

Preface

It takes courage to go to work today. Our businesses, institutions, and governments face tremendous pressures to become enterprising. Executives, managers, and front-line workers alike are expected to deliver performance faster, cheaper, and smarter. At the same time, they find themselves in a business climate that is complex and shifting rapidly around them. Changes come from almost all directions simultaneously: the marketplace, competitors, advancing technology, and growing customer demands. These forces together create a sense of urgency in our workplaces and produce a business atmosphere that is often pressured and complex.

Furthermore, shifts no longer affect businesses individually—entire industries are in transition, so that the individual enterprise rarely has the option to remain the same. Frequently, changes take place industrywide; these changes in turn exert new pressures on and offer new opportunities to a whole set of related industries. This cascading, interactive network of change unleashes forces that can thrust our organizations into disarray right when there is most pressure to deliver high performance.

Answers that made sense in earlier times are suddenly irrelevant. Leaders and managers face challenges for which their education and business experiences provide no precedent. Previous answers for managing change (generally for managing a single major change initiative or for managing a large-scale but unidimensional change) are inadequate for working through the complexity of the multidimensional challenges faced today. Furthermore, often no other firm or institution provides an adequate or time-tested benchmark for envisioning the future.

The nature of today's changing workplace can be exciting and challenging for some but may overwhelm others. However, from

all indications, current levels of change are just the beginning. Not only are changes in the workplace complex and multidimensional, approaching on many fronts at once, but they are also occurring at an *accelerating* pace. As each change enables and even necessitates a new wave of change in another area, changes build on each other and increase exponentially.

How is an enterprise to survive and thrive under such tumultuous conditions? How can leaders, managers, and other stakeholders make sense out of the many new forces affecting their work? What is needed to find clarity and guidance in midst of this chaos?

We believe that these questions represent serious challenges and responsibilities for the businesses, nonprofit institutions, and government agencies of our times. If we cannot help our enterprises find meaning and clear direction among constantly shifting priorities, our businesses and institutions will face significant troubles. We must be able to build enterprises that can integrate the multiple new impacts and forces so that people throughout the enterprise can work together and move their companies successfully forward. We call an organization with this capability the *Dynamic Enterprise*.

The Dynamic Enterprise enables rapid response to a dynamic environment. It enables its people to navigate successfully the challenges of continuous and exponential change, to turn chaos into shared strategic direction and clarity, and to transform complex change into a drive and momentum for moving toward the future.

This book represents our best thinking about tools and methods for creating the Dynamic Enterprise. Knowing that current business conditions necessitate the creation of a Dynamic Enterprise is a different story from knowing how to create it. What capabilities are needed? I/We build the Dynamic Enterprise? Who does what? How is it built?

We have found that all stakeholders need to be involved in creating the Dynamic Enterprise. To do so, they need to understand what they are facing together and need to be able to communicate with each other—throughout the enterprise—about changes ahead.

In its heart and soul, this book is about a set of practices—collectively referred to as *Enterprise Development*—that are needed to build the Dynamic Enterprise. Enterprise Development provides

a common language and a framework for developing and maintaining the Dynamic Enterprise. It provides a way to focus all participants on the changing conditions they are facing. *People* build the Dynamic Enterprise. It is people who together must translate the many changes in the environment into decisions and actions and ultimately into products and services. Enterprise Development is a tool they can use to map the many conflicting forces affecting them, to make sense out of the changes they face, and to translate change into pragmatic and coordinated strategic action.

Who Should Read This Book?

This book will be of interest to readers who must deal with significant change in their everyday work lives. We wrote it with three primary audiences in mind:

- Executives, managers, team leaders, and others in leadership positions (formal or informal) who are responsible for leading their enterprises through times of change
- Stakeholders who are significantly affected by change—those who are currently involved in a change initiative, turnaround, or strategic development effort, or those who think they ought to be
- Change agents—such as performance support teams, change support teams, consultants, facilitators, and others—who are helping to coordinate, support, and move change forward

Because creating a Dynamic Enterprise by definition involves linking stakeholders throughout an enterprise, this book is intended to be helpful at all levels in an organization. The ideas presented are designed to be used (and have been used) by CEOs, executive teams, middle managers, department heads, front-line workers, strategic partners, and union leaders as well. We have worked for years to develop commonsense language that is straightforward, without jargon, so that it can be useful for guiding the profound strategic choices being made by leadership teams, as well as the concrete and pragmatic decisions faced on the front line. We struggled to find the concepts and words that would enable these diverse groups to

communicate with one another about the strategic direction of the enterprise and what was needed to achieve their goals.

The book may also be particularly helpful to those who are part of an identified change initiative or strategic development effort within their enterprise—individuals who are leading companywide change initiatives, reengineering or work redesign teams, cross-functional projects, and even alliancing or partnering efforts that cross enterprise boundaries.

As a practitioner's guide, this book weaves together frameworks and practices with descriptions of actual applications. Examples are presented throughout to illuminate the application of the concepts and tools presented. Many of the tools may be familiar, but the order and combinations in which we suggest they be used should deliver new insight and confidence for practitioners to make full use of their existing competencies. Indeed, that is one of the core purposes of the book: to encourage readers to capitalize on their existing experience and knowledge. We hope to offer frameworks to help readers recognize, articulate, and integrate what they already know in order to engender confidence and catalyze action for everyone working in a constantly and dramatically changing world.

An enterprise of any size or scope can become a Dynamic Enterprise. The concepts apply to global corporations, divisions within a company, teams of any size, government or nonprofit agencies, or a sole proprietor's small business. An enterprise can even include a group of strategic partners, a network of alliances, or a supply chain or "value chain" crossing many companies.

Map to This Book

Part One contains two chapters. Chapter One describes the changing nature of the workplace, and Chapter Two outlines the kind of Dynamic Enterprise that is needed to survive and thrive in this tumultuous business environment.

Some readers, seeing the title *The Dynamic Enterprise*, may already imagine what such an enterprise is and will want to jump into the middle of the action—to learn the tools to create it. These readers may want to skip the description and examples of the

Dynamic Enterprise in Part One and begin reading the book with Part Two.

Chapter Three introduces Enterprise Development as an integrated set of tools to guide the creation of the Dynamic Enterprise. Enterprise Development maps the six core competencies needed in the Dynamic Enterprise, and each subsequent chapter elaborates on one of these competencies:

- Seeing the whole system of the enterprise (Chapter Four)
- Creating a shared vision of the future enterprise (Chapter Five)
- Viewing the past and present honestly and accurately (Chapter Six)
- Understanding the nature of the change (Chapter Seven)
- Mobilizing the three essential drivers of change (Chapter Eight)
- Implementing change to turn strategy into performance (Chapter Nine)

Chapter Four introduces the STEP Model, a framework for assessing the enterprise as a dynamic system that enables users to understand the unique relationships between the elements of the enterprise system. Chapter Five discusses how to create a broadly shared comprehensive vision and strategy. Chapter Six describes how to develop a shared view of the past and current enterprise, for it is essential to understand the starting point before embarking on a strategic change. Chapter Seven then presents concepts that aid in understanding the nature of the change required to move from the current to the future. Not all changes are created equal, and a single approach to change management is not appropriate across the wide variety of changes. In this chapter, we use business and organization life cycle models to clarify the quality and magnitude of the intended change.

In Chapter Eight, we present three drivers of change—leadership, stakeholders, and performance support—that we have found to be essential to the success of the Dynamic Enterprise. When one of these drivers is missing, failure is very likely to occur, and the particular nature of the failure can be readily predicted.

Whereas the chapters in Part Two give an integrated blueprint for creating the Dynamic Enterprise, Chapter Nine, in Part Three,

focuses on implementation—how to turn designs into reality. In this chapter, we outline the six basic phases of implementation that comprise the Enterprise Development Workplan and offer our thoughts about the most crucial elements of implementation success.

Finally, in the Epilogue, we take a longer-term look at our businesses and institutions. The main body of the book relates to the unique challenges mainstream enterprises face in the immediate future. In the Epilogue, we expand the Enterprise Development framework to include a larger picture of the business system, looking farther out in time. As more work groups are examining data from a wide array of emerging changes and considering the implications for their enterprises, they suddenly face a whole new set of business challenges they are only beginning to recognize. Across many industries, leaders and teams are discovering an urgent need to create sustainable strategies and business practices that do not yet exist fully in even our most dynamic enterprises.

Perspective of This Book

This book is written by practitioners for practitioners. We each bring fifteen years of experience from our backgrounds in business and organization consulting, in facilitating Enterprise Development workshops, and in leadership coaching. The ideas presented in the book are based on our work experience and our review of business, management, and organization development practices and have evolved through continual testing and reshaping with clients.

Over the years, our clients have helped us refine the concepts. They would not accept ideas that made good theory but did not add value in practice. Long-term Enterprise Development projects helped us distinguish the most important needs for turning ideas into actions that survived over time. We also learned a great deal about the idiosyncrasies of human nature as people faced exponential change and how these human dynamics affected the very logical workplans that were set up for moving an enterprise forward. We have attempted to incorporate these theoretically unexpected but realistically recurring observations into our writing. This book, therefore, is not about the theory of creating a Dynamic Enterprise that can deal with significant change. Instead, we wrote

about what we have observed to be essential for developing the Dynamic Enterprise in an actual workplace full of people under stress, who are acting as their most dramatic, creative, imaginative, political, and contentious selves.

Many of the ideas presented in this book are not new. Our concepts about vision, leadership, business challenges, organization development, and managing change build on a rich foundation of work established by a talented and diverse group of academics and practitioners. Even if certain ideas seem familiar to some readers, we hope that we have added to the discipline and practice of Enterprise Development by synthesizing and integrating these ideas into a simple and usable framework. We have attempted to link the ideas from separate business strategy and organization development disciplines while adding observations and examples from our own practice. Our hope is to provide a common language and an integrated framework and mapping process that can be used by stakeholders throughout an enterprise for facing the challenges of exponential change.