

Creating a Platform for Launching Transformation¹

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The article “when body and soul transform”, dealt with the first step in transformation process. It’s the realisation of need, *raison d’être* in terms of external or internal developments and the type of stance either proactive or reactive. This first step that defines the ‘timing’ of transformation initiative, is one of the most important milestones, in the quest of creating long lasting corporations.

Unlike evolutionary change, which may be self- starting and can take place anywhere in the organisation, the transformation change is necessarily deliberate and initiated from the top. The CEO needs to personally direct and drive the process virtually from the beginning, as few persons other than him can have the holistic appreciation of the company’s business and organisational situation. The organisations are generally status quoist in nature, and there could be enormous hesitation and reluctance for fundamental changes. Besides, transformation has the potential to dramatically alter power equations, and there can be attempts to subdue or deflect uncomfortable signals.

The CEO may find task onerous and somewhat unfathomable. And it is useful to consider early stages of transformation as a combination of two processes – one, to build a conception of transformed or future state, and two, to expand the constituency and build momentum for change. These processes though independent are mutually reinforcing, and the CEO can synergistically move the two processes forward.

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Building a conception of the future

The transformation is a major and fundamental change, with the potential to alter the strategies – structure and the core values – culture of a corporation. This change cannot be undertaken without some idea of the destination and the path, as a large number of personnel need to be communicated to and mobilised. On the other hand, neither the destination nor the path can be predicted with reasonable accuracy, nor the actions can be programmed or scheduled fully. However if one sees the transformation as a process of learning, then conceptualisations cannot be seen as ‘casted in stone’. They are a means of learning too, besides being the guide to successfully transform the corporation. They should be modified and adapted as per the evolving situation. The learning process is far more effective and faster, if the conceptualisations are clear and comprehensive.

There are three components of the conceptualisation – developing thorough understanding of the current state and future trends, evolving clear and comprehensive conception of the ‘transformed’ corporation, and delineating a path from current to the future state. The starting point is to identify relevant reasons for thinking about the transformation change. These reasons will be a combination, in fact interrelated and intricately woven, of internal and external factors. They will also relate to past, current requirements and future contingencies. The reasons were found to cover all these categories, in cases of the fast growth companies in manufacturing and IT sector and the low growth companies operating in single and in multiple industries. It is useful to coalesce and abstract the reasons into not more than a dozen patterns and trends. While starting on the task of identifying trends and patterns, the leadership should also start developing a rudimentary conception of the future. The conception will latter evolve into a clear and comprehensive configuration, covering various aspects of the ‘body and soul’ of transformed or new corporation i.e. core values, strategy, structure, distribution of power, control systems, managerial style, organisation culture, etc. The path will delineate the schedule of activities, commitment and redeployment of resources, fall back actions, etc.

The development of future conception is an iterative process, and it will gradually move towards clarity and soundness on each of the three components. As CEO can’t afford to ignore regular management activities and the stakes are very high, some internal or external resources and expertise can be marshalled. But these resources are supportive, and CEO cannot abdicate his role in any manner as the director and driver of evolving the new or transformed conception.

Creating momentum for change

CEO is the fulcrum of transformation change. He needs to develop an effective and adequate constituency for launching the initiatives, which essentially means

the support and active co-operation of company board and top management. Other stakeholders become important during implementation and institutionalisation stages. The ideal scenario is when the entire board and top management team are in unison, about each of the three components of the conceptualisation.

Soon after the need for transformation is apparent, it is useful for CEO to do some preliminary thinking. The identification of clearly evident patterns in performance and market trends and the conception of required changes at a very rudimentary level, help in moving forward. This embryonic conception can be used to test the waters with the board and top management team. Depending on the level of awareness and degree of resistance, he can choose his first ally and point of movement. He may also consider and decide upon the need for external facilitators.

As the power equations are heavily tilted in favour of CEO in Indian organisations, there is unlikely to be direct and immediate resistance in the top management team for the embryonic conception. With some basic level of conviction on the need for transformation, it is possible to move further. CEO needs to work on two objectives – one, to build upon the embryonic conception towards a comprehensive and clear conception of the three components; two, to get the ownership and commitment of top management team through involvement. Formation of task forces to work on various aspects is quite useful, and carefully designed presentations and brainstorming sessions can help move quickly towards the two objectives. It is possible to build enthusiasm and neutralise resistance with well thought over choices on number, subject areas and composition of task forces.

Given the complexity and sensitivity of issues and the need for speed, the process vis-à-vis board may take two forms. An informal one with the key members, who can be continually kept informed and be a source of important inputs. And a formal one with the entire board, which may involve presentations somewhere mid-way and at the end of the conceptualisation work. The successful completion of the processes, for building the conception of future and for creating a momentum for change, develops a robust platform for the launch and implementation of transformation initiative. These processes also lay right conditions for speedy actions and effective learnings. The criticality and significance of CEOs role cannot be over-stressed.