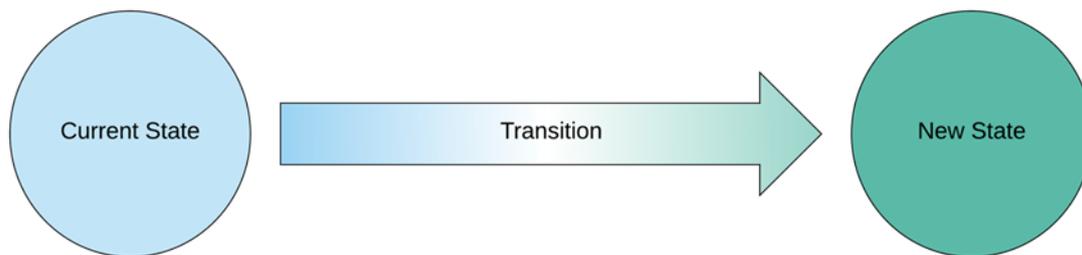


PREPARING FOR GROWTH AND CHANGE

So many times, business people are left wondering, “That was a good idea, it really was - why didn’t it come off?” Other times, it might be, “I knew what I wanted to happen, but I couldn’t see how to get there.” Kaplan and Norton, gurus of corporate strategy, wrote many years ago of the “Execution Premium”, describing how so many perfectly reasonable strategies fail to get implemented because of the difficulty of traversing the gap between the idea and a working solution. They were talking mostly about large corporations or government bodies with significant resources internally, and the capital to engage the best external advice.

And it still goes wrong. So, what chance does the average SME or start-up have for getting this right?

Any kind of change or new venture is basically doing this:



Which basically means that you have three activities to undertake:

- Understanding the existing state
- Defining the new state
- Planning and delivering the transition

Why do you need to understand the existing state? Surely it is the new state that matters? True, but the key is in the fact that you have to make a transition - you have to know what aspects of your current organisation you can keep, what must go and what needs to change. The more radical the change, the less detail you may need, but you will need something.

So where do things go wrong?

Current state - often, there is no clear understanding of how much detail is needed, or how difficult this is going to be. As a consequence, an initiative may get itself stuck in this stage for longer than it needs, or may shortcut this and find itself short of information later. The poorer your understanding of how your organisation currently works, the more likely this is to cause problems.

Defining the new state - if there is a single visionary driving this, the most common problem is getting their view of the new state out of their heads and into a place where everyone else can see it. This is necessary so that other stakeholders can have their input, and so that those working on the transition know what they are aiming at. If multiple people are involved, you need a common, published definition, else everyone will be working from their own mental pictures, which will of course all be different.



Transition - it is astonishing how often this is started without a clear, common end state in place. The reason that this can happen is that some of the transition activities are clear quite early on, at least in broad terms, and there is always the drive to get started. I doubt many people would start building an extension to their house, or a loft conversion, without first having plans drawn up, but creating/modifying organisations? It happens all of the time.

A key point to keep in mind is that this is YOUR business/organisation, so any definition of the new state and how to get there (the transition) has to be believed by the people in the business, especially the management, or it will never work. You are also the experts in your business. Consultants can bring in new ideas and provide knowledgeable challenge to your own, but this can't be their plan. For one thing, they won't be around to manage the consequences!

The Operating Model Canvas

A new method is available for designing operating models, called the Operating Model Canvas. This is a facilitated method – the key decisions remain in your hands, while the framework itself guides you to ensure that you are covering all of the areas.

It starts with a single-page model, which once agreed, can be expanded out to a ten-page format (give or take a page or two), filling out more of the detail of the one-page format. You can use the same approach for both your current state and your new state, and then build your transition plan from that. This approach has a number of benefits:

- *Successive refinement.* You only move to the next level of detail once you have agreement on the key decisions.
- *Concise style.* The single page formats allow the whole picture to be seen at once, making it easier to see if it all hangs together.
- *Visual approach.* Diagrams and pictures alongside the words makes it much more likely that everyone will have the same understanding.
- *Communications.* It provides a format which can easily be used with all staff as part of a communications plan.

If you would like to understand more about how the Operating Model Canvas could help you with your plans for growth and change, please contact:

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