



NOW!—THE ROLE OF URGENCY IN CREATING POSITIVE CHANGE *by John Reh*



265

BEST PRACTICE

EXECUTIVE SUMMARY

- Change happens. It always has happened. You cannot control change; you can only manage your interaction with it.
- Today change happens more quickly than ever before. You must be prepared for change at higher speed and be able to deal with it positively.
- Instilling a sense of urgency in an organization gives it a suite of tools with which to better relate to change and to adapt as necessary to survive.

INTRODUCTION

The speed and extent of changes in the dot-com space, while highly visible, are not unique. The Pony Express was forced out of business in only 18 months because of competition from the telegraph. Japanese automakers almost destroyed several U.S. giants in that industry. And the popularity of the PC pushed Dell and Microsoft past IBM, the company that developed it.

The strengths that got you to the top won't keep you there. Others are always pushing to move past you, to dominate your market, to steal your best customers. You need to stay ahead of them. You need to change with the times—or ahead of them. And that need is urgent.

Business organizations have always had to deal with change. That change now is simply coming faster. Change that occurred in the automobile industry over a period of 20 years starting in the 1960s occurred within less than 20 months in the Internet industry. Change will occur; management must make it as positive as possible.

Businesses are living organisms. Like animals they have certain characteristics that enable them to survive in their environment. When that environment changes the organism must evolve too, or it will die. If the organism is not able or willing to change fast enough, it will be unable to survive in the new environment. Those organisms that can change quickly can survive, however.

CHANGE IS NEVER UNANNOUNCED

Changes always give signs they're coming. Sometimes signs are obvious and we all see them. The more sensitive you are to your environment, the more likely you are to notice the changes. But being aware that change is coming is not enough: you have to be able to react in time.

The environment in which a business operates can change in innumerable ways. Some of the changes are obvious and happen over a long time. For instance, new government regulations that govern your industry are publicly announced, go through a public comment period, and are likely to be revised and republished before they take effect. Few are caught off-guard by such changes. We begin to prepare changes to our operations so that we can perform in compliance with the coming regulations.

Other changes can happen more quickly. A competitor may release a new product that captures significant market share almost overnight. A key supplier may suddenly go bankrupt. One of our facilities may be destroyed by a natural disaster. Our latest product may be more popular than expected and our plants unable to keep up with the demand. We develop contingency plans to cover such occurrences.

The better you are at tracking your markets and your competitors, the less likely you are to be surprised by a new product rollout. The more closely integrated you are with your supply chain, the less likely you are to be caught unprepared for a supplier's financial difficulties. The better attuned you are to your customers, the more likely it is that your product demand forecasts will be accurate.

SUCCESS BUILDS COMPLACENCY

Some companies are more sensitive to their environment and better equipped to deal with changes in that environment than their competitors. Sometimes it's an issue of size, sometimes an issue of longevity. Always it's an issue of leadership.

Success can breed complacency, dulling the sense of urgency around the need for change. Procedures that have outlived their usefulness survive because "that's how

we've always done it." It's hard to let go of methods of doing things that have contributed to past successes, even though they now waste time and no longer create value.

GET THINGS MOVING

As a manager, you know change will occur. You saw, for example, how quickly the Internet became an essential part of business and how much more quickly businesses that had not properly understood it failed. You also know people have a natural tendency to resist change, a tendency you have to overcome. You have to act to initiate the process of change.

URGENCY: YOUR BEST WEAPON

Nothing is more important in creating positive change than a sense of urgency. It must start at the top, be communicated throughout the organization, and it must be felt by the entire organization.

Urgency is defined as "compelling immediate action; conveying a sense of pressing importance." If you want to blast people and organizations out of their inertia you have to get their attention, give them a compelling reason to act outside their comfort zone, and keep them moving. The sense of pressing importance helps you move ahead, and that gives you time to recover from mistakes or to change direction early enough, so that only minor corrections are required later.

Once you know a change is needed, urgency keeps you from wasting precious resources on the wrong choices. Failing to communicate a sense of urgency to your organization leaves an avenue open to continue with the status quo. This not only delays the implementation of the needed changes, it consumes resources that will be needed to make them. The most critical of these resources is time.

Those responsible for change must focus on the roles of the leader, not on the tasks of the manager. Leaders set direction, communicate the vision, and empower people to do what has to be done for the change to succeed. Managers plan how to make the changes happen. They organize, allocate resources, and help people perform more efficiently. Managers are necessary if a change is going to succeed, but the leader is critical.

"The tail tracks the head. If the head moves fast the tail will keep up the same pace. If the head is sluggish, the tail will drop."

(Konosuke Matsushita)



266

BEST PRACTICE

MINI-CASES**URGENCY AT WORK**

In the summer of 1999, Carlos Ghosn, new C.O.O. of Nissan, set a goal of profitability by 2001. Saying that a sense of urgency was key—"you should come to headquarters and the walls should be on fire"—he set in motion his Nissan Revival Plan (NRP). On May 17, 2001, Nissan announced its best financial results in a decade.

Wal-Mart has a Sundown Rule, founder Sam Walton's twist on the old adage, "Don't put off until tomorrow what you can do today." Observing that rule means striving to answer requests the day they're received. It's one reason that Wal-Mart associates are famous for their customer service.

AsiaTrak (Tianjin) is a joint venture of Caterpillar, Itochu, and SNT that provides undercarriage products to the excavator and tractor industries. The company culture recognizes time as a competitive advantage and aims to err on the side of moving too fast rather than too slowly.

Few industries are as time-sensitive as floral retailing. 1-800-FLOWERS.COM uses a Web-based system for transmitting orders and scheduling deliveries. The system, called BloomLink, incorporates real-time chat capability so florists can ask questions about an order as they receive it.

MAKING IT HAPPEN ▶▶

Laying the groundwork for change requires leaders to:

- recognize that change isn't easy;
- determine what you want to change and what benefits change will create. Plan how you will communicate the change and the reasons it is necessary;
- communicate that message to the entire organization, in plain language, using enough different media to reach everyone;
- impress on everyone the urgency of making the change happen;
- share as much as you can, as early as you can, with as many as you can;
- insider-trading restrictions may limit your actions, but don't hide behind them;
- pushing people out of their comfort zone is high-risk, but can yield high reward;
- help people be brave. Brave people move faster;
- dare to dream. Planning change means visualizing a present that doesn't yet exist;
- reinforce the message by repeating it

often and keeping it fresh in people's minds.

People do what they think is in their best interests. You need both positive and negative tactics to create a sense of urgency around your desired change. Show people why the status quo is bad for them. Then show them your vision of the future and why that will be better.

First:

- manufacture a crisis to start the ball rolling;
- allow a very visible (but not deadly) problem to blow up out of control;
- widely publish internal reports that support your position that the status quo is unacceptable;
- make information available that shows how quickly the situation is going from bad to worse.

Then:

- show people the significantly better state that will exist for them after the change;
- reinforce the need for urgency with a good slogan, like the UPS tag line, "Moving at the Speed of Business";
- use time-based metrics to keep up the sense of urgency;
- set targets that are unreachable without the change.

If your goal is to centralize the customer service staff in a single location to reduce costs, build and post graphs so people can track their progress toward the goal. A weekly step chart showing the savings planned from closing smaller facilities, for example, can help people visualize the goal. Superimposing actual savings on the same chart can vividly illustrate the value of closing one office a couple of weeks early and can help keep the sense of urgency high.

CONCLUSION

For business strategies to work in practice, organizations need to develop and change: business strategy is not about preserving the status quo, it is concerned with making progress, and this requires change. Combined with this is the fact that, whether it is welcome or not, change is the only constant in business: it is inevitable and needs to be harnessed. If it is not proactively managed, then the effects can be overwhelming.

Leading change is a vital aspect of leadership in general, because it requires dynamic, focused action. Without this proactive leadership, change will fail—or fail even to get started. Leadership is essential to delivering effective change as it provides

vision—a clear idea of purpose and direction. Leadership and a sense of urgency are also important to communicate, facilitate, guide, and focus activity; to solve problems; to coordinate and make decisions. In general, to provide a framework that ensures success, creating a sense of urgency and the necessary motivation and support.

Change is happening more often and more quickly. The leader's job is to manage that change to create a positive outcome for the organization. Creating a sense of urgency is the best tool for making that happen.

For More Information**Books:**

Bell, Chip R., and Oren Harari. *BEEP! BEEP!: Competing in the Age of the Road Runner*. New York: Warner, 2001.

Grove, Andrew S. *Only the Paranoid Survive: How to Exploit the Crisis Points That Challenge Every Company*. New York: Bantam, 1999.

Hanna, David P. *Designing Organizations for High Performance*. Boston, MA: Addison-Wesley, 1988.

Kossoff, Leslie. *Executive Thinking: The Dream, the Vision, the Mission Achieved*. Palo Alto, CA: Davies-Black, 1999.

Kotter, John P. *Leading Change*. Boston, MA: Harvard Business School Press, 1996.

Web Sites:

www.emeraldinsight.com/jocm.htm: this is the online home of the *Journal of Organizational Change Management*.

www.mapnp.org/library/org-chng/org-chng.htm: this Web site provides an *Overview of Organizational Change*, assembled by Carter MacNamara, MBA, Ph.D.

See also:

- ☆ **Getting All Your People Committed to Change and Transformation (pp. 185-87)**
- ☆ **Viewpoint: Henry Mintzberg (pp. 241-42)**
- ☆ **Viewpoint: Margaret J. Wheatley (pp. 273-74)**
- ✓ **Implementing Effective Change (pp. 504-05)**
- 📖 **The Change Masters (p. 897)**
- 📖 **Change Management (pp. 1923-25)**

"Successful companies move quickly in and out of products, markets, and sometimes even entire businesses."

(George Stalk)