



The Accountable Executive

Two of our LeadershipOne business writers, Hal Johnson and Ed Street, expect to have their new book, *The Accountable Executive*, released in the Spring of 2009. This is the fifth and last in a series of five articles, each addressing a key accountability function, based on material from their book. They have observed that accountability is a meaningful area of struggle in many mid-market companies and they address what they observe are major contributors to low accountability cultures - and the antidote.

Being Accountable for Change Management/Continuous Improvement -Function #5

One of the most significant challenges to senior executives is to keep the pressure on the organization to continually be looking for ways to improve. This falls under the heading of change management. The recognized guru for change management is Professor John Kotter at Harvard. Dr. Kotter, as you would expect, has published several books on the topic, the most widely known for insights and impact is simply titled *Leading Change*. It definitely is one that should be in your business library if you don't have it. Well, as business professors do, he has a new book out on the topic of change. It's a good update, and reminder of our continuing responsibilities as executives to be vigilant in our leadership roles to effectively manage change.

Kotter's new book is *A Sense of Urgency* in which he reports some rather worrisome trends. In tracking corporate performance over the past decade, it is observed that about 70% of needed changes fail to be effectively carried out. He concludes the culprit in most cases is laxness - no sense of urgency. The senior executives have not established a strong sense of "must do" around their leadership initiatives. Kotter states that he has become more convinced than ever that the path to effective change starts with a sense of urgency. It is what overcomes complacency - a

position people gravitate toward much too easily. And that is what effective leadership does - provides a boost toward keeping the focus on the most important things. We need to be the stem winders. We have noticed that change is happening outside the organization much faster than inside the organization. Generally, they are not keeping up. That spells trouble down the road.

Our friends at the Balanced Scorecard Consortium at Harvard report, disturbingly so, that only about 10% of businesses are really effective in executing strategy. Adding that to Dr. Kotter's findings, we have to conclude one of our greatest competitive opportunities is to be really effective at executing change. With that in mind, let's consider our opportunity to systemize our change management process, while keeping it vital. Here are some thoughts on a process we find accountable executives follow in effectively managing change.

In the previous four articles in this series we addressed what accountable executives need to assure is in place to achieve high performance levels in their organizations:

1. Effective Direction
2. An Effective Leadership Team
3. Peak Performance Culture and Chemistry
4. Systematic Performance Management

This last article places the emphasis on the process - and discipline - of what should be happening in regards to the previous four, happens in a systematic, predictable way. And, that the process delivers on the kind of continuous improvements that are supporting on-going success. In today's business environment, this is no small challenge.

Your Management Strategy

What is needed is a *management system*. This is a system designed into your business model to produce the desired results. The more automatic the system is, the more effective the business model will be. A



management system is a routine for getting jobs accomplished in an effective manner. In a hotel setting, it is the way a room is cleaned, or the guest is greeted and checked in. It is detailed in a company's Operations Manual. The operations manual describes the best way to do a specific task. When a system is consistently used, a company can provide quality, dependable service or product even in the most difficult businesses.

Your Systems Strategy

The success of your business depends on your appreciation and effectiveness in the integration of systems. This material is aimed at providing the reader with an appreciation for a systematic approach for maximizing business effectiveness. Doing so is the highest application of "working on the business." An important aspect that you should know about systems is that they should be dynamic, not static. The value of a system is directly related to the "care and nurturing" it receives. Every system need a "champion," to tend it to keep the system "in tune and in sync" with its purpose of being. Business process management, which embodies a systematic approach to maximize business effectiveness, then enables the achievement of four outcomes crucial to a high performance-based business:

- ◆ Clarity on strategic direction
- ◆ The alignment of the business' resources
- ◆ Increased discipline in daily operations
- ◆ Effective change management

It's important to understand that there is an emphasis on the whole end-to-end, cross department business processes, and not simply the improvement of specific work activities. Accountable executives provide the vision and discipline to stay the course. Healthy, effective organizations need to be change-systemic. Kotter would say you also need to add a dash of urgency. We would say "What are you going to do about it?"

Hal Johnson and Ed Street have been senior level as well as chief executives of several companies. They sit on boards, teach, coach and consult regarding best practices, including accountability concepts, to executive management.

They may be reached at (916) 391-3042 or at hjohnson@leadershipone.net