Adapt to survive, or adapt to win…

There are more articles, papers and consultants than I can count on the topic of transformation in business. Many of them focus on the idea of transformation, and now especially “digital transformation” as a **means of survival**. I suggest an alternative, but complimentary idea. Don’t think of transformation as a survival exercise. Use transformation as a **vehicle to truly be transformational**, not in the buzzword sense, but rather in the overall value chain perspective.

To transform to survive is relatively straightforward. Look at where your peers are going, and queue up alongside them at the industry feeding trough. You will have a shot at staying relevant for a period, but your investment will likely be drowned out by the noise of the accompanying industry shifts, and be no longer lasting than the last series of “revolutionary ideas” the organization has moved through in the past. Transformative change comes from taking a hard look at your own house, industry, supply chain, and customers.

- What are the trends in your industry pointing to?
- What is your risk tolerance? (organizational, industry, regulatory …)
- What are the trends across adjacent spaces that move more nimbly than your own?
    - How can you choose to leapfrog your competition and industry by making bold investments, while mitigating some level of risk by learning from adjacent spaces?
- Is your broader organization ready to accept your changes?

Trends in your industry

The trends in your industry point to where your peers are headed. This is good information directionally, but also a map to “what is” as opposed to “what could be”. Use this as a means to cross check your ideas – are they closely aligned? If the answer is yes, you are likely transforming to survive.

> How can you take a leadership position in your industry, partnering with your consumers / customers and your respective regulatory bodies to bring the consumer ever closer to the value? For heavily regulated industries, how can you ensure regulations evolve along with your technological investments? Be a trendsetter through partnerships with the regulatory agencies. Gain the competitive advantages from being positioned to take advantage of emerging legislations and changes.

The idea of adapting to win comes from being bold, and as a part of that, being a thought leader. This comes with risk, which leads to the next point.

What is your risk tolerance?

I learned many years ago to assess my risk tolerance for any given initiative, and to share that information with other senior leaders for confirmation and alignment. I have seen doors open that previously were firmly shut,

once risk tolerance was understood and accepted. Conversely this also serves as a set of organizational guard rails to ensure that the proper foundation is set prior to embarking on your change event. Thinking through the risk, communicating the value of the risk and potential upside to the right stakeholders will set the change event up for maximum success. This is a topic all on its own, and something to give real thought to. Risk management should be thought of as a tool, and something to actively own as opposed to something to avoid if you are to grow.

Trends across adjacent spaces

Examining your own industry can be informative, but taking a hard look at industries that are much less regulated, or less constrained and closer to the forefront of technology and engagement is the key to starting to build your vision. To chart a course for transformation, a leader must have some idea of the future possibilities for the organization. A “North Star” must be defined, and a vision that can be clearly understood articulated. To do that, pointing to success sets up a believable path for your own industry and makes the unbelievable more realistic in the minds of your stakeholders. The adjacent spaces will likely have forward thinking that is not hindered by the regulatory or other structural burdens of your industry, and hence you as a leader are responsible to **building the bridge of believability** to get there, using your risk tolerance and vision as a foundation.

Is your broader organization ready to accept your changes?

The question of change readiness is a difficult one to face for many organizations, and is difficult enough at the project level, and even more so at the organizational change level. There is an element of “the org will do what I say”, to be sure, but real change will come from the people in the organization getting behind the mission, and both understanding and supporting the transformation activities. To gain this support, a non-trivial amount of up front work is required as well as continuous change management through the life of the actual transformation, and then well beyond the “done date”. The real value to be extracted from this significant investment comes in the “run state” of the new model. To get that, plan to invest in long running change management, voice of the customer and “micro tweaks” as well as highlighting the value in broad messaging.

Focus on the people, celebrate those team members who are bold and join the change as leaders, but do not forget those in the back who are supporting the leaders. People deliver on what is rewarded and celebrated. If as a leader, you celebrate “done” at the org alignment milestone and then resume business, you will miss the sustaining value of the change. Plan for a long tail on the investment. This is a real financial investment, but without it, plan to gain minimal transformative value.

Properly nurtured, the change event will result in a lasting difference in your organization and its ability to deliver meaningful value to your stakeholders. Remember to set a clear and compelling vision, and then measure yourself and your organization against that on on a regular basis. Celebrate success, support the change and be prepared to hold the course when things are difficult!