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# How To Grow And Change, While Retaining What's Best

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By Andrea Simon

Several questions that reflect a common theme have come up repeatedly in recent workshops — namely, how do you sustain your organization and yet respond to changing times? It's not easy. Yes, a legacy business and all of the success it represents must be protected, but it may not be the right configuration for the innovations and changes required for new business environments.

## Here are some of the dilemmas we commonly hear:

- CEOs are realizing that they need to build a culture of innovation in their company's traditional operating systems, but the core competency of their business is typically the antithesis of a creative, innovative organization.
- Their strength is and has been the effectiveness and efficiencies of their well-oiled machine—their processes and procedures, their skills and their teams of employees who are very good at what they have always done.
- Often, their board or senior executive team are very comfortable with the past practices and traditions that brought them to where they are now, and they are not comfortable with the uncertainties and risks of changing them for a new, emerging market.

## Stick to Your Current Advantage or Develop Innovative Advantages?

Here's the typical challenge: How can you sustain current growth while searching for new markets at the same time? Having worked with dozens of companies over the years in a myriad of industries, our basic premise remains the same: As times change, only the most adaptive will survive.

To clarify the best direction forward, here are three ways to keep your current company going while you figure out how to adapt to new business environments:

### 1. Identify a team of innovators who will drive the new.

Not everyone is comfortable with uncertainty. Staff must know from the outset who can run the daily operations and who can enjoy being an entrepreneur in a corporate setting. They will need senior leadership support and a sub-culture that encourages experimentation, trial and error, and the ability to get out of the office to go exploring. These fresh thinkers should be the ones who can see things in new ways, then develop prototypes and business models to test them.

## **2. Create separate units versus “all hands on deck.”**

If you don't like the idea of a separate group, try building a more ubiquitous culture of innovation among your staff. Think about it — how smart was [P&G](#) turning their brand managers into innovative thinkers responsible for both growing the brands and adding new value to them? Or perhaps [Toyota](#)'s culture of innovation is one you want to mimic?

The research on this is quite interesting. Employees, business partners and customers offer the best opportunities for new ideas, with internal R&D way down at the bottom of that list. Who better to “see, feel and think” about customers and their needs than those very customers, business partners and most of all, the employees serving them daily?

What is right for your organization? Key to success is the linkage between the creative area and the operationalization of those creative innovations.

## **3. Have a Crisis or Create One.**

A third option arises when the core business breaks down. In one client situation, the major customer was the U.S. Department of Defense. When defense spending declined significantly, our client realized that prior sales volumes were not going to return quickly, if at all. The response was an all-hands-on-deck innovation process to help the entire organization re-think their business and open new markets. Funny, it was really working.

New ideas turned into new innovations—not that there was much choice. We often say, “If you want to change, have a crisis or create one.” In our client's case, there *was* a crisis, and rather than go out of business, they found abundant new ideas, new markets and new ways to package and promote their products.



*Photo by Sebastien Wiertz*

## **Can You Hold Onto Your Competitive Advantage?**

John Chambers, CEO of Cisco, recently said in an interview that he used to have strategies that lasted five years. Now, he is down to three-year strategies. Change is no longer a matter of “someday.” It’s becoming essential every day. And those of you who are sticking to your “competitive advantage,” watch out for some disruptive innovator right behind you, because it’s there and it’s gaining on you. Think Uber or ZipCar.

The times are changing so quickly that the plans you have today should be more like fads used to be: shorter-term solutions which emerge, surge and purge before you even know it. But all is not lost. You just have to courageously embrace change and develop a process to adapt to it while the core business remains viable. It’s not really an either/or question: it’s both.

Remember, as times change, it’s not the people who are most fit that survive, it’s the most adaptive.

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