

# Why Change Programs Fail: Ten Principles For Getting It Right

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Most change programs fail. In large organizations, the success rate of well-intended, carefully planned and well-funded change programs is somewhere around 20 percent. The failure rate of mergers and acquisitions is about the same.

Why?

Is it possible to do things better?

Is it possible to get change right?

Getting change right is not an eight-step top-down hierarchical rollout of a program, embodying a preconceived idea, articulated in some back-room by outsiders and then imposed with one-way communications, telling people what to do. It happens very differently.

Let me give you an example from my own work about what getting change right looks like. It's an excerpt from my forthcoming book, *The Leader's Guide to Radical Management: Re-inventing the Workplace for the 21<sup>st</sup> Century* (Jossey-Bass, November 2010).

## GETTING CHANGE RIGHT

The idea here was to inspire a major change in a large, traditionally-managed organization.

At the start, we had an idea and not much else.<sup>1</sup> We had no budget. We had no support from any senior manager in the organization. We had no organizational mandate to introduce or even to explore the idea. All we had was a passionate belief in the idea and its value, a certain amount of determination to make it happen and some understanding of how the organization functioned.

Four years later, that idea—an airy nothing—had become a central strategic thrust of the organization and had spawned over a hundred communities to champion it. Thousands of people were deeply involved not only inside but also outside the organization, pushing the idea forward on multiple fronts in a giant social network. The organization was being benchmarked as a world leader in the field.

How had this happened? It hadn't happened through a traditional change management approach, with the top management imposing the change. Any such approach would have been resisted fiercely.

Instead, it happened rapidly and enthusiastically, because it grew organically, one conversation at a time, until many people became promoters of the change. It was like a bacterial life-form, unexpectedly

swelling here and recoiling there in response to social, technical, economic and cultural events.

From the outset, it was all about learning. The idea wasn't something that we had invented. I had heard what some other organizations had done and the benefits that they had been able to generate. I found out all I could about their experiences. I visited them. I saw what they were doing and the obstacles they were encountering. We examined the parallels to our own situation. I sensed that in some respects what they were doing could help us a lot, but in other respects the idea would have to be adapted.<sup>2</sup>

After fine-tuning the idea, I began having conversations with colleagues and asking them: why won't the idea work for us? Initially, to my surprise, they couldn't understand what I was talking about.

It was only after many failed attempts at explaining the idea that I stumbled on the power of storytelling as a tool for leadership communication. I discovered stories that could powerfully and succinctly communicate a complex idea and inspire people to see its potential value.

In the course of those conversations, I could see that once people understood the idea, they were excited by it and began adapting it to their own settings. Their enthusiasm in turn energized me to press ahead and do whatever was necessary to make it happen.

I talked to people in corridors and cafeterias—wherever we could find listeners. By the time I got to present my idea to the senior managers of the organization—several months later—I had a presentation that had many of them imagining a new and more exciting future.

Although it wasn't necessary to begin with, eventually getting the blessing of the very top of the organization was essential. As with any idea involving substantial change, some of the senior managers were alarmed by the potential for disruption to the status quo and did their best to slow down or prevent its implementation. Support from the very top was needed to neutralize the worst of this high-level sabotage.

Even when I had a mandate to begin exploration of the idea, we still had little budget and no power to tell anyone to do anything. Nor did that matter very much. Budgets and power don't generate genuine enthusiasm for change.

The momentum that had already been generated by innumerable conversations meant that there was no need to create "a sense of urgency" by contriving a phony crisis. The challenge was not one of jump-starting people with a lot of dead batteries. It was more like figuring out what to do with a stampede that was already under way. The main challenge was one of channeling forward movement in a common direction, heading off diversions and helping stragglers catch up. In the process, we cobbled together resources and people into coalitions that made the change happen.

To help manage what was under way, I asked Seth Kahan to join a diverse group of enthusiasts, who believed in the cause and who self-organized themselves into doing whatever it took.

As members of the group, we got to know each other. We regularly had lunch in a tapas bar across the street from where we worked. As we shared dishes at the round table where we always sat, we also shared intelligence on new possibilities that were emerging as well as on what bad things had just happened. We brainstormed how to turn setbacks into opportunities.

As we began to appreciate what each other could contribute, we began to admire what was open and generous in each other. In response, we all started acting with each other more openly and generously. Ordinary people began accomplishing extraordinary things.

We had many disagreements and fights, but there was enough trust and respect that the disagreements strengthened the group, instead of splintering it. There was a lot of kidding around. The discussion was playful and creative and it enabled the tension from the disagreements to be released.

We invited others to join the movement and become friends of the idea. In fact, as Seth Kahan explains in his book, *Getting Change Right*, we spent a good deal of time figuring out how to tell as many people as we could, as fast as possible. The dialogue flowed like a river and penetrated parts of the organization our team had not formally reached.

In implementation, the idea continued to evolve. We discovered that information technology was less effective than we had expected, and so we de-emphasized that. Communities of practice turned out to be much more important than we had expected, so they became central.

We convened those who understood and supported what we were up to—our evangelists. We met with directors and project managers who had the most to gain from the idea. We brought in key players who were at least initially opposed, those whose participation could make or break some of our efforts.

We invited anyone who was interested to be part of our work. We created working groups. We met with clients. We visited other firms that were pursuing similar strategies and invited them in to visit us and critique what we were doing. We met with outsiders and business thought leaders.

We lived in a river of conversations. The interactions spread and permeated the tiniest crevices of the organization. Everywhere we went, we sought to get people thinking about what the idea might mean to them and their work, how they could become involved, and the benefits it could bring to the people they were working with. The stories that we were telling them were less important than the stories they were creating for themselves.

The pace of the change was unnerving. The movement traveled so fast and far that it often outreached where our little team was able to go.

Having practically no budget turned out to be almost a blessing in disguise. Money creates distractions that tend to take people's eyes off the activities that add value to clients—talking with people and discovering together what's possible.

In due course, we needed resources. But they emerged as we needed them. When we needed people, they were given to us on loan. When we needed to put on a big event, we made it enticing enough that people paid to be a part of it. So the resources came as value was generated.

Having discovered the power of leadership storytelling, we communicated principally through stories, particularly a kind of story that sparked action—a kind of story that I have called springboard stories.

Stories were effective at all levels of the organization—whether it was the CEO and the board of directors or people working on the front lines of the workplace or people outside the organization. Springboard stories communicated the spirit of our idea and generated new stories in the minds of the listeners, which in turn drove them into action and sparked more stories that they told to others.

The idea that we had was not a precooked message that was rolled out or imposed. Instead, it was a cascade of conversations that spread an emerging, evolving idea, through a dialogue that aroused passion and created its own social network.

We energized the most influential players. We saw that people were at the heart of the change. We took the time to engage. We went after them and gave them exciting ways to be part of the action.

We took steps to understand the territory of change, figuring out the culture and how to go forward. We listened to others in order to create a map of the opportunities and obstacles.

We formed groups of people who shared our passion for the idea and put this passion into practice. These groups advanced our cause, creating systemic demand for change, rather than having to push people into doing things.

We set out to create dramatic surges in progress. Special face-to-face events accelerated our program. We created gatherings that brought players together in high-value experiences designed to move things forward in leaps and bounds.

We approached problems with a SWAT team mentality. As with any major change, obstacles and hurdles were everywhere. We expected trouble and we got it. We did not see difficulty as a hindrance to our success. Rather it made many valuable contributions to our overall achievement. By learning about problems early, we were able to find ways to fix them quickly.

When I and other members of our group left the organization, the idea didn't die. It wasn't dependent on us. People went on implementing it, not because they had been told to, but because they believed in it.

What did implementation feel like? I wouldn't describe the period as contented, blissful or consistently pleasurable, even though there were moments when each one of those feelings was present.<sup>3</sup>

It would be more accurate to say that that the experience overall was exciting, exhilarating, hair-raising, rewarding, challenging and meaningful.

In effect, radical change management involves taking responsibility for what needs to happen. It means standing up for what we believe in, sometimes in the face of opposition from those in power and confronting significant risks. It entails stretching and growing and living up to more of our potential. It means discovering the courage to be.

## TEN PRACTICES FOR GETTING CHANGE RIGHT

That was my first encounter with implementing change without large authority or budget resources. The idea in question was knowledge management, not radical management. But the experience points to the characteristics of *radical change management*. Your story will be different in its particulars from that experience, but the fundamental characteristics of getting change right are likely to be similar.

First, ***the impetus will begin with a single individual***. That individual may be anywhere in the organization. It may be the CEO. In a large organization, it is more likely to be someone in the middle management.<sup>4</sup> It may even be someone at the working level. Change will begin when that individual takes responsibility for the future and decides: this needs to happen and I am going to help make it happen.

Second, ***the change will happen organically***. One person starts talking to and inspiring other people who in turn have the courage, determination and communication skills to incite fresh groups of people to imagine and implement a different future. In turn, they become champions and inspire others.

Third, ***a small high-performance team will be needed to inspire and guide implementation***. Dutiful or representative performance won't get the job done. This will be a group that is creative and energized and trusts one another and is willing to do whatever it takes.

Fourth, ***the change will happen quickly or not at all***. Once organizational change takes off, it will happen rapidly. The process is viral in nature. The idea is a virus that is either growing and spreading and propagating itself; or dying and de-energizing people and spawning new constraints. There isn't much in between. A top-down process that is grinding it out, step by step, unit by unit, is usually generating massive quantities of anti-bodies that will lead to mediocre implementation or even total failure.

Fifth, ***the change idea itself will steadily evolve***. This is not a matter of crafting a vision and then rolling it out across the organization. This is about continuously adapting the idea to the evolving circumstances of the organization. As the organization, and

everyone in it, adapts the story of change to their own context, it becomes owned by each individual. A sense of ownership grows.

Sixth, ***the change process will run on human passion***—a firm belief in the clarity and worth of the idea and the courage to stand up and fight for it. No template or detailed roll-out plan can inspire the energy, the passion and excitement that are needed to make deep change happen. Most of the paraphernalia of the top-down change programs will in fact be counter-productive to authentic implementation and will generate deep-seated opposition to the change.

Seventh, ***it will be focused, disciplined passion***. This is not an approach where “anything goes.” There will be a tight focus on the goal and continuing alertness to head off the diffusion of energy into related or alternative goals. Progress will be assessed and adjustments made based on what has been learned. There will be systematic feedback on what value is being added. There will be freedom to create, but within clearly delineated, adjustable limits.

Eighth, ***outside help will be used but not depended on***. As there is nothing new under the sun, experience of others should be drawn on. It is foolish to go it alone. Intellectual energy is generated by cognitive diversity and interactions with people with different backgrounds and ways of looking at the world. At the same time, it is equally dangerous to follow external advice slavishly and let others dictate the change. The external advice will be received, evaluated and adapted to the local needs. In the process of adapting it, the idea will become owned. Things are not done simply because outsiders say so. They will be done because they make sense for this context.

Ninth, ***the top of the organization must support—and be supported***. Although implementation of radical management cannot be accomplished by top-down directives or rollout programs, the support of the very top of the organization is key to creating the umbrella for change, for setting direction and heading off the inevitable “death threats” to the idea. Yet the top cannot make it happen alone. In a large organization, the top will need many others to communicate the idea throughout the organization in an authentic way.

Finally, ***the idea will be more important than any individual***. Top-down change programs typically die when the manager leaves. The replacement manager is a new broom who sweeps clean what has gone before. By contrast, when a change has taken root in an organic fashion, the idea continues to live, because it is owned by wide array of people.

Keeping those ten characteristics in mind may help you figure out what radical change management will look like in your context. Let’s look at how they have played out elsewhere in implementing radical management.

[SETH KAHAN’S NEW BOOK: GETTING CHANGE RIGHT](#)

Seth has also written about this experience in his forthcoming book, *Getting Change Right: How Leaders Transform Organizations from the Inside Out* (Jossey-Bass, May 2010)

Seth Kahan talks about that World Bank experience in his new book, [\*Getting Change Right: How Leaders Transform Organizations from the Inside Out\*](#) (Jossey-Bass, May 2010).

Seth's book outlines eight principles for getting change right:

1. Creating Rapid, Widespread Engagement
2. Communicating So People Get It and Spread It
3. Energizing your Most Valuable Players
4. Understanding the Territory of Change
5. Accelerating Change through Performance Communities
6. Generating Dramatic Surges in Progress
7. Breaking through Logjams
8. WorkLifeSuccess in the Midst of Change

## Like to learn more?

### 1. Smithsonian storytelling weekend: April 16, 2010

Seth and I will be discussing these ideas at the Smithsonian storytelling weekend in Washington DC on April 16, 2010. The price is \$115. You can register here:

<http://residentassociates.org/ticketing/tickets/reserve.aspx?performanceNumber=219477>

You get more details about the whole weekend here:

<http://www.stevedenning.com/Conferences/smithsonian-apr-2010.aspx>

### 2. Two-Day Masterclass Washington DC May 27-28, 2010

The Smithsonian is an appetizer. If you want the full meal, then you might be interested in the two-day Masterclass entitled, **Re-inventing the Workplace: A Solution for the 21st Century** that Seth and I will be offering in Washington DC on May 27-28, 2010.

In this highly interactive event, participants will learn everything they need to know about radical management

Radical management is a way of managing that inspires continuous innovation, deep job satisfaction and client delight.

Day One will focus mainly on understanding the seven basic principles, as well as the 70+ practices associated with those principles.

Day Two will focus mainly on implementing radical management. Radical management is fundamentally different from traditional management, and for most organizations, will involve basic change. Day Two will show participants how to get the change right.

You can get more details about the Masterclass (price \$1,500; early bird discount for registrations before April 23: \$1,000) and register here:

<http://www.stevedenning.com/Workshops/DCMasterclassMay2010.aspx>

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<sup>1</sup> The organization was the World Bank and the idea was knowledge management. My idea was to complement the World Bank's traditional role of lending money to developing countries to relieve poverty with a major effort to share our knowledge with all the millions of people who make decisions about poverty. A detailed account of the change process is contained in my books, *The Springboard* (Boston MA: Butterworth-Heinemann, 2000) and the Introduction to *The Secret Language of Leadership* (San Francisco: Jossey-Bass, 2007).

<sup>2</sup> Two adaptations were important. First, most other organizations at the time were pursuing knowledge management as a tool to improve efficiency or win more business. In the World Bank, knowledge sharing was more important to improve organizational effectiveness. Second, most other organizations at the time were pursuing knowledge management as a way of sharing knowledge inside the organization. In the World Bank, the idea was adapted to include sharing knowledge *outside* the organization.

<sup>3</sup> Could one describe the period as "happy"? It depends on what is meant by happiness. If happiness is a state of passive contentment, no: most days were filled with worry about the scale of the difficulties we faced.

By contrast, Harvard psychologist, Tal Ben-Shahar, defines happiness as a process: "Attaining lasting happiness requires that we enjoy the journey on our way toward a destination we deem valuable. Happiness, therefore, is not about making it to the peak of the mountain, nor is it about climbing aimlessly around the mountain: happiness is the experience of climbing toward the peak" Ben-Shahar, T. [<http://www.talbenshahar.com/>] If happiness is the experience of climbing towards the peak, then yes, we were happy.

<sup>4</sup> Studies suggest that most big successful change ideas enter the organization from people at the upper middle part of management, not the top: Davenport, T. and Prusak, L. *What's the Big Idea?* Boston: Harvard Business School Press, 2003, pp. 12-13.