

Strategies for Leading Change

Part One

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Outline

- Explore the interrelationships between strategy, change and leadership
- Examine the emerging challenges in the competitive landscape
- Discuss the strategies for leading organisations in changing environment
- Understand what are the key leadership challenges

Change is the Norm!

“Everybody has accepted by now that change is unavoidable. But that still implies that change is like death and taxes — it should be postponed as long as possible and no change would be vastly preferable. But in a period of upheaval, such as the one we are living in, change is the norm.”

Peter Drucker

Management Challenges for the 21st Century (1999)



***The nature of CHANGE redefines the relationships
between LEADING and STRATEGISING!***

The Essence of Strategic Thinking

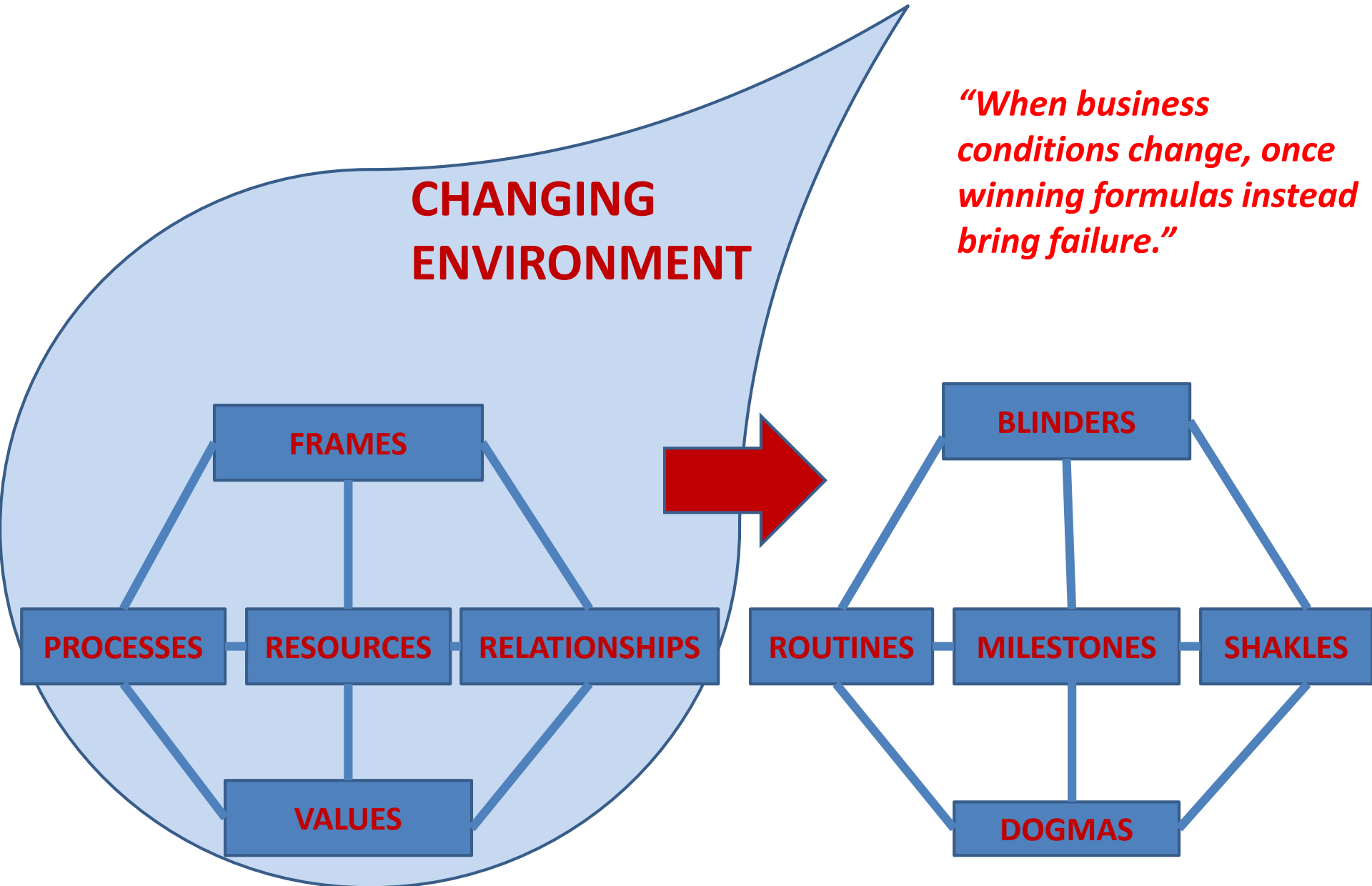
- Strategy is about *positioning* and *exploiting resources*
- Strategy is about future *competitive advantage*
- Strategy is about *choices and trade-offs*
- A company can outperform rivals only if it can establish a *difference* that can preserve
- Strategy is ultimately about how an organisation creates **value**

Why Successful Companies Fail?

“The problem is not an inability to take action but an inability to take appropriate action.....**Active Inertia...** using the same pattern and ideas that have moulded actions in the past in an attempt to adapt to the changing environment.”

Professor Donald Sull

The Dynamics of Standing Still

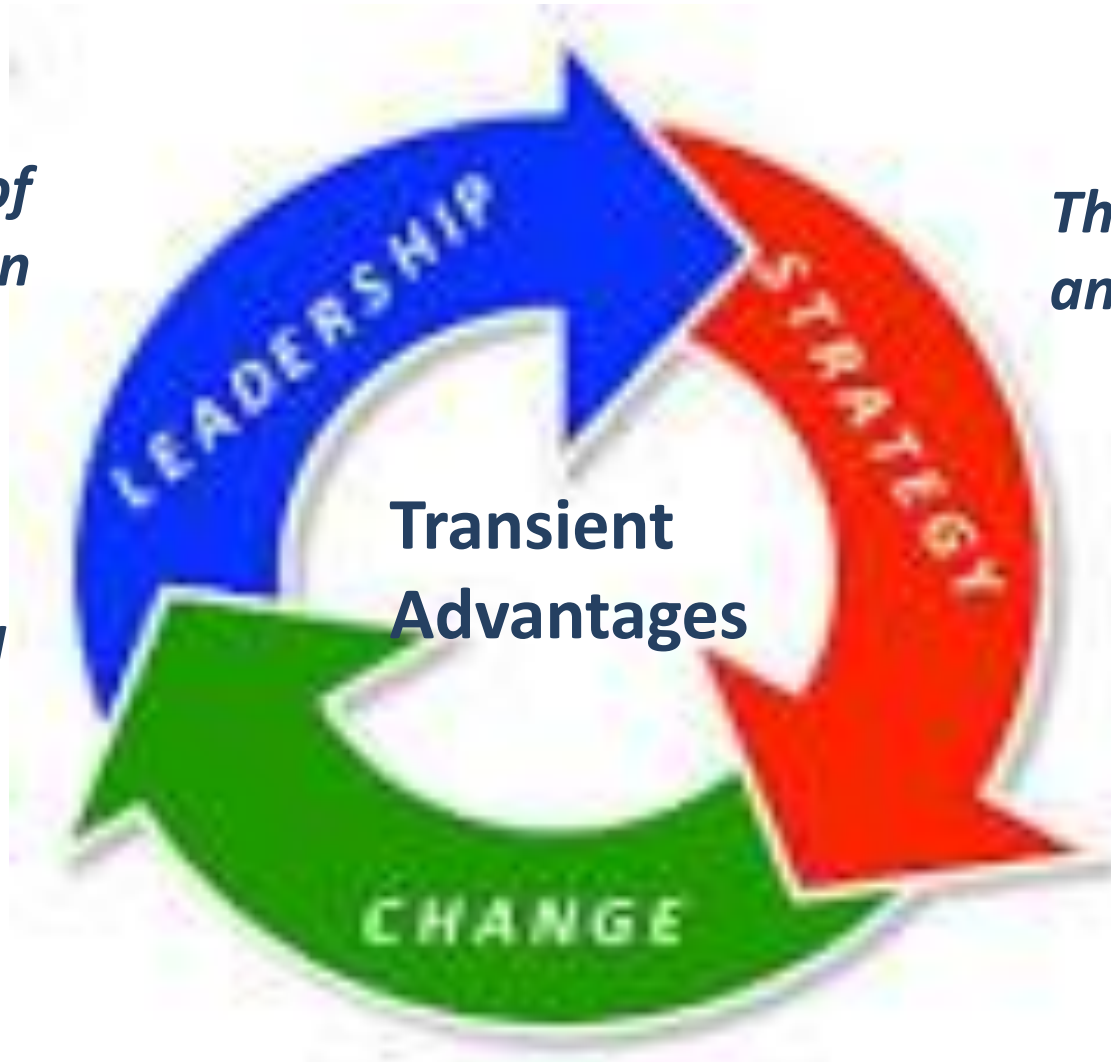


Misconceptions About Strategy

- The first – mover trap
- The superiority misconception
- The quality trap
- The hostage – resources trap
- The white – space trap
- The sporadic-innovation trap

Changing Interrelationships – *From Competitive to Transient Advantage*

*The process of
Influencing an
organisation
in its efforts
towards
achieving an
aim or a goal*



*The direction of
an organisation*

Business Environment - Competing in global business arenas

The New Competitive Dynamics

Creating a portfolio of transient advantages

*“To be a player these days you need a **transient competitive advantage** ...Companies increasingly will be developing pipelines of competitive advantages, capturing opportunities as they arise and disengaging from those that are exhausted on an ongoing basis...Leaders must recognize that in current times, fast and roughly right decision making must replace deliberations that are precise but slow”.*

Professor Rita McGrath

“The end of competitive advantage: How to keep your strategy moving as fast as your business”, 2013

Strategy for Transient Advantage

Shift in Thinking - Organisations as Portfolios of Business Opportunities

- Competing in ‘business arenas’, not industries
- Experimentation around broad themes
- Systematic approach about entrepreneurial growth and early stage innovation
- Building strong relationships and networks
- Healthy disengagement instead of brutal restructuring

Three Approaches to Strategy

Strategy as...	Position	Resources	Simple Rules
	Where should we be?	What should we be?	How should we proceed?
	<ul style="list-style-type: none">➤ <i>Identify an attractive market</i>➤ <i>Locate a defensible position</i>➤ <i>Defend</i>	<ul style="list-style-type: none">➤ Establish a vision➤ Build resources➤ Leverage resources across markets	<ul style="list-style-type: none">➤ Seize opportunities➤ Keep moving
	<i>Strategy as <u>Power</u></i>		<i>Strategy as <u>Orchestration</u></i>

Strategy as Simple Rules

“Strategy as simple rules is about being different. But that difference does not arise from tightly linked systems... It arises from focusing on key strategic processes and simple rules that shape those processes.”

Professor Donald Sull

Type	Purpose
How to rules	<i>They spell out key features about how a process is executed – “What makes our process unique?”</i>
Boundary rules	<i>They focus managers on which opportunities to pursue and which are outside the pat</i>
Priority rules	<i>They help managers rank the accepted opportunities</i>
Timing rules	<i>They Synchronise managers with the pace of emerging opportunities and other parts of the company</i>
Exit rules	<i>They help managers decide when to pull out of yesterday’s opportunities</i>

Strategic Leadership – Start with WHY?

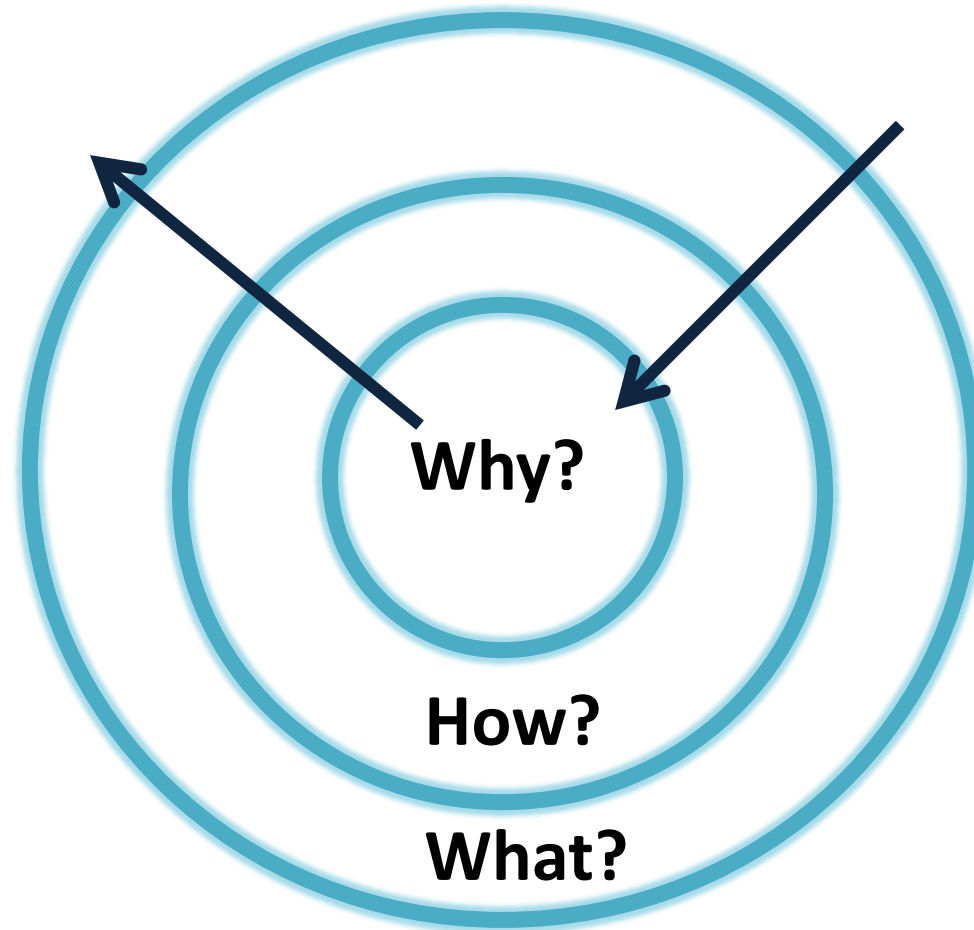
“People buy not what you do but why you do it.”

Simon Sinek, “Start with Why”, 2009

‘The Golden Circle’

*Start with
why business
approach*

*Traditional
business
approach*



Grassroots Leadership Revisited

Leadership as Collective Citizenship

“Beneath the current economic crisis lies another crisis of far greater proportions: the depreciation in companies of community – people’s sense of belonging to and caring for something larger than themselves.”

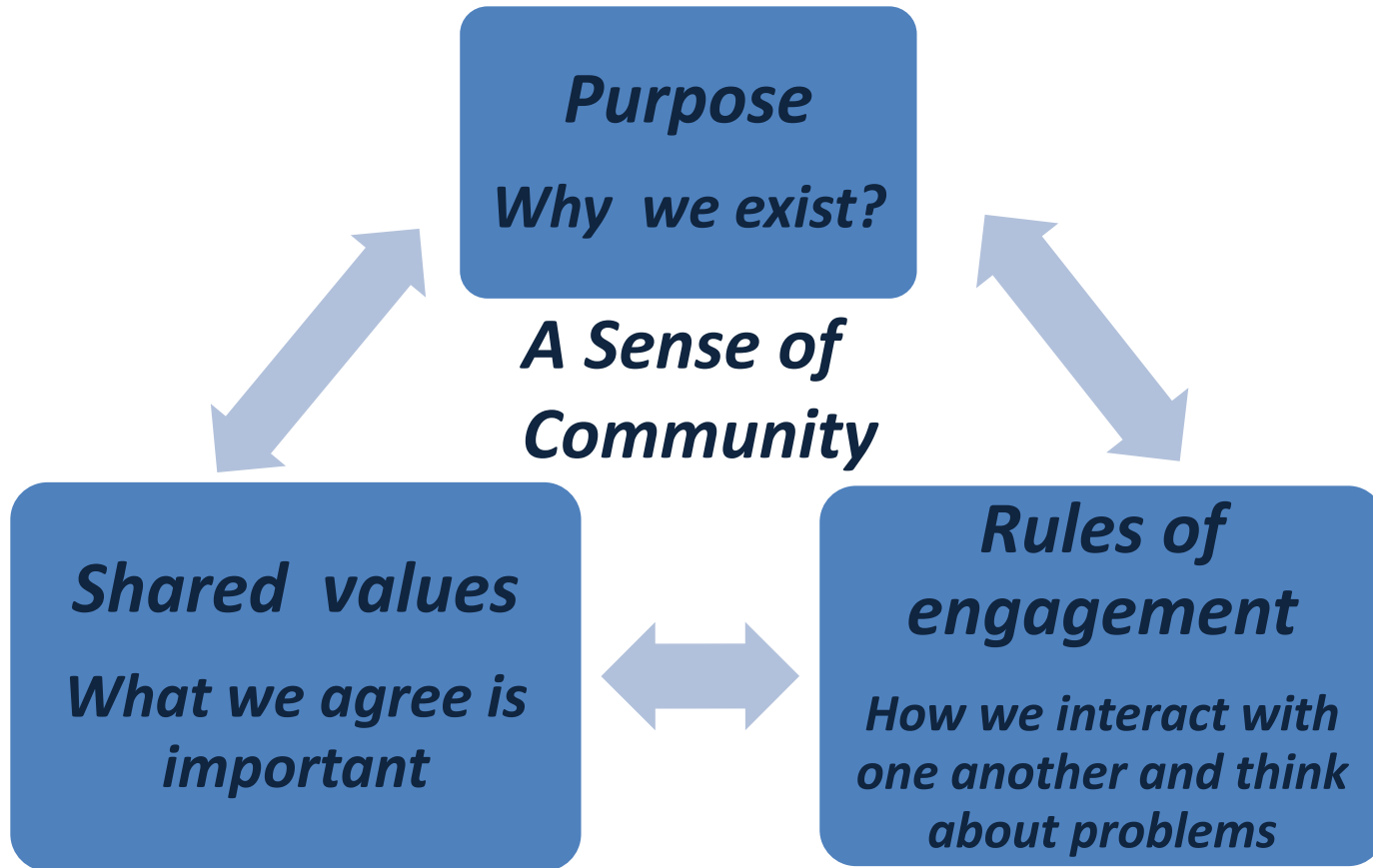
Henry Mintzberg

‘Rebuilding companies as communities’,

Harvard Business Review (2009)

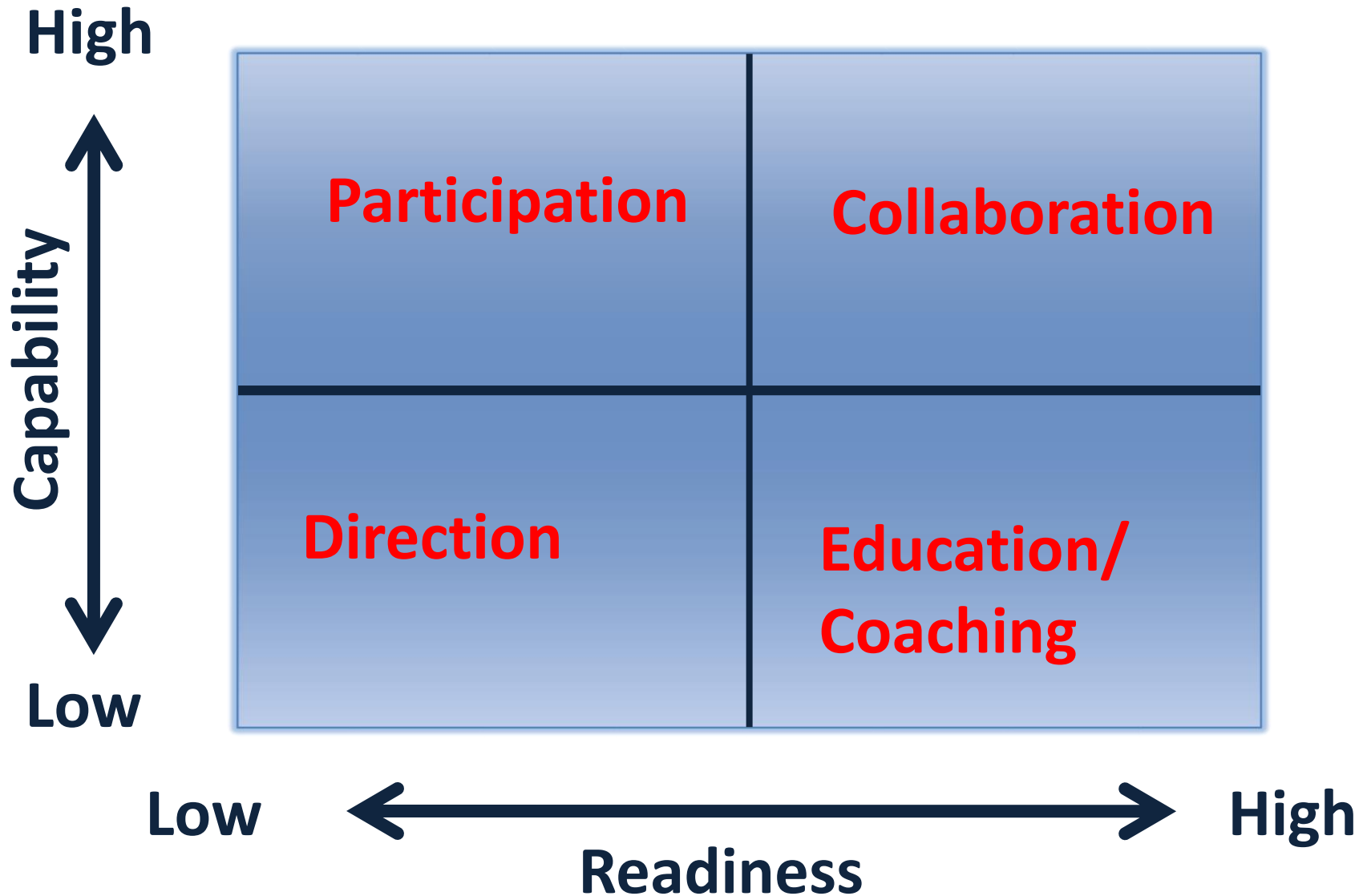
Rebuilding Companies as Communities

Leadership as 'Comunityship'



The final test for organisations with established 'comunityship' is a strong commitment to corporate social responsibility.

Styles of Change Leadership



What is a Community of Practice?

Communities of practice are groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis.



Communities of Practice Thrive on Knowledge

- Help drive strategy
- Start new lines of business
- Decrease learning curve
- Solve problems quickly
- Develop professional skills
- Help companies recruit and retain talent

...And finally, require a redefinition of leadership style from individual leadership to collective citizenship

Strategies for Leading Change

Key Points

- **THE CHALLENGE** – *Building organisations capable of innovating again and again*
- The role of a leader is not to set a vision and motivate others to follow it. It is to create a community that is willing and able to innovate.
- New approach to strategy – A few straightforward rules that define direction without confining it.

Questions for Thought

- **Do you embrace or fear change?
Why?**
- **What is your approach when the
circumstances change?**