

## **Lesson Five: Creative Leadership and Reengineering**

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### A. Key Learning Points

#### 1. Reengineering is not:

- Restructuring
- Realignment
- Downsizing
- Problem solving
- Continuous Quality Improvement

#### 2. Reengineering is:

- Reinvention
- Strategic differentiation
- Creative unorthodoxy
- Pursuit of the greatest future opportunities

#### 3. Major Reasons Why Reengineering Fails

- Don't reengineer but say that you are.
- Don't focus on processes.
- Spend a lot of time analyzing the current situation.
- Proceed without strong leadership.
- Be timid in redesign.
- Reengineer slowly.
- Place some aspects of the business off-limits.
- Ignore the concerns of your people

(see Michael Hammer and Steven A. Stanton, *The Reengineering Revolution: A Handbook*. HarperBusiness, 1995)

4. Strategies for Positive Change

- Why is change occurring or necessary?
- What positive opportunities may result from this change for me?
- What risks are possible if I fail to change?
- What is expected of me in this change process?
- What skills will I need to participate positively in this change?
- What will the payoff be when change is successful?
- What negative results are possible if change fails?
- What are my alternatives?
- Am I prepared to commit myself 100 percent to the change process?
- What will I do if I can not commit myself 100 percent to the change process?

5. Methods for Overcoming Resistance

- Incentives
- Information
- Instruction
- Involvement
- Intervention
- Indoctrination

B. Real World Examples and Considerations for Practitioners

1. Reengineering is not:

- Restructuring
- Realignment
- Downsizing
- Problem solving
- Continuous Quality Improvement

Calling an apple an orange, does not make an apple an orange. Likewise, calling a management initiative reengineering, does not make it a reengineering initiative.

Like many consultant-driven management emphases, trends, and fads, “reengineering” has been used to describe, explain, or rationalize a host of change efforts that were not, in fact, reengineering as we have defined it in this course.

Although sometimes this misappropriation of the word “reengineering” is intentional, in most cases it occurs when leaders fail to appreciate reengineering’s truly radical, creative emphasis on positive future opportunities and growth.

In fact, many organizations have (mis)used reengineering defensively and destructively to justify severe structural changes, reductions-in-force/lay-offs, and cost-cutting measures. Such reengineering efforts have also over-emphasized business processes at the expense of the people who work for the company.

As a result of such misrepresentation and poor execution of past reengineering efforts, there is a growing groundswell of skepticism, at best, and hostility, at worst, toward management initiatives labeled “reengineering.”

2. Such criticism of reengineering notwithstanding, there are ever-growing opportunities today for creative people and organizations that are boldly and positively pursuing emerging trends and innovations in business strategy, approach and methodology.

These creative reengineers are seeking dramatic positive changes in the way we live, and play, and work.

They are not satisfied with small, incremental improvement of the status quo; they are emphasizing radical reinvention.

They are not satisfied solely with being better than their competitors; they are emphasizing their uniqueness and significant, positive differences from their competitors.

They are not using management to control people and processes; they are expecting management to develop and reward creative, unorthodox solutions that achieve unexpected value.

They are not trying to defend their current share of a fixed or slow-growing market; they are striving to grow their future share of a growing, potentially global market.

3. Major Reasons Why Reengineering Fails; How to Increase Your Prospects for Success

Some Reasons Reengineering Fails	What You Can Do About It
Don't reengineer but say that you are	Make sure you know what reengineering really is before you attempt to do it – and then do it, not something else
Don't focus on processes.	Only processes can be reengineered. Before you can reengineer your processes, you must identify them.
Spend a lot of time analyzing the current situation.	Avoid “analysis paralysis.” Place strict limits, both on the time and detail that you invest in assessing current operations.
Proceed without strong leadership.	If your leaders do not truly understand, believe and commit to reengineering as an urgent strategic business priority, you <u>will</u> fail.
Be timid in redesign.	Reengineering requires radical, breakthrough ideas about process design. Reengineering leaders must encourage people to pursue stretch goals and to think out of the box. Leaders must reward creative thinking and be willing to consider any new idea.
Reengineer slowly.	Radical, creative thinking requires an appropriately aggressive timeline for performance innovation and improvement. Set a realistic but robust schedule to achieve reengineering objectives. Stay focused and narrow the scope if necessary to achieve results quickly.
Place some aspects of the business off-limits.	You can not reengineer a process in isolation.

Ignore the concerns of your people	<p>Business systems are made of interdependent processes, functions, and activities. Everything must be on the table. Any attempt to set limits to preserve a piece of the old system, will doom your reengineering efforts to failure.</p> <p>The fundamental purpose of an organization is to meet the needs of people (its customers, shareholders, and employees) who (for different reasons) need or value the organization's products and services. Neglecting the needs of people and overemphasizing process and structural innovation will doom your reengineering effort.</p>
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(see Michael Hammer and Steven A. Stanton, *The Reengineering Revolution: A Handbook*. HarperBusiness, 1995)

#### 4. Strategies for Positive Change

Most people and organizations are fundamentally and understandably conservative when presented with the need or opportunity for change. Although we may be intrigued by positive future prospects, we tend to be more concerned about preserving our current personal or professional situation. In short, we frequently are unwilling to risk our near-term security in exchange for future opportunity. This is especially true for individuals and organizations that have achieved a reasonable current level of success.

You can not realistically expect people to “sign-up” for change without sufficient information and understanding of the purpose and approach and personal implications of the change initiative. I have found the following questions valuable and productive when advising individuals and organizations pursuing creative, albeit potentially risky, change initiatives.

- Why is change occurring or necessary?
- What positive opportunities may result from this change for me?
- What risks are possible if I fail to change?
- What is expected of me in this change process?
- What skills will I need to participate positively in this change?
- What will the payoff be when change is successful?
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5. Principles for Overcoming Change & Methods for Overcoming Resistance

Some Principles and Actions to Overcome Resistance to Change

Resistance is natural and inevitable – Expect it  
Resistance doesn't always show its face – Find it  
Resistance has many motivations – Understand it  
Deal with people's concerns rather than their arguments – Confront it  
There's no one way to deal with resistance – Manage it

Some Methods and Means to Overcome Resistance

Incentives – positive and negative  
Information – dispel uncertainty and fear  
Instruction – one-on-one personal communication, coaching, mentoring  
Involvement – make people part of the effort  
Intervention – accountability for specific, explicit performance expectations  
Indoctrination – make change seem inevitable and non-negotiable

(see Michael Hammer and Steven A. Stanton, *The Reengineering Revolution: A Handbook*. HarperBusiness, 1995)

C. Recommended Reading Assignment & Highlights – All selections are from Barker, *Paradigms: The Business of Discovering the Future*. HarperBusiness (Chapters 12-14)

- *Managers must demonstrate paradigm pliancy if they are going to expect others to practice it.*
- *Managers must facilitate and encourage cross talk.*
- *By listening to all those screwy ideas, managers gain a special leverage for innovation.*

*A leader is a person you will follow to a place you wouldn't go yourself.*

*You manage within a paradigm.  
You lead between paradigms.*

*After having watched paradigms change in organizations for almost twenty years, I have seen an interesting pattern of choices that occurs during a paradigm shift. It is really an oscillation between shifting paradigms and changing customers. Here are the three patterns in order of ascending impact:*

- *Keep your paradigm; change your customer.*
- *Change your paradigm; keep your customer.*
- *Change your paradigm; change your customer.*

*One final note: Visionaries are not necessarily leaders. How can you tell the difference? Visionaries have great ideas about the future. But when they look behind them, no one else is following. Leaders always have people behind them.*

D. Additional Resources and Links to Others Sources

Stephen R. Covey, *The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change*.  
Fireside.

Warren Bennis and Robert Townsend, *Reinventing Leadership: Strategies to Empower the Organization*.  
Quill

Lee Bolman and Terrence Deal, *Reframing Organizations: Artistry, Choice, and Leadership*. Jossey-Bass.

E. Question(s) for Reflection and Discussion

1. What is the most significant concept or principle you would most want to teach someone else about creativity and/or reengineering? Give an example.
2. How do you plan to apply what you have learned in this course to your professional or personal life? Give an example.