Ten Questions Every Game Changer Must Answer

We kick off our Leadership Hall of Fame, a year-long look at the top business books and authors, with an excerpt from *Practically Radical*, written by *Fast*Company magazine cofounder William C. Taylor.

As the cofounder of a magazine called *Fast Company*, I've always been struck by the slow-going rate of change inside most organizations. In the earliest days of the magazine, after we had a business plan but before we published the premiere issue, we convened a conference around the theme, "How Do You Overthrow a Successful Company?" It wasn't a gathering of hotshots eager to take on the corporate establishment. It was a gathering of big-picture thinkers and change agents from illustrious big companies who sensed that there were massive shifts on the horizon, but that there wasn't a commitment among their colleagues to reckon with what was coming.

It was a great conversation, ahead of its time in many ways (this was 1994), and the outlook was grim. Roger Martin, now dean of the Rotman School of Management at the University of Toronto, warned that "the role of big companies is to turn great people into mediocre organizations." Richard Pascale, the best-selling author and sought-after consultant, compared knowledge about how organizations renew themselves to the quality of medieval medicine. "We are," he said of people leading change programs inside big companies, "like earnest doctors with willing patients engaged in utter bullshit." Mort Meyerson, the much-admired CEO and philanthropist, then at the helm of Perot Systems, compared leading an organization in fast-changing times to "floating in lava in a wooden boat." His plea to the group: "We need a new model to reach the future."

What a difference 15 years *don't* make. Are those misgivings any less relevant today than they were back then—or the prospects for genuine transformation any less bleak? My goal in Chapters One and Two has been to present a range of settings in which troubled organizations

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figured out how to learn from the past, and break from convention, to make deep-seated change. I hope you'll agree that these organizations are unleashing innovations that will shape their future, and the future of their fields, for years to come. But the real value of exploring stories of transformation at these organizations is that they can equip you to write a more compelling story for *your* organization.

If what you see shapes how you change, and where you look shapes what you see, then my hope is that seeing what these leaders have achieved will help you achieve your agenda for reform and renewal. Specifically, my hope is that it will allow you to reckon with the five truths of corporate transformation. Because the truth is, the work of making deep-seated change in long-established organizations is the hardest work there is.

Here, then, in an effort to steel your resolve and distill the book's major themes and core messages, is a Practically Radical Primer—ten questions that define the challenges of change at a time when change is the name of the game. The organizations and leaders with the most persuasive answers are the ones most likely to win. Good luck as you work to change the game.

- 1. Do you see opportunities the competition doesn't see? IDEO's Tom Kelly likes to quote French novelist Marcel Proust, who famously said, "The real act of discovery consists not in finding new lands but in seeing with new eyes." What goes for novelists goes for leaders searching to discover a novel game plan for the future. The most successful companies don't just out-compete their rivals. They redefine the terms of competition by embracing one-of-a-kind ideas in a world of me-too thinking. If you believe that what you see shapes how you change, then the challenge for leaders is to see opportunities that other leaders don't see. That's the virtue of vuja dé—it reframes how organizations make sense of their situation and build for the future.
- 2. Do you have new ideas about where to look for new ideas? One way to look at tough problems as if you're seeing them for the first time is to survey a wide array of fields for ideas that have been working for a long time. There's always a place for R&D as research &

development. But there's also a place for R&D as rip-off and duplicate: Ideas and practices that are routine in one industry can be revolutionary when they migrate to another industry, especially when they challenge the prevailing assumptions and conventional wisdom that have come to define so many industries. What better way to fuel your imagination that to look for inspiration beyond your field?

3. Are you the most of anything?

In an age of overcapacity, oversupply, and utter sensory overload, it's not good enough to be "pretty good" at everything. You have to be the most of something: the most affordable, the most accessible, the most elegant, the most colorful, the most transparent. Companies used to be comfortable in the middle of the road—that's where all the customers were, that's what felt safe. Today, the middle of the road is the road to ruin. What are you the most of? Or, to put the question another differently, If you do things the same way everyone else in your field does things, why would you expect to do any better?

4. If your company went out of business tomorrow, who would miss you and why?

I first heard this question from advertising legend Roy Spence, who says he got it from Jim Collins of *Good to Great* fame. Whatever the original source, it is as profound as it is simple—and worth taking seriously as a guide to what really matters in terms of strategy and operations. Why might a company be missed? Because its products and services are so distinctive, its culture is so unique, or it mission so compelling. Precious few organizations meet any other these criteria, which may be why so many companies feel like they're on the verge of going out of business.

5. Have you figured out how your organization's history can help to shape its future?

Psychologist Jerome Bruner put his finger on what can happen when the best of the old informs the search for the new. The essence of creativity, he argues, is "figuring out how to use what you already know in order to go beyond what you already think." That's why the most creative leaders I've met don't disavow what's come before, especially in organizations that are rich with tradition and success. Instead, they reinterpret what's come before as a way to develop a line of sight into

what comes next. Seeing the future with fresh eyes doesn't mean turning a blind eye to history. Sometimes, the very act of rediscovering the past creates the clarity and confidence necessary to craft a distinctive game plan for the future.

6. Do you have customers who can't live without you?

Because if they can, they probably will. The researchers at Gallup have identified a hierarchy of connections between companies and their customers, from confidence to integrity to pride to passion. To test for passion, Gallup asks a simple question of the customers they query on behalf of clients: "Can you imagine a world without" this product or brand? One of the make-or-break challenges for any organization is to become irreplaceable in the eyes of its customers. That's why it's not enough to satisfy customers rationally. You have to engage them emotionally, to conduct yourself in ways that are unusual and unforgettable.

7. Do your people care more than the competition?

Success is not just about thinking harder than the competition. It is also, and perhaps more importantly, about *caring more* than the competition—about customers, about colleagues, about how the organization conducts itself in a world with endless opportunities to cut corners and compromise on values. Sure, new mental models, rather than mere business models, allow innovators to transform the sense of what's possible in their industries. But sustaining performance is as much about cultivating a spirit of grassroots energy, enthusiasm, and engagement as unleashing a set of game-changing ideas. Companies built around strong opinions are at their best when rank-and-file colleagues share and express strong emotions.

8. Are you getting the best contributions from the most people? It may be lonely at the top, but change is not a game best played by loners. These days, the most powerful contributions come from the most unexpected places—the hidden genius inside your company, the quiet genius of colleagues who are easy to overlook, the collective genius of customers, suppliers, and other smart people who surround your company. Tapping this genius requires a new leadership mindset—enough ambition to address tough problems, enough humility to know you don't have all the answers. Real business geniuses don't

pretend to know everything. They understand that their job is to get the best ideas from the most people—whomever and wherever those people may be.

9. Are you consistent in your commitment to change?

Pundits love to excoriate companies because they don't have the guts to change. In fact, the problem with so many organizations is that all they do is change. They lurch from one consulting firm to the next, from last year's hot management fad to this year's model. But the more things change under these ever-changing conditions, the more they tend to stay the same. Jim Collins puts it this way: "The signature of mediocrity is not an unwillingness to change. The signature of mediocrity is chronic inconsistency." If, as a leader, you want to make deep-seated change, then your priorities and practices have to stay consistent in good times and bad times.

10. Are you learning as fast as the world is changing?

I first heard this question from strategy guru Gary Hamel, the world-renowned innovation expert, and it is the ultimate challenge for any executive determined to unleash big change in difficult circumstances. In a world that never stops changing, great leaders can never stop learning. How do you push yourself to keep growing and evolving—so your company can do the same? And remember: Among leaders and organizations, the most eager learners tend to be the most accomplished teachers as well. So look for ways to share what you've learned. As Aristotle famously said, "teaching is the highest form of understanding." The best way to demonstrate your status as a thought leader is to teach others what you know—whether they are customers, suppliers, or even direct competitors.

Read more from *Practically <u>Radical</u>* and our <u>Leadership Hall of Fame</u>.

Excerpted from the new book Practically Radical: Not-So-Crazy Ways to Transform Your Company, Shake Up Your Industry, and Challenge Yourself by William C. Taylor (HarperCollins). Taylor is cofounder of Fast Company magazine and coauthor of Mavericks at Work. Follow him at twitter.com/practicallyrad or at the official site for Practically R