawless Execution calls its notion of vision a High Definition Destination<sup>SM</sup> (HDD). Creation of an HDD requires a collaborative team

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

to describe leader's intent in a minimum of 5 key areas with the option to select from several dozen more specific aspects of each of the key areas to provide the high definition needed. The key area concept finds its origins in Peter Drucker's original monumental work, *The Practice of Management* (1954), in which he described a business in a set of key areas. Flawless Execution's approach modernizes Drucker's original ideas to provide greater clarity to the vision thereby driving greater alignment in the vision's execution as well as greater ease of communication - Kotter's fourth stage.

But, the great power of the OrgEx is in its capacity to empower others to act upon the HDD, the vision. Leader's intent cascades from the vision/HDD to the strategy and then from the strategy to the day-to-day operations and projects undertaken by the left and right sides of the dual system. The self-similarity of the iterative Flawless Execution Cycle® or loop operates simultaneously at all these levels of activity

constantly feeding up learning, adaptation, improvements, and innovations keeping the organization on the leading edge of change – keeping it agile.

## **The End of Strategy**

Strategy, though never easily defined, takes on a new character in Flawless Execution and, as Kotter clearly demonstrates in *Accelerate*, may no longer be an appropriate concept for truly agile organizations. “An important implication of the dual operating system . . .,” writes Kotter “is that we need a whole new notion of ‘strategy’”. He continues, “Today, strategy is being viewed in some organizations more as a dynamic force, not one directed by a strategic planning department and put into a yearly planning cycle. It is a force that constantly seeks opportunities, identifies initiatives to capitalize on them, and completes those initiatives swiftly and efficiently.” This notion of strategy as a ‘dynamic force’ is exactly how Flawless Execution constructs strategy, describes it



# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

as intent, and continually tests its validity through an iterative cycle. If the strategy fails, it is changed or altered. The iterative cycle of Flawless Execution enables constant evaluation of success at the strategic level without waiting for end-of-year management meetings or beginning-of-the-year strategic planning sessions.

Construction of strategy as a dynamic force is essential Kotter's fifth stage of change management because to empower people to act upon the vision/HDD an organization must allow them the freedom to pursue it as they learn about their environment, adapt to complex changing circumstances, and pursue emerging opportunities. The old notion of a strategic plan issued annually that is 3 inches thick and directs great operational detail is like a pair of concrete shoes for any organization navigating a swift current in a deep river. For an agile organization, strategic intent or direction can be top down like in the hierarchical "left" side, but strategic action must be bottom up.

Flawless Execution views strategy as a bridge between the vision/HDD and the daily, tactical work of the organization. Strategy should provide alignment around a few impactful focus areas called critical leverage points. Strategy isn't about the details. It's about connecting the vision/HDD to the details through a logical process. The idea of strategy as a bridge is centrally important to leading change at the front lines. The remaining stages of Kotter's change model arise from aligned action that is influenced by strategy.

## **Mission Focus – Short Term Wins and Consolidating Improvements**

The foundation of Flawless Execution is people. People are the agents of execution. And, because people carry out the activity of an organization, they are the source of power in leading change. It's there, at the front lines, where the small teams engage in what Flawless Execution calls missions. The vision/HDD and the strategy to achieve it are just rational pathways that must

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

ultimately drive activity. Having a mission focus means that the people are executing, and in so doing, learning new things, discovering new opportunities, and progressing toward the vision/HDD. Ultimately, an organization must do rather than think and plan. This focus on activity has been called having a bias for action.

Having a bias for action, or a mission focus, sets an organization up for success because it enables it to build inertia in the direction of the vision/HDD by accumulating waves of small wins, Kotter's sixth stage of change. It's at the mission level of activity that the Flawless Execution model was originally developed to improve execution, success, and continuous improvement. Each mission is planned to a clear, measurable, achievable, and aligned (to the strategy and vision/HDD) short term objective according to a simple collaborative planning model – the same model used to develop the vision/HDD and the strategy. The plan is then briefed to the team that will go forth and execute it.

When the mission is complete, the team will debrief to seek root causes for failure and error, develop actionable lessons learned, and transfer that learning horizontally and vertically throughout the enterprise. Learning at the mission level cascades upward to strategic level debriefs that validate or invalidate the strategy thus enabling rapid strategic adjustments, a truly agile capability.

People need an aligned mission focus because they need to experience progress frequently in order to remain engaged with the vision. “Useful small wins can be defined by the people taking early action themselves,” writes Kotter, “and they can provide intrinsic rewards.” Winning is its own reward. Success motivates and engages. An engaged organization is driven to achieve the vision/HDD and that's why Kotter's change model is so powerful. But, without the detailed processes and techniques of Flawless Execution, building that drive and sustaining it is challenging at best.

# LEADING PERPETUAL CHANGE: FLAWLESS EXECUTION® AND CHANGE MANAGEMENT

With success in stage 6, and a disciplined adoption of the Flawless Execution methodology, the remaining two stages of change fall into place. The iterative Flawless Execution Cycle consolidates team, organizational, and even process improvements by addressing root causes. The extraordinarily powerful debriefing process carries improvements and learning upward in the hierarchical “left” side and across in the networked and agile “right” side. The Flawless Execution methodology becomes the functional mental model for leading change and improving every day. Flawless Execution becomes the culture of the organization, the institutionalized new approach, Kotter’s final stage of change.

## **Simplicity Beats Complexity**

We live in an increasingly turbulent and complex world. Unfortunately, the common human reaction to complexity is to fight it with more complexity – multiple continuous improvement models and increasing organizational bureaucracies. This is the wrong direction. Complexity can only be fought with simplicity. Flawless Execution is a simple model with universal applicability. Because it is so fundamental and simple a solution, it reduces complexity and friction within organizations. But, most significantly, its iterative nature empowers individuals, teams, and organizations to become agile and lead in a world of perpetual change.

# AFTERBURNER

ACCELERATING PERFORMANCE THROUGH FLAWLESS EXECUTION®

Afterburner Inc. is a performance improvement training firm that empowers organizations around the world with the simple, scalable methodology of Flawless Execution. A team of more than 60 current and former elite military professionals, Afterburner has ranked on the Inc. 500/5000 List of America's Fastest Growing Companies four times and has been featured in leading publications like *Forbes*, *The Wall Street Journal*, *Businessweek*, *Newsweek*, *Slate* and *Sports Illustrated*, and has appeared on CNN, ABC, CNBC, Fox News, HLN and Bloomberg News.

To learn more about Afterburner's innovative approach to building elite teams with Flawless Execution, visit [www.Afterburner.com](http://www.Afterburner.com) or call (888) 982-6764.

- ▶ High-energy Keynotes
- ▶ Team Building
- ▶ Seminars Strategic Workshops
- ▶ Leadership
- ▶ Training Onsite
- ▶ Consulting Executive Coaching