

management focus

essential management knowledge for today's leaders

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January/February 2011**

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Jocelyn R. Davis and
Edwin H. Boswell



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Welcome to Management Focus

... and welcome to the January/February issue.

Pull management poses the complex challenge of delivering steadily increasing value to customers and engaging employees and customers in conversations. This is a radically different business environment. It requires understanding and mastering a radically different kind of management.

In a radical new approach, a number of ground-breaking consultants and corporate leaders started from the assumption that an uneasy compromise between reliability and innovativeness is not enough to avoid obsolescence and irrelevance. They argue that in a world of ever-accelerating change and global competition, in which the balance of power has shifted to the customer, continuous innovation and learning by the entire organization are required for survival. A shortened version of that study and its findings is published here in this latest issue of *Management Focus*, devoted to shifts in thinking.

Jocelyn R. Davis and Edwin H. Boswell are executives at The Forum Corporation. Forum is a global professional services firm that works with senior leaders to accelerate their critical business strategies. In this interview, they talk about their latest book, *Strategic Speed – Mobilize People, Accelerate Execution*. Speed and agility have been, and continue to be, hot topics in management literature, and here they discuss their perspective on the subject.

Finally, our latest issue of *Management Matters* discusses the subject of alignment to client and customer needs.

Remember, log on to our website at: <http://first.emeraldinsight.com> to expand on the topics highlighted in this issue of *Management Focus*.

Best wishes,

Giles Metcalfe

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The shift from push to pull management

For the past few years, leading CEOs have been trying to figure out how large established organizations can become as good at game-changing innovation as they have been at disciplined execution.

The result of this, however, is often “war in the boardroom”. The efficiency-focused thinking of the supply chain, supported by traditional management theory, business school teaching, and embedded assumptions tends to crush the creativity of entrepreneurial thinking about new ways to add value.

In a radical new approach, a number of ground-breaking consultants and corporate leaders started from the assumption that an uneasy compromise between reliability and innovativeness is not enough to avoid obsolescence and irrelevance. They argue that in a world of ever-accelerating change and global competition, in which the balance of power has shifted to the customer, continuous innovation and learning by the entire organization are required for survival.

So how can a bureaucracy learn how to generate continuous innovation? Can ordinary employees become extraordinary innovators? How do you manage, measure and lead

innovation across the entire organization?

The shift from push to pull management

We are moving from a world of push business models to a world of pull models. In the world of push, management forecasts demand and tells employees what to produce, and then organizes the resources to meet the demand in the most efficient fashion. Management then communicates to the mass market of customers the messages that induce them to want to buy the firm’s products.

In contrast, to succeed in the new world of pull business models, a firm needs employees who are engaged and empowered to continuously add new value to customers. Everyone in the organization needs to have a clear and current understanding of what the customers want and how they are responding to existing products and services. They need to

be constantly improving their performance to generate more value for the customer.

Success comes by:

- Accessing resources and people with know-how, whether those resources and people are outside the firm or within.
- Attracting people and resources to collaborate in generating more value.
- Achieving results based on these knowledge flows, by facilitating partnerships based on collaboration and reliable production.

The new economy is about scalable collaboration embracing 10,000s and eventually 100,000s of participants in pull platforms. The greater the number of participants involved, the more rapidly everybody learns. The network effects of scalable collaboration can trump the experience curve and create what was unthinkable in traditional

“We are moving from a world of push business models to a world of pull models.”

twentieth century management: an increasing performance improvement curve.

Whereas the pre-occupations of the twentieth century management were tight control and cost reduction through economies of scale, the mantra of the twenty-first century firm is continuous innovation driven by passionately committed workers. Employee "satisfaction" is not enough. Effective participation in knowledge networks requires fully engaged people who see problems as a challenge. The challenge of management is to support them and channel their energies in constructive directions.

Communication in the world of pull: authentic and interactive

In push businesses, traditional management communication is almost entirely limited to sent messages. With this one-way communication model, however, the understanding that emerges is often different from what the management intends. As a result, most change programs in organizations fail to achieve their goals and most employees remain less than fully engaged.

By contrast, pull management recognizes that people construct their understanding of the world through their relationships and interactions. Meaning is created in conversations and dialogues, often a messy, iterative experience.

Managers can engage in authentic conversations that drive business results. It offers a detailed guide for CEOs and other senior leaders on how to communicate authentically and interactively to unleash the talents of those doing the work and on how to support them so that they become and remain fully engaged. It

“Management has to stop wasting employees’ time and start supporting them and enabling them to create more value for customers.”

recognizes that, when innovation depends on buy-in and commitment, interactive communications are essential.

Pull leadership requires learning how to communicate so that people get the message and spread it. In pull management, leaders must learn to ask questions that trigger professional excitement, set goals for interactions with others, and learn guidelines for interacting with audiences of different sizes. Managers must learn how to identify and energize a firm’s most valuable players, including champions, partners, and other valuable stakeholders, as well as critics and detractors. They need to understand the territory of change, identify emerging conflicts, pot-holes, misinformation, and new high-value ideas. Leaders need to learn how to accelerate change through performance communities. To do this requires building social groups that take on the toughest challenges and create solutions. Underlying all these specific communications skills is a core concept: leaders of pull organization must develop a thorough understanding of what they must do to enable the passion of the workforce to contribute to the goals of the organization.

A CEO’s journey in the world of pull: find the value zone

The people doing the work customers value create a value zone within any

organization. Without them, your firm is nothing but a shell, layers and layers of management, and aggregators who have nothing to offer the customers. Often, management gets in the way of creating value. Overall, management is not helping the people doing the work. Instead, it wastes their precious time and energy by requiring them to make endless presentations about irrelevant things and write reports.

Management has to stop wasting employees’ time and start supporting them and enabling them to create more value for customers. The value zone has to be put at the centre of an organization.

Management has to be accountable to the value zone and the people in it, rather than have the people in the value zone be accountable to the management. To enable employees to create value for customers, you must establish a new level of trust and transparency within the firm. In the process, the role of management changes from controller to enabler.

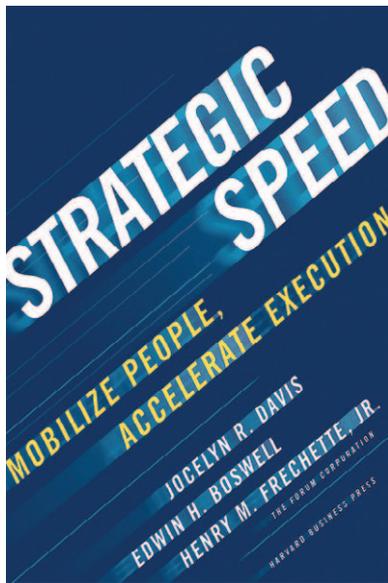
By putting employees first – doing everything possible to enable those people who bring real value to customers – employees will serve customers better than ever before. The goal is to unleash the power of the bright minds in your firm so that they can align themselves with the customers’ challenges and in turn become the customers’ enablers and facilitators. Develop partnerships based on transparency and trust and this will create value for the customers.

The CEO’s role is shifting from being a crafter of strategy, the person who motivates by giving speeches, and the one with the brightest ideas, to being someone who enables the employees to excel.

This is a shortened version of “Rethinking the organization: leadership for game-changing innovation”, which originally appeared in *Strategy & Leadership*, Volume 38 Number 5, 2010.

The author is Stephen Denning.





Strategic Speed: an interview with

**Jocelyn R. Davis and
Edwin H. Boswell**

Interview by Giles Metcalfe

Giles Metcalfe: Your new book is called *Strategic Speed – Mobilize People, Accelerate Execution*. As time is of the essence for our over-worked management readership, can you give us a speedy précis of the book?

Jocelyn R. Davis: Speed and agility have been, and continue to be, hot topics in management literature. So much change today and, as you mention, so many overworked people. Whereas many leaders assume that speed is moving fast from A to B, the strategically speedy leaders in our research define speed differently and take a different perspective on it. It's not just about winning a drag race; it's about reducing time to value and increasing value over time. It's two-dimensional, not one-dimensional. Leaders need to bring value into the equation. To get to value quickly and sustain that value in any team, initiative, or organization, leaders must emphasize their focus on people.

GM: Do you feel that there is too much pressure within companies to work faster rather than work smarter? Are the two mutually incompatible?

Edwin H. Boswell: There is a lot of pressure on people to perform quickly, though I don't believe "fast" and "smart" are incompatible. For example, consider leaders in transition: Transitions are a huge factor in strategic speed – getting people, teams, and initiatives producing value as quickly as possible, and preparing them for the next transition. One of the transition traps (or decelerators) into which leaders fall is "racing to get a lot done." That is, they seek to make a name for themselves early and get a quick win. But, in doing so, they can alienate their team. So, we urge leaders in transition – whether they

are in a new role or place or assignment, leading a new team, or working in a company with a new strategy – to seek *collective* quick wins (that is, to invest time up front in engaging with the team and getting buy-in to the effort, so that the wins – even if they arrive a bit later – are "ours," not just "mine").

GM: In the book, you state in the first chapter that, according to research, "only 30 per cent of strategic initiatives fully succeed on time". Why do you think there is such a high rate of attrition?

Jocelyn R. Davis: That statistic has been borne out by countless studies over the past several decades – and the magnitude of the resources wasted in these initiatives is truly mind-boggling. The cause of strategic initiatives not succeeding on time is, quite simply, that many leaders don't focus enough on people and don't know how to mobilize people.

GM: Why are people the key to achieving strategic speed, and how can leaders mobilize them?

Jocelyn R. Davis: If you think about the common variable in the factors of performance loss we just mentioned, it's people. People are what really makes strategy work – not processes, not technology. In our research, we identified three people factors that drive speed: clarity, unity, and agility.

GM: You state that there are "two specific traps into which leaders can fall ... (1) Over-attention to pace, and (2) over-attention to process." Why do leaders make these mistakes so commonly?

Jocelyn R. Davis: Quite simply, because pace and process are seemingly easier to control. Over-

attention to process is especially tempting for many leaders; it's easy to fall into the illusion that creating a perfect, streamlined flowchart will make the work actually happen more smoothly and quickly. People – as opposed to processes – are messy: each of us has a different background and different aspirations, capabilities, and interests. Leading with influence, gaining buy-in, collaborating across and outside the organization – these are not comfortable things for many leaders to do, and they sometimes don't produce the hard, immediately tangible results the leaders seek.

GM: You expound a mantra of "clarity, unity, and agility" as practices that drive strategic speed, and introduce the concept of the "strategic speedometer" (*sic*). Can you expand on this for us?

Jocelyn R. Davis: Mobilizing people is the key to strategic speed. The three key people factors are clarity, unity, and agility. Clarity is a shared, clear understanding of the business situation and the direction in which all are headed. Unity is a whole-hearted agreement on the merits of that direction and the need for all to work together to get ahead. Agility is a willingness to try different methods and work flexibly together with others to reach a single strategic goal.

This is a shortened version of "Strategic Speed: an interview with Jocelyn R. Davis and Edwin H. Boswell." To read a longer version visit <http://first.emeraldinsight.com>

Management Matters

Incisive commentary on topical business issues

Is your team truly aligned?

In today's constantly changing business environment, work that was valued and applicable just six months ago may no longer be the right focus for driving results today. Business needs and demands evolve constantly, causing the needs of clients and customers to shift continually. The more closely aligned teams are to the needs, goals and concerns of clients and customers, the better they'll be able to respond and deliver real results.

The flow

When teams are aligned, people feel they are in the "flow", a zone where large, complex issues seem to glide through to implementation with greater ease, less time and improved morale. The team's emotions range from anxiety (good, because it keeps everyone realistic) to feeling focused and exuberant, since everyone is clear about the end game. With this range of emotions, the team has a better chance of achieving the needed results, so that they can figure "it" out.

The following four steps provide a suggested road-map for achieving team alignment at every level of a project. Remember, even after you've taken these steps once, your team will need to strategically reconvene to ensure that the right work is getting done.

Step 1: clarify the team's perspective

You and your team are at the heart of the alignment process. That's why it's important to begin with your team and develop a clear understanding of their perspective. Ask your team to shift their perspective to that of your clients and customers. Ask your team to stand in the clients' shoes and make a list of what they believe the clients value. Then have the team prioritize that list and grade themselves on each activity or deliverable.

Step 2: solicit external feedback

Your team's thinking and perspective make up only the first part of the equation. To complete the equation, the team needs to proactively solicit candid and revealing input from clients and customers. The

combination of your team's self-assessment and the feedback from their clients will provide valuable information and help clarify perceptions, allowing your team to work toward alignment.

Step 3: understand the gap

After meeting with your selected clients and customers (if you have chosen to solicit feedback through meetings rather than surveys), your team will have an abundance of data to explore and compare with their team assessment. The team will need to sort through the data and surface common themes – areas where their assessment and that of their clients and customers overlap. There will also be discrepancies, things your team had not thought of before or areas they thought were going well but that your clients feel could use some attention.

Step 4: plan for the future

Given what your team has learned, what changes could be made to elicit results? Are these changes feasible? With some introspection and a true understanding of clients' and customers' feedback, your team will have the necessary data to help them make decisions about the right next steps to align their strategy and goals with what is expected of them.

Powerful teams

Aligned teams are far more powerful, efficient, and effective than when they are fragmented. Taking a small amount of time up-front to have the critical questions answered and integrated into your plans can yield positive financial, customer and employee results.

Adapted from *Business Strategy Series*, Volume 11 Number 4.





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Final thought ...

“ Progress is impossible without change, and those who cannot change their minds cannot change anything. ”

George Bernard Shaw

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