

Leveraging Change to Generate Competitive Advantage

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Do you ever wonder why some people thrive on change and others fear it? Why some leaders of organizations act, plan, and react with the assumption that tomorrow will be much like today? While other leaders take the challenges presented by change as sources of enormous energy to drive them forward?

Whether you are trying to implement change in your organization or if change is being thrust upon you, the skills that we most need in order to survive and thrive – and generate competitive advantage - are the skills of dealing with change.

Nothing suggests that the future will get easier. In fact, every indication is that the ride will get wilder than it is today. From a competitive standpoint, the question then becomes: *How do we implement positive and necessary change better than anyone else?*

A model for successful change

The following model provides the perfect answer to this question:

$$C \leq f(d, p, l)$$

Quite simply put, the cost of change, **C**, must be less than or equal to a function or a combination of three things:

d represents a dissatisfaction with the way things are at present (*WHY* change).

p represents a picture of a clearly defined future state/vision (*WHAT* the change will positively create).

l stands for logical first steps/a plan (*HOW* to change).

Increasing any or all of the factors on the right side of the equation engages people to make change more likely.

Let us consider an everyday example of a desired change to understand better this change model – *the desire to lose weight*. Applying the above model for successful change:

- **The cost of change (C):**
The negative aspect of any change is the cost associated with that change. You can imagine the variety of costs associated with losing weight: not being able to eat cake, not eating buttered popcorn at the movies, being restricted to low fat food or restricted to lesser amounts of food...
- **Dissatisfaction with the way things are at present (d):**
As discomfort increases, we become more likely to change. If we are very comfortable with the way things are, we are not likely to support change. In our dieting example, a dissatisfaction with the way you look, the fact that your clothes don't fit, a health concern...
- **Picture of a clearly defined future state/vision (p):**
To increase the probability of change, paint a clear and inviting picture of the way things can be once the change is accomplished. Clear visions increase the drive toward making the change possible. If people can create a vision that is inviting, they are more likely to engage and will put their energies toward that desired outcome. Create a vision of what you will look like in that new bathing suit next summer, in that tux at your daughter's wedding, or in that favorite dress you can no longer fit into...
- **Logical first steps/a plan (l):**
Change generally occurs with a straightforward idea on how to accomplish the first steps and a plan that will ensure success. Take our example of starting a new diet – a significant number of companies such as Jenny Craig, Slim Fast, Weight Watchers,... have become extremely successful offering logical first steps and a well laid out plan.

You can see from this example that some combination of the factors **d, p & l** must exceed or at least equal the cost of being on a diet in order for the diet to work. The applicability of this model goes far beyond a diet. It literally applies to every personal or business change in your life.

The role of leadership in successful change:

Creating healthy change – one focused at ensuring your competitive advantage – starts with the leadership of an organization. How can you structure the change in a way in which employees have ownership? How can you reduce the fears associated with the cost of change?

You cannot expect people to take responsibility when they do not feel some sense of ownership. And that is the key challenge – understanding how to motivate your people to take responsibility during times of change. In fact, you cannot motivate another person... but you can create an environment for them to motivate themselves. This takes strong, focused, and consistent leadership.

Consider our change model again:

- Identify the change (a shifting market for your services, demands for cost reductions, the impact of new technology)
- Fill in each factor with applicable words related to your specific change
- Determine a well communicated game plan to ensure success based on the combination of factors

Pick a change example as you read this and start describing each factor in the model. This will likely kick-start your thinking and a plan will naturally fall out.

Create a compelling direction

At some point in their histories, most truly successful organizations take on overwhelming tasks. For example, Boeing building the 707 and 747 airplanes, Motorola pushing for “Six-Sigma” levels of quality, or Walt Disney creating Snow White. These companies identified goals that were truly outrageous in size. And in every case, the goals came in response to changes in their environments -- the maturing of animation, advances in aircraft technologies, and revolutionary manufacturing processes.

By taking on and communicating dissatisfaction with the current state (internal or external), their vision, and a clear path forward, these companies captured the imagination and energy of everyone in their organization. As a result, they were able to create an environment in which their employees were motivated not just to accept, but to embrace change. By focusing on their own capacities to create something new, these companies surged ahead of the competition and gained positions as market leaders that lasted for decades.

Organizations that survive change and thrive over a long period of time do not ask, “How can we beat the competition?” Instead, they ask, “How can we outdo ourselves?” By mastering the fundamentals of change management, you, too, can use change to create true competitive advantage.

About Scott Playfair, President, P Squared Consulting

Scott Playfair founded Houston based P Squared Consulting in 1999 after working in the corporate world for over 20 years. P Squared focuses on the areas of team based process improvement, team building, training and development, and cascaded organizational goal setting.

Before the formation of P Squared, Scott held management positions in various Fortune 100 companies as well as several rapidly growing mid-sized companies. His experience includes line and staff management positions ranging from front line supervision to the senior executive level.

Scott received his BS in Industrial Engineering from the University of Pittsburgh and is certified as a GE Black Belt Trainer.

Scott consults with companies in a variety of industries – including the paper industry, oil and gas, chemical manufacturing, healthcare, and a variety of other manufacturing and service related businesses. His focus is assisting progressive companies who recognize the value of developing their most valuable asset – their people.

As a trainer, facilitator, and consultant, Scott’s broad experience base and entertaining style offers clients a memorable experience and proven methods to gain competitive advantage for their businesses.