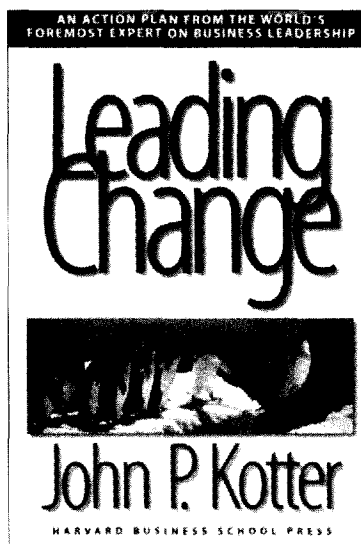# BOOKS

The Process of Change

reviewed by Gary Horne & LtCol F.G. Hoffman, USMCR

LEADING CHANGE. By John P. Kotter. Harvard Business School Press, Boston, 1996, 187 pp., $24.95. (Member $22.45)

BUILT TO LAST: Successful Habits of Visionary Companies. By James C. Collins and Jerry I. Porras. Harper Business, New York, 1994, 322 pp., $25.00. (Member $22.50)

This is a pair of books that up to a decade ago only Machiavelli would have appreciated. Now, however, both the corporate world and many government organizations, to include the U.S. military, are struggling with transforming themselves to meet new challenges. The author of *The Prince* knew that bringing about a new order of things was difficult, but offered little concrete advice to modern day leaders on how to begin the process of organizational change. With these two books, both receiving wide acclaim in corporate America, military leaders now have a practical resource to deal with the always precarious process of orchestrating productive change.

Harvard's John Kotter has been touted as the world's foremost expert on business leadership. He holds a chair at Harvard Business School, where he has been on the faculty since 1972. He has authored five other books on strategic leadership and organizational effectiveness—all of which were bestsellers. His published articles in the *Har-*
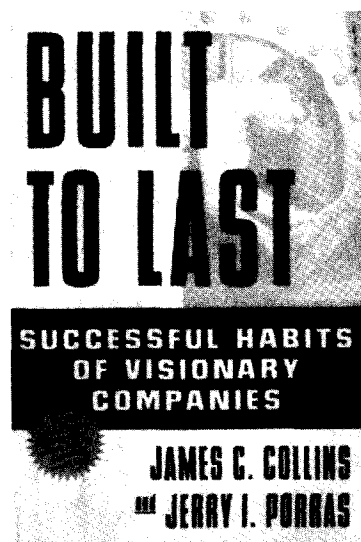
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vard Business Review are considered seminal, and this current book is an extension of one such piece. In addition to his professional duties, Dr. Kotter is a leading management consultant and frequent public speaker.

Kotter opens with the obvious warning that "The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades." Despite this apt indicator, many organizations have failed in the past at reorganizing, reengineering, restructuring, and renewing. Kotter estimates that 80 percent of all change projects have failed. While some companies have made noted successes, far too many stumble along the way, seemingly ensnared by barriers, resistance, and outright sabotage.

Professor Kotter identifies the common errors of these organizations. Generally, they permitted too much complacency, failed to create a powerful coalition of supporters, underestimated the power of vision, significantly undercommunicated their vision and rationale behind it, failed to create short term "wins," and, finally, declared victory too soon. To overcome these common pitfalls, he offers an eight step process based on his research and wide ranging business experience.

The first step is to recognize the enormity of the task at hand and generate the sense of urgency needed to overcome institutional inertia and complacency. The sources of complacency are legion; success in the past, no clear threats, and lack of performance feedback. Clearly, the post-Cold War military faces several of these same challenges. Without a visible competitor, organizational leaders must generate competitive benchmarks and conduct a net assessment. The second step involves creating a strong coalition of leaders with credibility and management

experience. Change cannot be forced upon an institution by one individual, no matter how wise or powerful. A "monarch-like CEO" is the last sort to create a successful coalition and thus, rarely do strong charismatic leaders generate lasting change in major business organizations.

The third and fourth steps involve the generation of a clear end state or vision, and the extensive communication of that vision and the strategy designed to achieve it via every possible communications vehicle possible. Everyone in the organization has to grasp, and accept, where the vision is going to move them to. Without extensive communication and constant reinforcement, there is no "buy in" and little chance of success.

The next step involves empowering broad based action. This includes encouraging nontraditional behaviors, experiments, and entrepreneurial activity consistent with the corporate vision. It also involves changing all the institutional systems, communication channels, hierarchical layers, reporting procedures and personnel systems that are not consistent with the desired vision. Many change agents advocate risk taking, but their organizations measure and reward cautious behavior rather than entrepreneurial initiative in their performance appraisal systems.

The sixth stage is the generation of short-term wins, small steps towards the end state that are then widely publicized. The personnel responsible for such wins are visibly recognized for their performance. The leaders of the company continually communicate how the new changes are responsible for these early successes to lock them in, build credibility, and create momentum.

The next to last step is to consolidate the gains achieved to date, through the credibility garnered up to this point, and to continue to raise the stakes and goals with new projects consistent with the overall strategy. Anchoring the new strategy in an organization's culture is the final step. The aim of this step is to ensure that the capabilities and behaviors sought by the new

Kotter's 8 Steps	Lupfer's Dynamics of Doctrine
1. Establishing a sense of urgency	Perception of a need for change
2. Creating a guiding coalition	Solicitation of ideas
3. Developing a vision and strategy	Definition of the change
4. Communicating the change vision	Dissemination of the change
5. Empowering broad-based action	Enforcement
6. Generating short-term wins	
7. Consolidating gains and producing more change	Modification of organizations and equipment, and thorough training
	Evaluation
8. Anchoring new approaches in the culture	Subsequent refinement

Figure 1

vision develop deep roots into the daily activities and culture of the organization.

Many readers might doubt the transferability of corporate experience to military organizations. However, in preparing this review, we have found a lot of commonality between this proposal and the process of tactical and doctrinal change employed by the Germans during World War I. Figure 1 above contrasts Kotter's approach with that identified by Timothy Lupfer in *The Dynamics of Doctrine*. Any inconsistencies or differences that appear in the figure result more from Lupfer's characterization of German pioneer units and small scale tests as "enforcement" rather than the experiments and "small wins" that they were. If one were to compare which model the Marine Corps is following today, an objective observer would have to conclude the Corps' senior leadership has taken a page from Kotter's design.

Leading Change forced us to ask a number of questions about the Marine Corps' latest efforts to institutionalize innovation to which satisfactory answers were problematic at best. How broad is the current coalition of support for the Sea Dragon process? How deep is the sense of urgency today about the need for change? Are many Marines complacent about current capabilities and their extrapolation into the 21st century? Are we gaining any credibility or momentum

from "small wins" such as HUNTER WARRIOR? To what degree does the average Marine in the Fleet Marine Force feel empowered to offer ideas and contributions?

In contrast to *Leading Change*, which addresses how to implement a single major change, *Built To Last* deals with the construction and maintenance of organizations that are adaptive over the long haul. This appears to be extremely relevant to what the Commandant articulated in his Planning Guidance when he called for the Corps to become a "learning organization." The conclusions in *Built To Last* are based on a 6-year-long study effort by two professors with practical experience in the business world. They have identified 18 "visionary" companies that represent the best of the class in their respective industries. The authors, James Collins and Jerry Porras, are both professors at Stanford University, and have previously held positions at McKinsey & Company, Hewlett-Packard, General Electric, and Lockheed.

The companies they identified are well known (Wal-Mart, Disney, 3M, GE, P&G, and Sony among them). What separates these companies from successful comparison companies is their longevity and high performance over several decades. The average company on their list is 90 years old. The top companies were selected based on stock performances that outperform the market 15 times over, and

beat their competitors by a factor of 6.

What makes the truly exceptional companies different from other companies? Not all of these companies have always been successful. Ford, IBM and Sony have had their setbacks, but all have had a remarkable degree of resiliency over a long amount of time. To answer the question, and determine the successful habits of such visionary companies, the authors trash a number of myths.

One such myth is that great and charismatic, visionary leaders and flowery vision statements are synonymous with adaptive companies. In fact, the authors are more than skeptical about the "great man" theory of innovation, finding them to be more of an impediment than an aid to visionary companies. Such organizations must be able to continue to do the right things almost regardless of who happens to occupy the grand suite in the corner office. The authors pose an interesting anecdotal comparison between leaders who are "time tellers" and those who are clockbuilders. The visionary organizations are the product of leaders whose greatest product was the organization and the processes they built, not a singular concept or product. The organization does not need someone to "tell time"—the time to innovate or implement a change. Each organization must be designed like a perpetually tuned clock capable of inherently determining when and how to change by itself after a great leader (Walt Disney or Henry Ford) departs.

Likewise, the authors disparage the idea that all the companies share a common subset of "correct" core values. While each company had a cult-like set of values and an enduring set of what Marines would recognize as core values, there was no consistent, common set of beliefs. Nor was success the product of a brilliant and highly complex strategic planning process. Many companies were simply willing to invest in research, developmental projects, and experiments. Quite simply, many were willing to "try a lot of stuff, and keep what works."

At the same time, these companies were not simply in a state of constant change. While they did embrace persistence, experimentation, and a tolerance for failure, they also demonstrated a paradoxical interest in maintaining their core values and ideology. This tension between the drive for progress and experimentation and the need to preserve a cherished set of basic beliefs existed in all the adaptive organizations. What distinguishes them from their competitors is the ability to distinguish between core values (combined arms, every Marine a rifleman, expeditionary mindset) and how those values are practiced (squad size, MEU(SOC), the six functions of Marine aviation). The successful organizations are willing to change anything, except their basic ideology. They maintain a fierce allegiance to the company and its core values, but are willing to relentlessly stimulate ideas, change, and seek constant improvement in how the values are achieved. These companies are not willing to accept tradeoffs between today's operating problems and future readiness. They reject the "tyranny of the Or" as the authors call it, and insist on the "Genius of the And." They seek to excel at both.

Furthermore, the core values of the adaptive companies include a drive for progress that is never satisfied with the status quo, even when it is working well ahead of the current competition. Like their core ideology or culture, the drive for progress is an internal urge. Change is self-induced from constant self-criticism. As Collins and Porras put it, "In a visionary company, the drive to go further, to do better, to create new possibilities needs no external justification." In this way, the adaptive organizations are able to avoid what the management guru Peter Drucker calls a deadly sin—"slaughtering tomorrow's opportunity on the altar of yesterday."

The implications of *Built To Last* for the Marine Corps are consistent with those steps the Corps' senior leadership identified and established during the Vision 21 project and as codified in the Commandant's Planning Guidance. The Corps' senior leadership has sought to explore architectural changes to the institution via the Marine Corps Warfighting Lab. Clearly, the Sea Dragon process is an attempt to "build a clock" rather than tell the Corps "what time it is." It is the process itself that is critical, a vehicle for self-induced self-criticism and exploration. At the same time, our leadership has sought to preserve the core belief system that has made the Marine Corps the great institution it is while simultaneously stimulating progress on a broad front. We have, in short, embraced the "Genius of the And."

Writing almost 500 years ago, Machiavelli wrote to future princes, generals and CEOs about the difficulty of change. Had he the opportunity to read these two penetrating analyses, he might not have been so pessimistic. They are both lucid, insightful, and extremely relevant to today's operational challenges throughout the Department of Defense. Anyone trying to master the art of command would do well to study them, for their insights and conclusions debunk many commonly held myths and misperceptions. It would be difficult to find more comprehensive guides for princes or "clockbuilders" on how to lead in times of great change.

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