transformation
in the age of turbulence

seeing through the storm,
how individuals and enterprises will succeed

MICHAEL D. OLIFF

An IIE Webinar
March 9, 2012

Oliff.Michael@yahoo.com
...90% of the original 2000 Board Members have sustained Dominance in their chosen markets
Dominance is…

“The ability to sustain influence
...in your chosen markets”
Dominance... the key requirements...

“Significant changes in the strategy, structure and human systems of the Corporation...

...Enterprise Transformation
A Framework and 3 Key Principles…

**Enterprise & Individual Transformation**

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5
Unemployment ...More than doubled over the last decade ...32 Million+ people...

Source: Bureau of Labor Statistics
32 Million Americans Live in These 20 States
U.S. National Debt Outstanding

...increased from $5 to $13 trillion in past 10 years

Source: www.treasurydirect.gov
Natural Disasters

Source: http://maps.grida.no/go/graphic/trends-in-natural-disasters
Wireless Proliferation

Annualized Total Wireless Revenues

Annualized Wireless Data Revenues

Source: http://www.ctia.org/media/industry_info/index.cfm/AID/10323
Text usage by Age
Q2 '09 - Q2 '10, Customer Value Metrics, National

Source: The Nielsen Company
Change “State” Differences

FINE-TUNING
- Organizing Principle: Rules
- Behavior: Conform
- Process: Refinement
- Language: Conventional Comparing

CRISIS
- Organizing Principle: Suspension of Rules
- Behavior: Resistance
- Process: Forced Adjustment
- Language: Breaking

TRANSFORMING
- Organizing Principle: Across Boundaries
- Behavior: Experiment
- Process: Individual Commitment
- Language: Foreign Challenging Playful

BUILDING
- Organizing Principle: Inside Boundaries
- Behavior: Planning
- Process: Organizational Redesign
- Language: Describing the Journey
A Framework and 3 Key Principles…

*Enterprise & Individual Transformation*

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The 3-Keys to Transformation

1. Creating Value WITH Customers - is not about selling more products and services…

2. Developing Distinctive Competencies - is not about more efficient business structures…

3. Developing Stretch Cultures - is not about more management systems and human resource development…
The 3-Keys to Transformation

1. **Creating Value WITH Customers** - begins when you stop *selling* anything… and start focusing on understanding and exceeding Customer Expectations.

2. **Developing Distinctive Competencies** - begins when you stop viewing your internal resources as costs to streamline… and start viewing them as value generators - building corporate-wide abilities that your customers value and your competitors fear.

3. **Developing Stretch Cultures** - begins after you recognize and define the difference between performance and potential… and start assuring that trust, discipline and support are pervasively present throughout the enterprise.
A Framework and 3 Key Principles…

**Enterprise & Individual Transformation**

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16
Missed Consumer Expectations...

• 24-hr availability
• Low cost
• No late charges
• Unlimited selection
• Convenience
# Customer Expectations

<table>
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<tr>
<th>Sector</th>
<th>Expectations</th>
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<tbody>
<tr>
<td>Consumer Electronics</td>
<td>• Intelligence</td>
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<tr>
<td></td>
<td>• Connectability</td>
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<tr>
<td></td>
<td>• Applied Performance</td>
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<tr>
<td>Consumer Packaged Goods</td>
<td>• Taste Like Fresh</td>
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<tr>
<td></td>
<td>• Nutritional/Healthy</td>
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<td>• Natural</td>
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<td>Pharmaceutical</td>
<td>• Efficacy</td>
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<td>• Curative</td>
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<td>• Revolutionary</td>
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# The Value Benefit Bundle (VBB)

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<th>Identifying the VBB</th>
<th>Customer VBB</th>
<th>Consumer VBB</th>
<th>Business VBB</th>
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<td>Estimating Potential</td>
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<td>Measuring Delivery</td>
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A Distinctive Competency is...

“A corporate wide ability... that creates customer value AND competitive fear...”
… Focus on Distinctive Competencies

Nokia

Product Innovation

Global Brand Management

Rapid Response

Connecting People…
… Focus on Distinctive Competencies

Accenture

Complex Program Management
Global Brand Management
Value Based Contracting

High Performance Delivered…
Distinction or Death?

Building Distinctive Competencies

Over 60 percent of firms are aware of...

The Competency Continuum

The CONTINUUM
Strategic Intent

Future Trends & Discontinuities

Future Customer Expectations

Current Competencies

Future Distinctive Competencies
Building Distinctive Competencies

THE BUILDING BLOCKS...

Competencies

Capabilities

Processes

Behaviors

Resources

People, Information, Technologies, Capital
The Future Competency Continuum

Distinctive: Brand Development, Alliance Development

Core: Market Intelligence, Technology Alliances, Technical Innovation, Marketing Reach, Project Management

Corporate: 

Contracted: 

Source: Team Analysis
Distinctive Competencies – The Core Capabilities
Bahlsen AG

Set Strategic Direction

I - Product Innovation, BR - European Brand Mgt, CV - Customer Value Development, DC - Demand Chain Mgt
The Sinclair Group

Distinctive Competencies

Creating Sustainable Client Value…
Solution Delivery

The ability to deliver tailored solutions that surprise and delight in the creation of sustainable customer value.
Facilitative Consulting:

The activities and mindset associated with direct client contact in the delivery of solutions from preparation, through the clients’ ongoing ability to sustain the change, with the objective of creating a customer for life through delivery.

Solution Delivery

The ability to deliver tailored solutions that surprise and delight in the creation of sustainable value.

Facilitative Consulting

- Managed Adaptability
- Shared Information
- Capable Resources

Process tobuild and sustain key relationships

Process to Build Client Readiness

Process to implement & sustain change

Process to capture engagement learning

Drivers
Processes
Technology
People

Resources

- Progress Tracking
- Relationship & Account Care
- Transferrable Consulting Skills
- Commitment Model
- Solutions Toolbox and Archive
A Framework and 3 Key Principles…

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Where is Value Creation Accelerated?

Employee Value

Corporate level

Business unit level

Area (Geographic) level

Team level

Individual level...

Stretch Culture

Customer Value
Company Culture

The things we VALUE

The things we BELIEVE

The Way we DO things here

The Way we THINK about things

The Way we VIEW things

The Way we FEEL about things

The Way we TALK about things
The Culture Grid and 9 Dimensions

Core Values

- Information Policies
- Stories
- Roles
- Career Assumptions
- Power & Controls
- Measures
- Structure & Decision Making
- Rituals & Routines
Culture Grid -- Before 2001; After 2001

- **Core Values**
  - Very vague
  - Transparent
  - Consistent
  - Training not driven on Customer Delight
  - Structure communication
  - “Delight” seminars
  - Out right growth
  - Product and geography focused
  - Customer Growth and profit focused
  - Pure sales…
  - Process KPI’s
  - Relationship Building
  - Rapid feedback
  - Spirit Points
  - Shareholder value added

- **Information Policies**
  - Integrity
  - Customer focused
  - Nobody knows the “story”
  - Spirit training

- **Rituals & Routines**
  - Middle mgrs not accountable for their team
  - Risk mgt at all levels
  - All managers accountable

- **Structure & Decision Making**
  - Power & Controls
  - Measures
  - Stories
  - Roles

- **Career Assumptions**
  - Individual recognition
  - Team performance
  - Individual performance

- **Measures**
  - At management levels only
  - Employees empowered

- **At management levels only**
  - Employees empowered
Culture Dimensions Summary

- Values
- Measures
- Career Assump
- Roles
- Power & Control
- Decision Making
- Rituals
- Stories
- Info Policy
3 Ingredients Develop a Stretch Culture

- TRUST
- DISCIPLINE
- SUPPORT
The 7-Step Transformation Roadmap In The Age of Turbulence

1. Combining a Customer Value Vision & Burning Platform
2. Determining Strategic Intent
3. Executing a Communication Campaign & Fast Cycle Feedback
4. Implementing Complex Program Management
5. Building Distinctive Competencies
6. Developing a Stretch Culture
7. Implementing Key Performance Indicator Systems
Please **rank each** of the 7 eTMM-Leadership Dimensions (your view of their **future importance**) on the scale of 1 to 5. Where 5 is the most Important and 1 is the least Important.

<table>
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<td>1 2 3 4 5 CUSTOMER VALUE VISION</td>
</tr>
<tr>
<td>1 2 3 4 5 STRATEGIC INTENT</td>
</tr>
<tr>
<td>1 2 3 4 5 COMMUNICATION PROGRAM</td>
</tr>
<tr>
<td>1 2 3 4 5 COMPLEX PROGRAM MANAGEMENT</td>
</tr>
<tr>
<td>1 2 3 4 5 STRETCH CULTURE PROGRAM</td>
</tr>
<tr>
<td>1 2 3 4 5 DISTINCTIVE COMPETENCY DEVELOPMENT</td>
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<tr>
<td>1 2 3 4 5 KPI PROGRAM</td>
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Given this scale, where would you place your firm on the **Customer Value Vision** Dimension currently?

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<td>Exceeding Customer Expectations and creating value. With customers drives enterprise initiatives, actions and behaviors</td>
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<tr>
<td>4</td>
<td>Exceeding Customer Expectations and creating value priorities in place but with limited span of influence</td>
</tr>
<tr>
<td>3</td>
<td>Quality, customer service and customer satisfaction priorities are formally evidenced but not consistently</td>
</tr>
<tr>
<td>2</td>
<td>Quality, customer service and customer satisfaction priorities are evidenced in general</td>
</tr>
<tr>
<td>1</td>
<td>Little or no Customer Value focus is evident in communications, actions or behaviors</td>
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# Enterprise Transformation Leadership Maturity Model

## Inner Wireless Leadership Assessment

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<th>Communication Program</th>
<th>Complex Program Mgt</th>
<th>Stretch Culture Program</th>
<th>Distinctive Competency Development</th>
<th>KPI Program</th>
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<tr>
<td>5</td>
<td>Exceeding Customer Expectations and creating value With customers drives enterprise initiatives, actions and behaviors</td>
<td>Future customer expectations, future trends and current competencies drive: resource allocation at the broadest levels and the choice of markets</td>
<td>Comprehensive communications achieve awareness, understanding and commitment to enterprise vision, mission and values.</td>
<td>Formal, comprehensive Program Management Competency supports enterprise vision and all major initiatives</td>
<td>Individuals and teams voluntarily and routinely set stretch goals and consistently achieve them across the enterprise.</td>
<td>Formal, comprehensive Distinctive Competency Program Development is institutionalized throughout the organization</td>
</tr>
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<td>4</td>
<td>Exceeding Customer Expectations and creating value priorities in place but with limited span of influence</td>
<td>A balanced treatment of external forces and internal resources drives the allocation of people, technology and information and choice of markets</td>
<td>Comprehensive communications achieve awareness and understanding of enterprise vision, mission and values.</td>
<td>Formal, comprehensive Program Management Competency supports enterprise vision and many major initiatives</td>
<td>Individuals and teams are engaged in sustained corporate and individual performance improvement programs across much of the enterprise.</td>
<td>Formal, comprehensive Distinctive Competency Program Development Framework adopted throughout the organization</td>
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<td>Quality, customer service and customer satisfaction priorities are formally evidenced but not consistently</td>
<td>A balanced treatment of external forces and internal resources drives the allocation of people, technology and information OR choice of markets</td>
<td>Informal communications achieve awareness of enterprise vision, mission and values across much of the organization</td>
<td>Formal Program Mgt tools and skills in place and use in several parts/levels of the enterprise</td>
<td>There is a significant degree of either corporate or individual performance improvement in the enterprise.</td>
<td>Formal, Distinctive Competency Program Development Is in place in various parts/levels of the organization</td>
</tr>
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<td>2</td>
<td>Quality, customer service and customer satisfaction priorities are evidenced in general</td>
<td>Periodic “Strategy Builds” that include market choice are conducted with mixed results</td>
<td>Informal communications achieve awareness of enterprise vision, mission &amp; values in select parts/levels of the organization</td>
<td>External Program Management tools and skills support many major initiatives</td>
<td>There is some corporate and individual performance improvement evident in the enterprise.</td>
<td>Informal Distinctive Competency Program Development in place in various parts/levels of the organization</td>
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<td>Little or no Customer Value focus is evident in communications, actions or behaviors</td>
<td>Resource allocation and market choices are conducted informally or ad hoc</td>
<td>No formal or informal communications programs exist to engage and align individual efforts</td>
<td>Independent project management is utilized to drive disparate activities</td>
<td>There is little sustained improvement programming or individual commitment to enterprise success.</td>
<td>No Distinctive Competency Program Development is in place</td>
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Importance vs. Performance – Paper Products

- Customer Value
- Strategic Intent
- Communication Program
- Complex Program Management
- Stretch Culture Program
- Distinctive Competency Development
- KPI Program

Future Importance vs. Current Performance
Dominant Distinctive Competencies

- Customer Value Development
- Partner Value Development
- Employee Value Development
- Brand Value Development
- Strategic Intent and Resource Allocation
Future Key Capabilities

Offer Innovation And Development

Customer Value Development
Demand Chain Optimization
Partner Value Development
Employee Value Development
Communications & Connectivity

Demand Generation
Brand Value Development
Complex Program Management

Key Value Driver Management & Feedback
The 7-Step Transformation Roadmap

In The Age of Turbulence

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CONFERENCE OBJECTIVES

• Developing and executing strategies for enterprise-level change
• Developing a system wide approach that integrates viewpoints of multiple stakeholders, methods and tools
• Gaining the essential knowledge and skills to change, maintain and gain a competitive edge through new business strategies
• Sharing best practices to succeed in today’s challenging and turbulent environment

KEYNOTE SPEAKERS

• L. Celeste Bottorff, Vice President of Living Well, Coca-Cola North America
• Hank Sinclair, Chief Executive Officer of the Sinclair Group
• Michael Oliff, Ph.D., Founder and President of The Phoenix Performance Group
• William B. Rouse, Ph.D., Executive Director of the Tennenbaum Institute at the Georgia Institute of Technology

www.iienet.org/etconference
Heart to Heart Challenge

GOLF CLINIC AND TOURNAMENT

Country Club of the South • Atlanta, GA • April 2, 2012

DAY’S ACTIVITIES WILL INCLUDE:

• PGA teaching professionals
• Four hours of personalized coaching
• Two-set custom-fitted set of wedges from Mizuno
• Complimentary driver fitting

• Luncheon focused on personal and business transformation featuring Dr. Michael D. Oliff, and Yaarit Silverstone, Accenture’s Partner and Global Managing Director of High Performance Leadership

• 18-hole scramble tournament with teaching pro’s on board

• Awards reception and cocktails

Oliff.Michael@yahoo.com