

Ask Andi: Change Management Step 2



Welcome to On the Brink: A Fresh Lens to Take You and Your Business to New Heights. Hi, I'm Andi Simon. I'm your host today. And I want to take you through the next segment of a 3-part series that we're doing on change management.

Our firm, [Simon Associates Management Consultants](#) or SAMC, was recently invited to do a workshop on change management and change mapping, our process for helping organizations see things in new ways and actually change in order to get there.

In the first podcast in the series, I set the stage for your archetype and why it is so important to know who you are and who your organization is, so that you can better understand what you're going to be changing your organization *to* and why this is going to be so challenging.

I also talked about some of the obstacles or hurdles that humans have when it comes to change, that they really don't like it. It's painful. So what are you going to do to overcome it?

The heart of the problem comes down to the fact that humans have culture. Culture isn't something they wear to work. It's really the essence of who they are in that culture or community they are working within. So as you're thinking about change and change management, you need to understand what your challenges are going to be and what this culture is that you're going to be working with.

For today, I really want to talk about change and changing your culture, and what these mean.

If you are listening in the car, maybe on the way to work, I would urge you when you get a second to take a look at the [ocai-online.com](#). The OCAI is a very insightful survey that was developed at the University of Michigan by Dr. Kim Cameron and Dr. Robert Ruben.

It's an excellent tool to understand the culture you have today and what you would prefer it to be or to become in the future. And so I want to talk a little bit about it because as we go through the process of culture change, this is a method that really helps you graphically see what you're dealing with now.

The OCAI is extremely well-established and used all over the place. An architectural firm I was talking to uses it to understand the culture of a client before they go in to redesign their offices. At Simon Associates, we've used it many times, globally—in Mexico, in Prague, all over the U.S.—as we help companies understand what they are today and what they're going to be. So let me start with a story and then I'll talk a little bit more about how this turns into a change map process.

I'll start with an accounting client that we have because I think it's very relevant. They're an excellent group of people who've been very successful. But they're facing all kinds of change today. H&R Block has engaged with Watson to transform the way people do their taxes. They don't need accountants. H&R Block is using the Watson artificial intelligence to create an entirely new system for tax assessment, tax returns, and actually, to be more accurate than humans, maybe.

There's also lots of compliance automation software that's coming out from the Big 4 accounting firms, the Big 10, to offset the rising compliance cost. This automated monitoring is going to change the nature of compliance.

I recently met with an accounting firm in North Carolina that specializes in compliance but doesn't have any of the artificial intelligence or automation yet. Scary. And their clients are all beginning to realize that QuickBooks, for example, is only going to be on the cloud. So they're going to have to figure out how to do all their work in a decentralized cloud fashion. They're worried about how to do this and if it's secure or not.

But artificial intelligence and automation software are coming, and what's coming with them is a different need for bookkeepers, controllers, financial analysts and chief financial officers who are now more concerned with how they look at the data and understand it than how they do the books and keep them accurate. The accounting firm's client needs are changing too. You may want to think about this in terms of your own business as well.

So, companies' owners are growing older than their clients. They're Boomers and they're beginning to think about retirement or passing on their business to their sons or daughters, or selling, or merging with another firm. Young entrepreneurs are starting to move up in the ranks, but they work in very different ways.

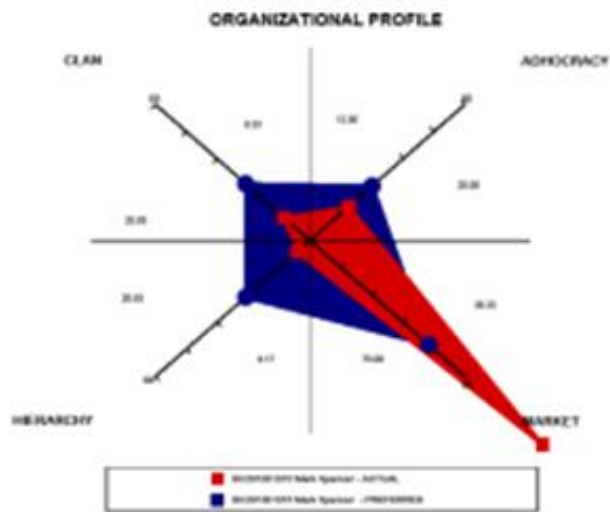
We're seeing this kind of movement and change across all industries these days. Well-established businesses are breaking apart and staff are growing older. They're worrying about the data that is being presented and why their accounts receivable aren't moving faster. And the next generation is often taking over and bringing in new talent in order to run the company that their father or even their grandfather set up. Lots of changes.

Inside companies, there are young, ambitious and wise workers who are all becoming very smart participants in the growth of the business. Couple this with the new economy. A third of American workers are now engaged in some kind of freelancing. By 2020, 40% will be doing quick gigs, and the gig economy will be running organizations, or managing products for them. Some will go back and forth between being contractors and employees, but this new kind of work arrangement opens up a very different approach to understanding the way we work.

In fact, that is part of the underlying theme around change. How will we work?

Partners want to retire, managers love working remotely, and the rigid rules of before now feel awkward and maybe not necessarily good.

So we had the North Carolina accounting firm take the OCAI to learn about their culture of today and how they would prefer it to be for the future. Here are some sample OCAI graphs:



And what was very interesting was how varied their graphs were. Some employees saw the company today as very hierarchical with a good collaboration but wanted it to be more innovative and driven by competition and markets. Something dramatically different.

They wanted their culture to be completely innovative with lots of empowerment and risk-taking and lots of competition and winning things and much less control. The firm's leaders have shifted a little bit but aren't giving up the control in order to be more ad hoc or competitive.

And some employees came out around the center, which we often find to be the best-managed companies—those with enough “ad-hocracy” and innovation but also enough processes to capitalize on them, enough market-driven focus with enough collaboration to be a team.

It is very interesting when you do the OCAI because it asks you what type of culture you really want, and what that really means.

When we've done this with large healthcare systems, they've said, "I want to be more collaborative." But they had nine unions. And it was really hard to collaborate more. So their aspirations and the realities were at odds with each other.

What the OCAI showed, with the accounting firm, was that the future leader was much more innovative and empowering than his staff probably could embrace. But they knew they had to change because the basic business was going to change as well, and their clients were changing. The needs that they had to serve were different. Their staff was pretty well-balanced around the center, which was exciting. And then, of course, there was one free-wheeling, high-performing person who had to have some rules put into place to channel her particular energy. But this all had to happen without slowing down the exciting growth. So the desired changes brought to the surface by doing the OCAI led to a change management strategy.

I tell you this story because it has different parts to it. One is about rebranding. What's the story? Is it just that they're good accountants or is there something bigger going on there? They are offering new services and have launched a whole new line of business that has turned into a very successful way of serving clients innovatively. They are changing expectations of employees, of how they want to be managed, of how they *are* being managed, of how they want to be accessible, as well as how they are going to team up to do things.

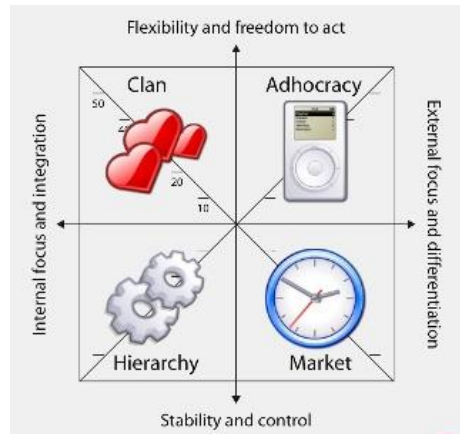
So through our OCAI culture change work with them, possible outsource solutions emerged. Skill development initiatives became extremely important and there were lots of new clients coming in. That has led to a redesign of rules as the whole organization has begun to change.

This is not a unique situation. What *is* unique about it is how remarkable they are at understanding what has to happen in order to transform the organization from what it was—a good accounting firm—to what it's going to be: a major provider of services and solutions to clients of all kinds.

Now, with that in mind, what does this mean for you and your culture? So let me dig into this just a little bit. Culture is the way you think, act and interact.

What is your company's culture anyway?

When we take a company through their OCAI, we work through the idea that there are four dominant types of organizational cultures, each with its own personality archetypes.



There are the **ad-hocracies** that are creators. They're very empowered, very innovative, very entrepreneurial, and they are really quite willing to take risks and get out there.

The opposite are the **hierarchical** controlling companies. So if the first one is very entrepreneurial, the hierarchical one might be a civil service company or a post office or a bank with a lot of top-down control and rules. Not bad, just different and at odds with each other. There's nothing more interesting than working with entrepreneurs that have no controls or with banks that have no entrepreneurs. One gets stale and the other can't get going. So you need to balance. The other two in this four-part matrix are companies that are **highly collaborative**.

At SAMC a few years ago, we did some work for the Family Firm Institute. We gave a presentation and then took them through the OCAI and they were off the charts as collaborative teams that really cared about each other. The human collaboration was extremely important. But there were many who couldn't get anything done.

Then we worked with one client on the West Coast which had different offices, and some were so into the plan that they didn't compete at all. I mean, on the side of the competitors. And those competitors are extremely successful. But our clients were so successful that they couldn't collaborate and they had no innovation. They just made a lot of money.

An extreme in any of these four quadrants really isn't the kind of culture you would like to have. But right now, you should be thinking about the challenges of changing your organization. Let's say you've been really big in the oil business and now you want to adapt to a new kind of energy. Or you've been really big in manufacturing but now you're going to be a service business.

Think about what WeWork has done to real estate by turning it into a service industry. What does that mean for your culture and your staff?

So once you take the OCAI and get your profile, you begin to realize that each type of culture helps people adapt. There is no perfect culture. What happens when you get extremes is, that's just what happens—you get so extreme that the question becomes, Can

you have some new ideas in the post office? Well, maybe it becomes a FedEx or a UPS that offers different options that the post office doesn't. And these are far more entrepreneurial and competitive than a post office can be.

Successful firms and their cultures have really interesting patterns because they reduce uncertainties.

Remember from my last change management podcast how I talked about brand archetypes? Nike is the hero, right? M&Ms is the jester. If you work there, you have very strong personalities. It's an established social order so people know what to expect.

I often say, "Birds of a feather flock together." They create continuity and key values and norms. They create a collective identity and commitment, express a vision of the future and energize forward movement.

But during fast-changing times, the wrong culture can take you down the wrong road. On top of that, like humans, organizational cultures hate change. The values, beliefs and behaviors that are recognized as "the way we do things here" reinforce continuity and consistency but can hold a company back.

It is extremely important that people know what to expect. They want wonderful rules, clear sets of what to expect from execution and performance and growth. But the right kind of culture can foster adaptability.

Remember those four types of company cultures? A little more ad-hocracy, a little more creativity, can add lots of adaptability into a culture so that it loses its rigor without an expense, it doesn't have to fall apart. It just has to now let new ideas come in, but there's a process for doing that.

So when a culture begins to become more adaptable, it provides a clear set of principles to follow when designing strategies to deal with new situations. Innovative companies build a culture of idea generation, methods for testing prototypes, and approaches to engage brand new methods. They have idea rooms. They have a weekly session where they hear all the new ideas that came in from the staff. Some actually have groups that work on the innovation-killing "we-don't-do-it-that way" ideas of the old culture.

One thing that's important is that those archetypes of those cultures are shared across the organization. They become quite recognizable as "the way we do things here," so they have to be thought about carefully if you're going to have a successful change management strategy.

You're going to change your culture and the way things are done in your organization. It is actually going to hurt. You want your staff to do more of some things and less of others. There's an excellent exercise we use called just that: "More of and less of." What will you do more of? What will you do less of? It's an easy way to get people to articulate the changes.

Another exercise is, "What would you start, stop, and never change?" That "never change" one is important. There are some things that are sacred, but you need to articulate them. Sometimes you may even have a funeral for them. But you really have to be careful. You want to make sure that you are shifting collaboratively with your team into a new culture that's going to enable them to get their jobs done comfortably, if now differently.

So I'll take a look at what this could mean in my next podcast. But at this point, I want you to give some thought to how you'll approach this next session. What will you bring to it as you think about your own change management strategy? How will you go about changing?

Since you're listening, it's a good time for you to take pen to paper and begin to think through, "What do I want to change?" Go back to that idea from the first podcast of what makes you sad, glad and mad.

It's extremely important from an archetype point of view to know: are you an Explorer like me where you're never happy unless you're experiencing new things and change is really delicious? Or are you a Rebel who wants to overcome the things that are happening in new ways? Are you an Everyman who is a dependable and down-to-earth realist? Are you a Hero who thrives on being strong and standing up for others? Or are you a Ruler and you really like telling everyone what to do and being in control?

How your culture will evolve reflects that, but you need to think through that very carefully. Within the four types of culture, the hierarchical one is very ruler-driven. The ad hoc one is very different. It has magicians and people who are jesters and creators, and they love that. But all of this requires a blend of who all of you are as a culture so you can begin to understand what you will do next.

If you take the OCAI, take a good look at what your red and blue areas are, where your culture is looking good now, and how you need things to shift. If they need to shift only a little bit, you're not off by much. But if you need a dramatic 10-point shift, it's time to change.

I hope you enjoyed this. Remember, you can always learn more at andisimon.com. Or send me info at andisimon.com with your own messages. I'm getting them from across the globe and it's such an honor. It's so delightful. And you have some great questions, and we'll keep coming with more information for you because it's fun to share.

Have a great day. And thank you from On the Brink: A Fresh Lens to Take Your Business to New Heights and me, Andi Simon. Bye now.