

C-Tech's Project Darwin: A Story of Leadership and Transformative Change



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November 2011

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Making Change Stick

How can C-Tech meet its ambitious goal to double its revenues to \$20B over the next few years? How does C-Tech tackle new and formidable competition and accelerate market adjacencies? How will C-Tech accomplish these goals while maintaining a culture of the “Best Place to Work?”

What won't get C-Tech, or like-companies, there is “managing change.” Surprised? Doesn't the literature suggest that managing change is required during periods of disruptive change?

Recent studies and our own experiences demonstrate that organizational success will depend on *leading change* – *not managing change* to drive and enable business success.

The differences between leading and managing change are significant. Leading change requires that the senior leaders identify the business need, architect the change, build the foundation and provide the support structures to make it sustainable. Leading change requires leaders to model the desired behaviors and create an ever broadening community of change advocates. Leading change requires leaders to hold their organizations accountable, not only for the tactical implementation, but also accomplishing the business end goals. Ultimately, leading change requires leaders to ensure that their entire organization understands the need for change, embraces that change, sustains the momentum and realizes the vision and puts the systems in place to make the change stick.

Managing change, in our experience, often focuses on tactical and reactive activities. It treats communication as its primary vehicle to create buy in. Project teams become the defacto drivers and engage with sponsors primarily to address issues or clear roadblocks. Finally, leaders who ‘manage change’ rarely see their organizations achieve the intended outcomes or are able to sustain the change over time. For these organizations, the goals are never fully realized and the vision remains elusive.

C-Tech's Project Darwin provides a case study for *leading change* and demonstrates how business leaders in C-Tech's Services Organization successfully led the transformation of the end to end C-Tech Services product management and marketing value chain from concept of service product through delivery of service offerings resulting in implementation success and the desired business outcomes.

This case study also shares the Darwin change journey and maps it to the C-Tech Change Leadership (CL) model. As we navigate through the steps of the model, examples and stories are shared that demonstrate how the C-Tech leaders kept focus and drove the change at each step along the way.

An Organization Transformation Success Story

The C-Tech Change Leadership Model (Figure 1) provided the stepping stones for the Project Darwin transformation.

The Darwin story demonstrates how the change leadership team:

- Created a climate for change by articulating the business need and competitive pressures resulting in a shared sense of urgency across the services organization to stretch to a new level of achievement (step 1); Built a cross-organization team of well-respected, influential leaders from the impacted organizations to lead the change through active and committed involvement, constant communication, and the provision of resources (time, money people) to make the vision a reality (step 2);
- Engaged senior leaders from across C-Tech Services to collaboratively create a shared Vision that painted an inspirational picture of the future state and a Roadmap that identified milestones that, in turn, were translated into achievable, assignable, and measurable objectives. (step 3);
- Mobilized the organization through persistent communication such as face-to-face large group meetings, web-based videos, C-Tech TV, and blogs - to clearly and consistently communicate to all stakeholders how achieving the Vision would benefit them, the business and C-Tech's customers and partners (steps 4 and 5);
- Communicated early successes that demonstrated how the new organization structure, work processes, roles and responsibilities and enabling technology were making a difference in people's day to day work through better collaboration, increased productivity and employee satisfaction (step 6);
- Embedded the change into the culture by involving individuals who would be impacted for inclusion in the change plan and people-process-technology design. The Business Leaders provided guidance to the project team to set realistic

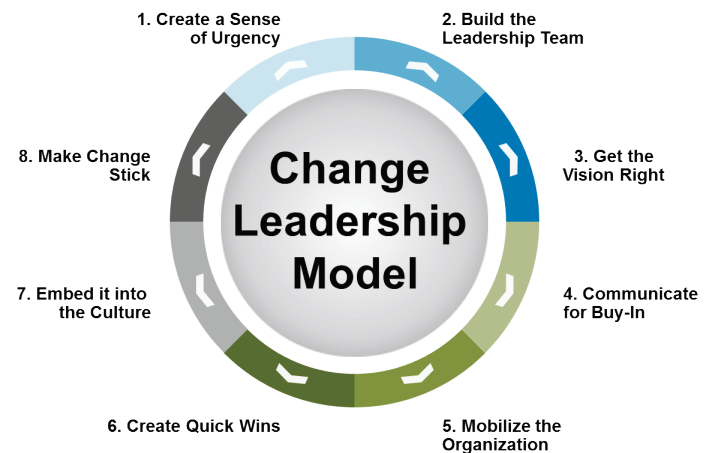


Figure 1: Next Gen Change Model

expectations as to what changes would take place, why and when. These ‘skin in the game’ individuals helped overcome resistance in the organization and shifted their colleagues mindsets from an internal, “what’s in it for me” focus to a future-oriented, “what’s in it for the services business and our customers” focus (step 7);

- Made the change sustainable by implementing a measurement scorecard tied to the business objectives and sustained through a quarterly reporting process that was integrated into the existing Operations Review process (step 8).

The Darwin Journey

In April 2009, senior Business Leaders across C-Tech’s Services organization determined that changing market requirements and emerging competitive threats demanded a vital, relevant and refreshed services portfolio. The business leaders realized that C-Tech Services needed to rapidly innovate service offerings to produce profitable growth and ‘best in class’ partner and customer experiences. They also realized that the current organization structure, work processes and technology enablers would deter marketplace success particularly in an increasingly competitive environment. These factors and a strong business imperative for change provided the motivation for the senior Business Leaders to launch Project Darwin.

A sense of urgency

The change team was led by an internal Change Strategist who had an existing professional business relationship with each of the three executive sponsors. The Change Strategist formed a team of experienced change managers to plan and manage the transformation. The change team adopted an approach starting with a Discovery process, followed

by a workshop of the global service leaders to develop a shared Vision and Roadmap (Figure 2). The Vision and Roadmap served to guide a robust redesign of the Services organization structure, roles, work processes and enabling technology. Below is the story of how C-Tech Services successfully transformed the Service and Marketing value chain and the organization to a high powered, productive and credible member of the C-Tech family.

Approach: Rapid Transformation

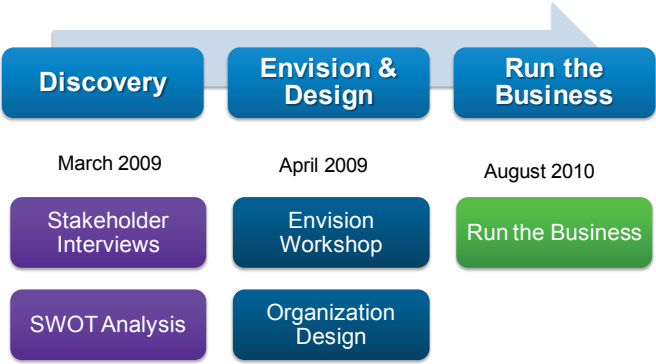


Figure 2: Rapid Transformation Approach

The change team launched the Discovery process by interviewing key individuals across the services value chain to better understand what was and was not working in the current state. The interviews made clear that incremental change would not solve the presenting problems. The change team and the Business Leaders concluded that they must transform the services product and marketing value chain to capitalize on market opportunities in an efficient and cost effective manner (Figure 3). Moreover, the Business Leaders realized that the transformation couldn't wait; given the highly competitive services market, they felt a high urgency to act.

A critical first step was for the leadership team to articulate the Business Imperative for change. The business imperative provides the 'call to action' by identifying the opportunities to be achieved and the risks if the organization continued on its current path.

In one-on-one and group meetings, The Service Business Leaders communicated the urgency to act to their colleagues and key stakeholders across C-Tech's services organization. These conversations broaden engagement and commitment among top services leadership to develop the future state vision and to supply the resources to bring the vision to a reality. At this very early phase, the C-Tech leaders demonstrated visible change leadership and boldly drove the process forward while creating an appetite within the organization for the change.

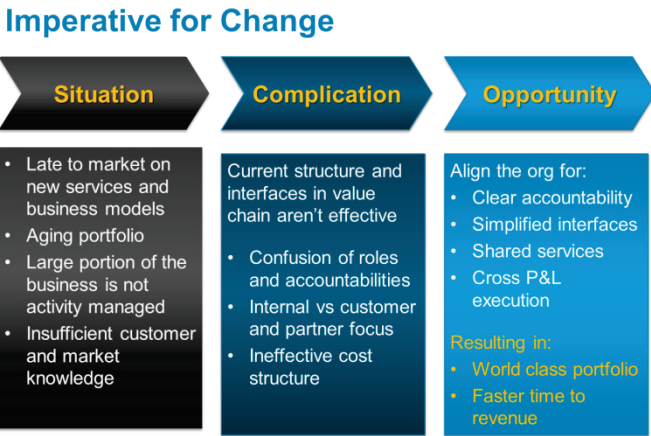


Figure 3: Imperative for Change

Vision and commitment

The Business Leaders invited the top service product and sales management and critical stakeholders to attend a two-day workshop to review the SWOT analysis, evolve the Business Imperative and design the Vision of the Future. These thought leaders and decision makers spanned the critical organizations impacted by the change initiative. The Vision that evolved during the workshop depicted a breakthrough and innovative end-to-end value chain for C-Tech Services that would provide the organization with the ability to create and deliver best-in-class services.

Project Darwin: Mission & FY12 Vision

Mission: The best services product lifecycle in the industry starting with the concept of the new service through marketing and delivery

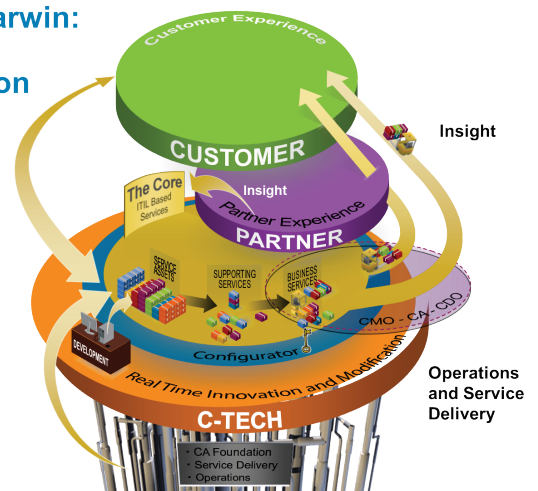


Figure 4: Darwin FY12 Vision

Over the two days, the workshop participants worked in small teams to depict how a transformed organization would be more efficient and effective, but equally importantly, how the new organization would significantly enhance the customer and partner experience. Each team developed a conceptual model of the future state; a graphics facilitator then culled the most compelling ideas from each model and produced a consolidated view (Figure 4).

Whereas the Discovery findings helped shape a Business Imperative that articulated a clear sense of urgency for change, the Vision workshop resulted in a shared vision and a healthy tension between what ‘was’ and what ‘could be.’

As the future state emerged, the leaders became eager to charter a team to bring the Vision to reality. The leadership team collectively committed to drive the transformation in partnership with the change strategist and her team of change managers and to provide resources (some dedicated, some part time) to participate in the design of the new organization system that would enable innovative approaches for developing valued and differentiated services for C-Tech’s customers and partners.

Stakeholder engagement and 'system' design

At this point, the Business Leaders recognized that they must build the same emotional commitment and buy-in with the broader set of stakeholders across the value chain. The Leaders hosted a joint 'All Hands' session with their employees where they shared their perspective about the current value chain, why the service portfolio was not performing, why they could not maintain the status quo, and why the change need to happen now and be implemented quickly. The leaders described the opportunities for C-Tech Services and communicated their expectations for broad support and participation.

The Business Leaders chartered a cross organizational team to design the new organization structure, work processes, roles and responsibilities, governance, reward and measures, and requirements for enabling technology. The project was structured into several 'tracks' (people, process, metrics and technology), each led by a well-regarded and knowledgeable business stakeholder with decision-making authority for their track. These track leaders led the design effort for their track and ensured alignment to the other tracks, the business objectives and other C-Tech-wide initiatives.

Strong change management and project management with frequent sponsor and business reviews ensured that the Darwin project maintained momentum. The team continually realigned priorities, adjusted resources and equally importantly, identified and addressed barriers to progress.

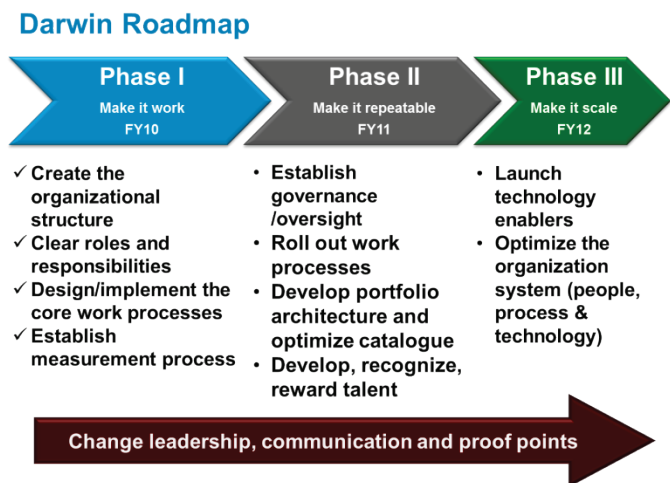


Figure 5: Darwin Roadmap

The Roadmap

At the launch of the design phase, the team developed a three-year roadmap (Figure 5) to guide the design team and ensure attainment of the Future State Vision. This Roadmap with milestones, detailed actions and measurable outcomes became a touchstone of expectations and enabled the track leaders to gauge and communicate progress to the Business Leaders and stakeholders. The Roadmap also kept visible the work yet to be done and helped the Business Leaders communicate progress, motivate the organization and maintain momentum.

The Design

The design priorities began with the new organization structure, followed by the design of the new roles and responsibilities, work processes, key metrics and continually and transparently communicating progress and expectations to the impacted stakeholders.

A New Organization Blueprint

To design the new organization structure, the Business Leaders in collaboration with the change and design track leaders developed an organizational Blueprint (Figure 6). The Blueprint informed the new organization model and also depicted the interconnections between each segment of the organization to provide value to customers and partners. The Blueprint, along with the associated organization changes, was the first concrete deliverable of the transformation. Moreover, it provided tangible evidence that the Business Leaders were serious about this change and that they were prepared to move and move rapidly.

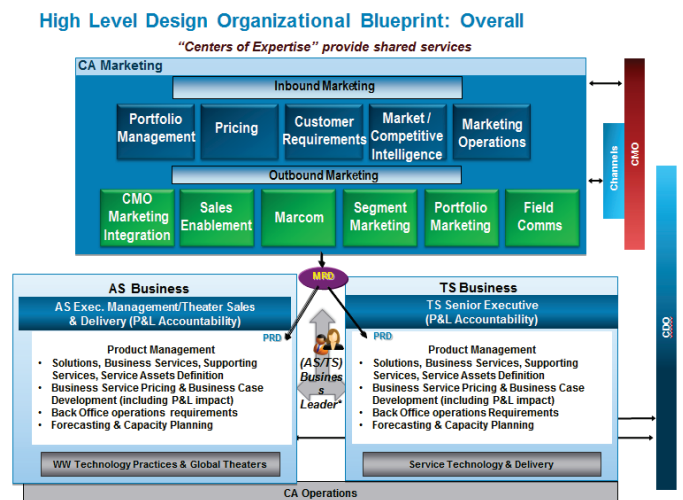


Figure 6: Darwin Organizational Blueprint

The transition to the new organization was slated for the beginning of the new fiscal year, less than four months from the start of the project. Once again, the business leaders were out in front, visibly leading the transformation. They personally communicated to the stakeholders, set clear expectations, and provided the resources (people, funding and sponsorship) to 'get it done'.

Work Process Design

While the Business Leaders implemented the Blueprint, the Darwin project team continued to drive the other tracks forward. The work process track engaged a cross section of subject matter experts in a rigorous process design effort to develop the work process flows and detailed process diagrams for the most critical ‘use’ cases such as New Business Services, Refresh Technology, and Pricing. A

‘conference room pilot’ (CRP) was held with over 30 stakeholders from across the value chain to validate the work flows and cross-functional roles and responsibilities. These subject matter experts ensured that the newly designed processes would streamline the work while keeping the needs of customers and partners’ front and center. Additionally, by engaging an ever broadening set of stakeholders in the design of the work processes, Darwin would gain wider support from the very people expected to implement and ensure success of the new processes.

The Business Leaders, understanding that their presence was important to the change process, kicked off the CRP and set the stage for the importance of the work underway. They returned at the close of the session as the CRP design members reviewed their completed process flows. A heartfelt and inspirational ‘thank you’ and commitment to move the process design work forward reinforced the criticality of Darwin and recognized the significant contributions that the team had accomplished through the CRP. From an adoption perspective, the Business Leaders later shared that it was at this point, that they “knew for certain” that Darwin would be successfully implemented because so many of the stakeholders had their fingerprints on the new work processes and sincerely cared about the success of the implementation.

With the deployment of each new component of the ‘system’ (people, process, metrics and technology), the progress toward the Future State Vision became more tangible, more real, and the momentum continued to build. There was no going back.

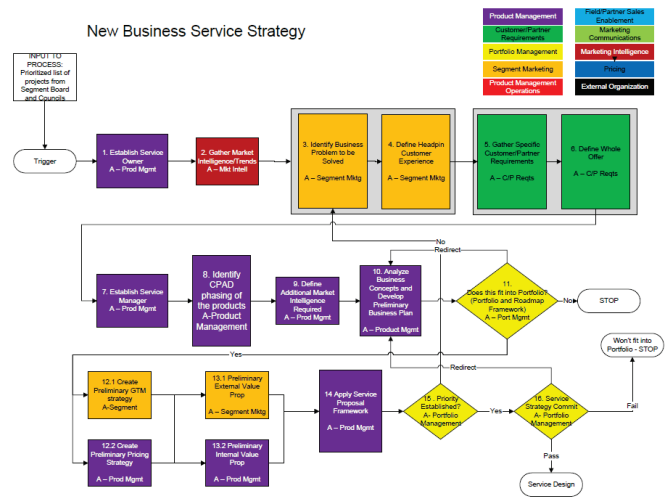


Figure 7: Process Flow Diagram Example

Critical to the success of Darwin was that the Business Leaders remained in the forefront and visibly engaged. As an example, they moderated the quarterly service-wide TV broadcasts in partnership with the change management leader. These broadcasts featured stakeholders sharing success stories that provided evidence of Darwin's progress and value and reinforced stakeholders' enthusiasm for the change. These testimonials and 'quick wins' bolstered the message that the change was not only underway, but also that it was well received and taking root.

The mantra of the Business Leaders was to establish a rapid cadence of design and implementation. They didn't want to wait for the design to be 'finished'; they encouraged an attitude of 'good enough', implement and learn. Through this relentless focus on progress through small wins, they demonstrated clear and bold leadership. Additionally, the Business Leaders together with the change strategist and project team leaders reviewed Darwin's progress in the context of organization priorities. They continually balanced the need to run the business while at the same time designing and executing on the Darwin future state.

Balanced Scorecard

Another critical component to the success of the change was the development of a Balanced Scorecard that defined clear progress and outcome measures, as well as the expected impact that Darwin would have on financials, customer and partner experience, service operations and employees learning and growth across the C-Tech service value chain (Figure 8).

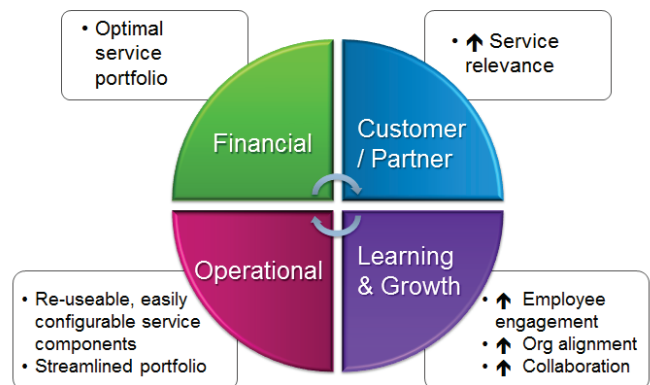


Figure 8: Balanced Scorecard

Through the Scorecard, the Business Leaders clarified accountabilities and ensured that each metric on the scorecard be driven by the most appropriate leader in the organization. Finally, the business leaders integrated scorecard reporting into the quarterly Operation Reviews to send the strong message that Darwin would be seen as "the way we work", not a separate project disconnected from the day-to-day operations. This was critical to create a 'tipping point' to ensuring the changes would

be sustained. As the saying goes, “tell me how a person’s measured and I’ll tell you how they perform.” C-Tech understands this.

This level of detail and accountability enabled the Business Leaders to pass the baton to the run-the-business managers with confidence, knowing that progress toward the vision would be transparently measured, monitored and sustained.

Rapid journey from a ‘Change Project’ to “Run-the-Business”

By the end of July 2010, the Darwin team successfully reached the Roadmap midpoint in transforming the end-to-end Service Product Management and Marketing Value Chain and was ready to transition Darwin from a ‘project’ to become fully integrated into the day-to-day ‘run the business’ operations.

As of the new fiscal year on August 1, 2010, about sixteen months from the project start, a triad of ‘run the business’ (rtb) leaders – the same people that had led the design tracks in the project, assumed day to day leadership for implementation of the on-going design and the continued achievement of the Roadmap milestones. Their primary job was to ensure that the new work processes, roles and responsibilities, aligned measures and enabling technology were put in place and adopted by the organization.

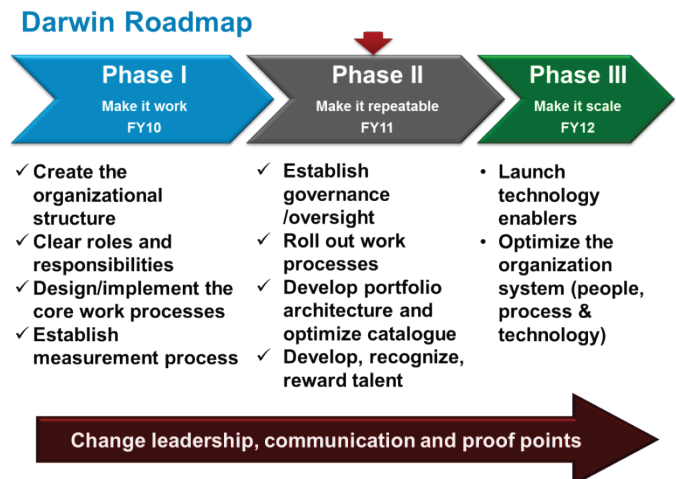


Figure 9: Darwin Roadmap: Transition to RTB

As the Business Leaders passed the proverbial baton to the ‘rtb’ leads on in a global broadcast via C-Tech TV, and in newsletter communiqués, they acknowledged over 170 people across the services organizations that had contributed to Darwin.

Reflection on Change Leadership

The dominant theme of the Darwin transformation project was that the Business Leaders distinguished themselves from the traditional 'sponsorship' role in that they visibly 'led' rather than 'managed' the change. From start to finish, the Business Leaders were out in front leading the charge; they personally engaged stakeholders, formulated a shared Future State Vision, chartered the Change Strategist in a leadership role, ensured that the project team was staffed with credible leaders from the impacted organizations, continuously monitored and communicated progress, held people accountable and ultimately transitioned Darwin from a 'project' to 'run the business' in record time. The Business Leaders did not wait for others to take action; they were the role models and *led* the transformation.

Their change leadership empowered the C-Tech Services organization to transform by accelerating the changes required and established the foundation for sustaining progress toward the future state with clear transitional leadership and leading and lagging metrics for success. They didn't play the traditional sponsor role of 'let me know how it's going and if you need anything from me', they led the change and were steadfast in their objective to make the change stick to enable organizational success and achieve the desired business outcomes.

Change Leadership Self-Assessment

Do you have what it takes to drive a successful transformation of your organization? Check each in each box where you strongly agree or agree with the statement below¹.

- ☐ I truly believe that this change is critical for long term organizational success to drive specific business outcomes
- ☐ I fully understand the long term impacts of this change on the organization
- ☐ I have prioritized all major efforts to ensure that this change effort gets the appropriate attention to be successful
- ☐ I publicly and continually demonstrate my commitment to this change through a variety of vehicles (emails, videos on demand, All-Hands meetings)
- ☐ I recognize and/or reward people for their commitment to the change initiative
- ☐ I have ensured that the team has established success metrics to measure the progress of the change initiative
- ☐ I hold people accountable for the change initiative by regularly reviewing progress against the success metrics to ensure that progress is occurring
- ☐ I act as a role model by demonstrating the new behaviors required to successfully implement and sustain the change initiative
- ☐ I use my influence and position in the organization to realign priorities and remove implementation barriers when necessary

Scoring

- Nine or ten checks: Congratulations! You have what it takes to drive change
- Seven to eight checks: You have the potential to be a solid change leader. Improve your performance on the 2-3 areas you have not checked.
- Four to six checks: Seek mentorship and training to improve your change leadership skills.
- One to three checks: If you will be leading major change in the near term, create a development plan to build the needed capabilities. Attend a training program, lead a work stream on a change project and seek out a mentor.

¹ Adapted from John Kotter's "The Guiding Team Assessment Diagnostic"