

○ Your Job Is Change

*When change programs are doomed before they start ... When old leaders are stumped by new challengers ...
When change itself is changing ...*

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The Web changes everything — including change. And it's not just the Web. Digital technologies, wireless technologies, the Human Genome Project, complexity theory, and the emergence of new science have all changed how we think about change: why change has to happen in companies, how change happens, and, most important, who makes change happen. Power has shifted from inside to outside, from corporate planners to aggressive buyers. Now all customers, all clients, all investors, have a huge array of choices — and can switch to something better instantly.

○ Change today happens suddenly, unexpectedly, unpredictably. It occurs in companies the way that we see it occur in biological systems or in technological breakthroughs: Change is sudden, nonlinear, and constant. Its amplitude and direction can't be forecast. Killer apps can come from anywhere; new competitors are lurking everywhere. Markets emerge, flourish, inspire imitators, breed competitors, and disappear seemingly overnight. Brands, which once took years to establish and which, once established, seemed unassailable, now burst on the scene like a new strain of virus, finding competitive spaces and market niches that were previously invisible. Internet buzz can make a product overnight — or break it. There is more choice than ever, more challenge than ever — and more change than ever. As a result, products and markets are continuously morphing, so organizations that want to prosper over the long term need to practice the art of continuous change.

In this environment of constant change, companies are known both for the products that they create and for the speed and agility with which they move to create them. A communication device becomes a means of finding a great buy on a car over the Web. It becomes a financial instrument to buy a car. It becomes an interactive tool enabling a customer to design a car from scratch. “Company” no longer refers to a fixed set of assets and employees operating with a set strategy and in a defined market. A company is a living organism competing, collaborating, and cocreating in a network of other companies. It is moving and morphing into different revenue streams where it can add value, extract profits — and change the rules of competition in entire industries.

○ Companies that can't change in this new environment can't

play in this new economy. Companies that can't change the way that they think about change won't be able to change the way that they compete. And hiring change agents, who used to carry the banner for change inside large companies, is no longer the right way to think about or to practice change.

Change today demands the change insurgent.

The Job of the Change Insurgent

The old change agent is as much a thing of the past as the old environment for change is. The old change agent could help a company do things faster, cheaper, better. He could try to push the company toward a linear improvement in its performance — cutting costs, questioning bad practices, applying new technology to an old task, inching the company closer to its customers. But the mind-set for change — as well as the process for change — was limited, mechanical, point-to-point.

The change insurgent operates with a different mandate and a different mind-set.

Rather than coming up with better products, the change insurgent continually invents better organizations. For the change insurgent, doing “it” faster, cheaper, and better is no longer the goal — because “it” keeps changing. As a result, the change insurgent focuses less on specific products or specific markets, and more on organizational readiness. The whole organization has to scan technologies for possible applications, scan markets for possible needs, scan all other organizations for newly emerging technologies or markets — and then move like lightning.

Rather than aiming for growth, the change insurgent aims for dexterity. In the 1990s, the Web gave companies a new mandate: Stop cutting costs, and start growing revenues. In the 2000s, the next phase of the Web is giving companies another mandate: Get more disciplined about growth and more focused on adaptation. It's no longer enough just to grow. The job of the change insurgent is to focus companies on their ability to maneuver and to change direction.

Rather than just cutting costs, the change insurgent has to

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explode the organization and put it on the Web. The change insurgent's job is to turn an old-line company into an online company. And in the course of making that change, the change insurgent has an opportunity to change the larger context within which the company operates. Rather than keeping operations in-house, the insurgent relies on B2B Web-based auctions and partnerships. Instead of paying suppliers a fixed price, the insurgent gives them equity. In place of fixed payrolls, the insurgent relies on performance-based pay, stock options, project teams, and contract workers.

Rather than working from the top down, the change insurgent works from wherever he is. Many change agents used to depend on title, authority, or official sanction to undertake their change programs. Change insurgency doesn't depend on formal rank; it depends on great ideas, powerful visions, and daring examples. There's no way that the people at the top can know enough about technology, markets, or the potential of people in and around the organization to be the major instigators of change. There's no way that change can be planned as a formal "program." The job of the people with the most formal authority, the "chiefs" — chief executive officer, chief operating officer, chief financial officer — is to create an environment in which change insurgency can flourish.

The 10 Rules of the Change Insurgent

In a time of constant change, one thing hasn't changed: Organizations are still resistant to change. The change agent of the old economy worked in an environment where incremental change was all that was needed — and all that was tolerated. He counted it a victory if he could move the organization toward better products in a slow and steady fashion. Today, change has changed — the speed, the pace, the type, the purpose. The balance has shifted. The change insurgent has to keep altering the organization's fundamental form, focusing on its capacity to change constantly.

Here are 10 important rules for the change insurgent.

1. Manage the blood supply.

It's a simple fact of competitive life: Every company constantly needs new ideas, new perspectives, new ways of thinking about its products, its services, and its customers. And that means that every company needs a constant infusion of new blood. In an economy that's all about the intersection of talent and ideas, change insurgents have taken to managing turbulence — monitoring the flow of new people into a team or a department to produce a creative tension between the old hands who know the ropes and the new hires who are there to disturb the status quo.

Create too much turbulence, and the organization loses the capacity to get things done. Knowledge, skills, and relationships are sacrificed in the name of creative chaos. But create too little turbulence, and people stagnate. They fall into comfortable routines. Or worse, they get head-hunted away to more vibrant organizations, or they give up competing, since they no longer feel like part of the action. Managing the blood supply and monitoring the turbulence are critical skills for keeping an organization vibrant, involved, and alert.

Raymond J. Lane, the former president and COO of Oracle — and the "behind the scenes guy" who is credited with actually running the company and building it into what it is today — was a master of this first rule of change insurgency. He left Oracle in July (opinions differ as to why he quit, though the company line is that he'd been planning a change for some time). But while he was there, he finessed the talent transfusion, balancing new blood and old blood almost perfectly. He honed his crew, adding here and taking away there, so that Oracle was able to meet new challenges from the outside even as it stretched and challenged itself internally.

When Lane joined Oracle in 1992, he faced a homegrown management team that had been doing things the same way since the company's founding, 15 years earlier. Growing the company by stretching beyond comfort zones was something that none of the inbred group had ever imagined. "Every day, the people here were running something bigger than they'd ever run before," says Lane, 53. "They knew what it was like to operate as a \$1 billion company. We needed people who knew how to operate as a \$10 billion company."

Lane moved quickly to bring in new people from old companies — Booz-Allen & Hamilton, IBM, McKinsey & Co. — talented operators who could take Oracle to the next step. By the time Lane left Oracle, only one person who reported to him predated him at the company. Harsh? Probably. Necessary? Absolutely. These were moves that Lane had to make as a change insurgent to promote first Oracle's survival, then its growth. "You think that you're doing the right things all the time," Lane says. "But if you don't ask anybody and you don't have any critics, guess what? In this business, you just don't know when you're drinking your own bathwater."

But bringing in new talent is only the first task of a change insurgent. The second task is to make sure that the new blood has a better-than-fair chance to succeed. As Lane explains it, there's a period of time, after someone joins an organization, when the jury's out on whether that person will make it. Existing employees are understandably skeptical, and sometimes even defensive, when a new person joins the team, and they can make the adjustment period easy or hard at their

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whim. Lane knew that it was important to help new hires gain credibility as fast as possible, so that they'd be able to contribute as fast as possible. His approach? Give new hires projects that they could complete quickly and successfully. Give them something visible on which to prove themselves.

"You get resentment until the particular person you've brought in achieves success," Lane says. For Lane, this principle is not strictly business — it's also personal. When he joined Oracle, some of the existing staff took bets on how long he would last. But he was stepping into a situation that he knew how to handle, and, for the most part, the people there gave him the room and the support to do his job. Growth was flat in Oracle's U.S. business when Lane started. But by his third quarter with the company, it had turned a profit. Revenues had grown by about 20%. Stock had gone up 18 points. And Lane was an accepted, respected member of the team. "As soon as you perform, you're fine," he says. "All of a sudden, people were saying, 'Oh, he's real,' and I was in."

2. Find, hire, and promote people who make you — and the organization — uncomfortable.

If the job of change insurgents is to move their company out of its comfort zone, it's the duty of change insurgents to hire people who make them uncomfortable. Bringing in new blood isn't good enough — not if the new people all come from the same place and have the same attitudes. Then all you're doing is substituting one prevailing mind-set for another. Instead, change insurgents surf across different talent pools, picking the best people from different companies, backgrounds, disciplines, and generations.

The goal is to add a destabilizing element — people who will disturb the status quo and question routine practices. So if you're running a consulting firm that always taps MBAs, try bringing in a class peppered with liberal-arts majors, Webmasters, or foreign-policy experts. If every top-management meeting could adjourn without a discussion — since everyone already knows everyone else's opinion, and the outcome is a foregone conclusion — introduce some unexpected points of view. Ask your newest hires to make a presentation, and reward them for asking fresh questions. The hard truth: Most companies today are political backwaters, where yes-men and corporate kiss-ups are still the ones who get recognized and promoted. The first message of change insurgents: Those days are over. Change today means that companies need shit disturbers, not ass kissers.

"Sometimes I yearn for just one staff meeting where everyone agrees with what I have to say," says Mark Shunk, 43, president

and CEO of Cadence Network Inc., a Cincinnati-based, new-economy player that helps companies control operating costs by providing Web-enabled information on such expenses as energy and solid-waste management. "I just want one meeting where I don't get quite so much push back." But Shunk knows that if everyone agreed, the company wouldn't be nearly as dynamic: It's the self-appointed "pushers" who keep Cadence improving. "Jim Christopher, our chief technology officer, is probably our biggest pusher," Shunk says. "But that's why we hired him. Jim spent his first week with us auditing what we had been doing — not in an 'explain to me what you've done' kind of way but in a 'help me understand what we need to do' kind of way. Then he was able to assess whether he thought we were doing what we needed to do, and he could propose changes. His view is always on the future, and that's what we need."

What can keep a company from bringing in a pusher — the kind of talent who will take an organization outside its comfort zone? According to an executive who until recently was a division leader at a large retailer, one "blocker" that can screen out pushers is the human-resources department. "HR employees are so melded to the old guard that they don't adjust to the new rule book," she says. "In my case, the HR people were so locked in with the old guard that they just perpetuated the past, and that became a sticking point. I remember trying to hire Webmasters and information architects. We were creating new positions in the company, and we had found one person who was extraordinarily talented. But the HR people couldn't get over the fact that someone like that would have to be paid more than a middle manager. I explained why these people were so valuable, and the HR people told me, 'Well, first we need to do a compensation study, and then we'll get back to you — in a year.' A year! Certain company functions are bound by so many old rules that they get bogged down, and then they can't help you scale the change team."

3. Undermine or subvert "relations" people.

This leads to the next rule for change insurgents: Don't let the relations people determine the pace of change in the company. In the old economy, where stability and predictability were the orders of the day, people with "relations" in their titles proliferated. Their jobs were about one thing: preventing change — eliminating disturbances and muting turbulence.

Are customers upset, unhappy, demanding better service? Send them to the customer-relations people: They'll smooth those ruffled feathers (and eliminate the need for change). Is the company engaged in questionable practices that draw the attention of the press? That's a job for the public-relations experts: They can explain away operations that probably ought

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to be changed. Are discontented employees raising tough questions about how the company treats its own people? Send them to the folks in employee relations: They can make the malcontents quiet down. How about legislators who challenge the company's environmental record? They'll get a call from the government-relations team. And so it goes.

Whenever there's a challenge to the established order, or to the standard way of working, call in the appropriate relations people. These are the "handlers" who can calm down the pushers. Think of them as the heat shields who dampen, deflect, or moderate the demands coming from inside and outside the organization, telling the company that it has to change. In the new economy, heat shields, who think that they're the company's staunchest defenders, become the company's worst enemies — by protecting it too well from demanding customers, clients, and constituents.

The change insurgent's alternative? If you can't convince the relations people to rethink their operations, use technology to route demands around them. Email, intranets, and extranets can move information across borders, around established bottlenecks, and over chains of command — so that complaints, suggestions, and alternatives get a hearing inside the company.

That was the approach adopted by Ted Leonsis when he and a friend, Jon Ledecky, became majority owners of the Washington Capitals ice-hockey team. (Leonsis's day job is president of interactive properties at AOL.) One of Leonsis's first moves as team owner was to send a direct message to the hard-core but disaffected fans in the Capitals' ice-hockey community: No more relations people acting as intermediaries. Starting immediately, the fans could email their comments, complaints, and suggestions to him directly.

"I went online to 'chat' with fans between game periods," says Leonsis, 43. "I made my email address known. Then I made a list of 125 things that the fans told me they didn't like. And I asked them, 'If I handle these issues, can you fall in love with the team again?' " The fans said yes, and Leonsis went to work making changes, responding to the feedback and publishing the progress online.

For example, all players now have their own laptops, so they can communicate directly with fans. And the team Web site has been redesigned with chat rooms and message boards to emphasize interactivity. There are low-tech improvements as well: An army of cleaning people shows up between periods at Capitals home games to wash the glass that separates fans from the game. "The fans told me that the glass got all smudged, and they couldn't see the game," Leonsis says. "I told them that we'd take care of it. Now, when the glass cleaners show up, the fans cheer."

4. Conduct heat.

Routing around the heat shields is a defensive tactic — important as an improvement but insufficient as a strategy. The next step for change insurgents is to learn how to play offense — and that means figuring out how to conduct heat. The challenge here is to calculate exactly the right temperature and the right location, so that the rising temperature becomes an incentive for the organization to change, rather than an excuse to give up or to bail out.

With practice, change insurgents learn to move complaints, concerns, problems, and competitive threats to the right place in the organization and with the right intensity. Blasting people with a constant cascade of complaints and bad news simply demoralizes them. At the same time, it's essential that people in responsible positions not be able to deny the existence of problems and challenges that the company has to confront.

Here again, change insurgents are using technology as a heat conductor. They forward emails from unhappy customers to the people who can really do something about the complaints. Or they go out into the field and videotape real customers shopping in a store, or using the company's product or service — and then show the tape back at headquarters. And they don't show it just to one representative from a function; they show it to everyone, because different people will pick up on different things. Or they assign employees to check competitors' Web sites and to analyze what the competition is doing that outperforms their own offerings. Or they post up-to-date data on company sales, earnings, and market price for every employee to see, so that everyone is involved and no one can duck what the market is saying about how they're doing. In every case, the point is the same: Make it impossible for people inside the company to stay comfortable and to plead ignorance.

There's another way to raise the temperature inside the company: Make sure that people inside the organization talk to one another and incite one another to change. Hans Bukow, 40, founder, president, and CEO of eWork Exchange, likens that practice to being an old-time telephone operator. "You have to pull the lines out of their normal connection and plug them in somewhere else," he says. "You have to cross the lines deliberately — from one function to another and from one level to another." To help make connections that otherwise wouldn't happen, Bukow sets up regular lunches for people who wouldn't normally cross paths. For example, says Bukow: "We'll have a vice president of sales take a programmer to lunch."

Do those lunches bring about great new revelations about the business, or produce a newly motivated team? Of course not, Bukow readily admits. But over time, the lunches become part of a company-wide mind-set: People get used to sharing infor-

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mation that they otherwise wouldn't. Ideas, opinions, issues, and challenges move across boundaries. People are more likely to know one another, and, as a result, they're more likely to speak their minds. It's a small but important victory for the change insurgent.

5. Turn the company geeks and salespeople into change allies.

In the new economy, the old biblical prophecy is finally fulfilled: The first shall be last, and the last shall be first. The blockers and the resisters with fancy titles will either change or be changed. And the men and women who have usually labored in obscurity within the organization — the geeks in the labs or behind the monitors, and the salespeople in the field — will be recognized for their key contributions as change insurgents.

Why are the geeks and the salespeople critical allies of the change insurgent? And why are they incipient change insurgents themselves? Because they're the people closest to today's sources of change: rapidly morphing technology and relentlessly demanding customers. These are the people who constantly monitor new technological developments — both inside their own company and within competing companies. And they're the people who constantly talk to your customers. They know more about what's coming in their areas than anyone. They spend time with the problems, opportunities, complaints, and challenges that signal the arrival of a major competitive moment. They can become a squad of powerful truth tellers — if you can get them to tell you what they know.

The problem is, most geeks and salespeople are trained to try to do the best that they can with what they've got. Throughout their careers, few of them have gotten either the organizational support or the incentives to suggest that their opinions matter. Most have received the message that their time is best spent taking care of business, rather than thinking about ways to change the business. If you can send them a signal that their services as heat conductors are valuable and important, you may be able to enlist them as change insurgents who can keep the heat on inside the business.

One way to send that signal: Model the behavior that you want to see. One of Ray Lane's practices at Oracle was to spend his time in the field actually selling. Of course, the people Lane met with were his counterparts — top executives at the companies that Oracle was pitching to. Lane's job wasn't to close the deal; he was setting the stage for the sale. He was listening to what key customers had to say and signaling to his own salespeople how important their work was. "One thing that I do religiously," Lane says, "is spend more than half of my time with customers — being with them, selling to them, listening to

them, interacting with them." In fact, during one business quarter, Lane spent just one day in the office. The rest of the time, he was out meeting with customers.

6. Hold change resisters' hands.

Every organization has change resisters — people who are uncomfortable with change, who are threatened by it, or who would simply rather not have to deal with it. Change resisters pose a question for change insurgents: What's the best way to deal with resisters? According to Nancy Bekavac, 53, president of Scripps College, in Claremont, California, the best approach can be a gentle one. "Sometimes," she says, "you have to reaffirm what's there at the same time that you're changing things."

According to Bekavac, just like many proud, time-honored companies, Scripps is a symbol-rich kind of enterprise. When she became president in 1990, she could see that the college needed to change a great deal to remain competitive as a liberal-arts institution. But she also knew that, as the insurgent, she needed to show various constituencies — from 21-year-old students to 73-year-old professors to 50-year-old alumnae — that she understood and respected the history of the college, as well as its traditions.

"One of the first things that we did when I came to Scripps was start a matriculation ceremony," Bekavac says. "We opened these great wooden doors on the east end of the library. The first-year students walk in through the doors and sign a book, writing down their hometown and their year. And when they graduate, we have another ceremony in which they walk out through those same doors. Think of it as just one handle for dealing with change. Yes, we're going to be different from now on. For example, we're going to have computers everywhere. But we're still going to have our ceremonies. We're still going to sign in at the library with a pen on handmade paper. The biggest job that I had at Scripps was convincing people that change doesn't mean loss."

The point, says Bekavac, is to show people that you value them — and that you value what brought the organization to this point. After that, you show people that change is constant. Providing context, as much as content, is the job of the change insurgent. Russ Pillar, 35, president and CEO of the CBS Internet Group, offers a different angle on this rule. "For a lot of people," he says, "facing corporate change is like getting an email that's written all in capital letters: It's difficult to read, because nothing is differentiated. When you come into a situation that requires dramatic change, there always seems to be so much to do. But if you boil it down, you realize that there are only two or three very important things to do."

In other words, as a change insurgent, it's important to pick your battles and to set the right pace. Don't try to change everything at once. If you have the luxury of time, setting a pace that lets even change resisters find a way to fit in can produce an organization that continues to function well, even as you introduce a new mind-set and a fresh way of working. Once resisters discover that change isn't nearly as threatening as they had feared, you can quicken the pace. Sometimes, a gentle hand is the way to go.

Except, of course, when the situation requires firmer measures (in which case, see rule 7).

7. Use tough love.

There are times when you can nurse the change resisters along. There are times when you can convince them that change is inevitable. And there are times when you simply have to lay down the law: The game is changing, and they can either play within the new rules or play somewhere else.

John Urban, 58, IT support manager at Cenex Harvest States Cooperatives, one of the nation's largest farmer-owned agricultural co-ops, got tough in 1990 when the company switched over to a new computer system. "We were getting a lot of push back from our dispatchers," he says. "There was this sense that if enough of them balked, we wouldn't change the system. And we had to say, 'Look, if you won't do this, we'll find people who will.' We had to be that blunt." Urban says that the company sent a memo to all of the terminal personnel, making it absolutely clear what the new technology required. The company also set up a series of meetings between terminal personnel, tech people, and managers who were working on the new system. The message got through: Out of 55 people, only one employee failed to make the switch.

The most hard-core resisters are often found at the most successful companies — because prior successes give them an excuse for resisting, even in the face of mounting evidence that change is required. For important people doing important work in important companies, gentle suggestions to join the change insurgents won't ever be enough. Under such circumstances, you have to be prepared to fight power with power.

"You're either blessed with assets or cursed with them," says Jake Winebaum, 41, cofounder of eCompanies LLC and former chairman of Disney's Buena Vista Internet Group. At Disney, Winebaum was in charge of bringing the company — some 30 divisions, including ABC News and ESPN — onto the Internet. But it's hard to get successful people at a traditional company to embrace the Internet, because it means taking a chance — and risking showing a lack of familiarity with or

competence at the new technology game. Change resisters at Disney protested that they simply didn't see the need for the sudden transition. What they meant, Winebaum says, is that they were afraid of the technology, afraid to venture into an arena where they couldn't be in control, and afraid of a situation in which their leadership would be questioned. Small wonder that they were change resisters.

In those kinds of situations, says Winebaum, you have to rely on the highest authority that you can muster to back your agenda as a change insurgent. "If you're an insurgent, you have to strike very high in an organization, or you'll fail," Winebaum says. At Disney, the fact that he reported directly to CEO Michael Eisner — and that he had Eisner's ear and his support — was a critical factor in Winebaum's success. He was able to take his message to people in various divisions knowing that if he took a tough stand on change, Eisner would back him up.

8. New times demand new measures.

Perhaps the toughest job of the change insurgent is to change the way that the organization keeps score. It is, after all, a simple truth of business that what gets measured is what gets done. That simple truth can become the death knell of every change insurgent — if the same old metrics continue to serve as the company's measure of success. It's hard enough to create an environment for constant change; it's even harder to make the case that change is necessary and is in fact working, when all of the traditional indicators continue to determine the way that the company keeps score.

When it comes to dealing with the challenge of measurement, every smart change insurgent has to learn to play a double game. First, you have to learn how to play their game, the way that they play it. As survivors of the dotcom shakeout are rapidly learning, it's not enough to insist that the new economy change the laws of economics: You still have to be able to appreciate and play by the old rules if you want to stay in the game. Consequently, change insurgents learn to speak the language of finance and venture capital — if only to make sure that they are equipped to argue the case for change in the language of the change resisters.

The second game that you have to learn is your own game. Here, change insurgents master the art of coming up with new metrics and measures — performance indicators that reflect a new mind-set about the important new rules of the game. Are you looking to create a new sense of urgency in the organization? Try focusing on metrics that highlight speed: the time that it takes to bring a new product or service to market, the time that it takes to replenish or to restock the shelves with your product, the time that it takes to fill a customer order. Perhaps your change agenda focuses on the customer experience. Try

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creating metrics for every contact that a customer has with the company: the percentage of orders that are handled perfectly; the percentage of orders that, if flawed the first time, are corrected perfectly; the percentage of customers who rate their experience as good or excellent. Or perhaps the change agenda is all about your company's performance in the talent wars. Again, new metrics can buttress your argument that there are other measures besides return on investment or return on equity that the company needs to pay attention to — for example, offers accepted by new recruits, employee retention among new recruits, new recruits headhunted away from key competitors, and so on.

The issue came up recently at a big high-tech company, where a group of software developers asked me to brainstorm with them: How could they convince the company's chief financial officer that he was about to make a mistake because he was using the wrong metric? He thought that it would be cheaper to buy a particular piece of software off-the-shelf from another company than it would be to produce it in-house. In terms of immediate outlays, he was right. But the in-house developers saw in the decision a larger question: whether to make an investment in their experience. And they felt that making that investment was critical to the company's ability to innovate in the future. "If we don't build our own version, we're out of the race, and that means that we're dead in three to five years," they told me.

So the developers and I designed a new metric that they, as change insurgents, could use with the CFO — one that identified critical paths of innovation for the company and then measured the value of human-capital investments in those paths. The new metric didn't substitute entirely for the CFO's own "make or buy" calculation. But it did add a new dimension to it. The best part: It changed the debate inside the company. In the end, the engineers lost part of the battle but won the war. While the company bought some of the software from outside vendors, it is now focusing on building capacity in critical paths — and is continuously reevaluating what those paths are.

As a change insurgent, not only do you have to come up with your own agenda for change; you also have to create a compelling scorecard to demonstrate your performance, and, ultimately, the way that your performance contributes to the company's overall success. Being able to speak two languages with two sets of measures — theirs and yours — is the first step toward changing the way that the game is both played and scored.

9. Just do it.

For four years, Ina Garten worked on nuclear policy at the White House in the Office of Management and Budget. Then one day, enough was enough. "I just couldn't do it anymore," says Garten, 52. "I hated that I worked on something for four years without

seeing anything happen." Garten applied her energy and intelligence to a project that's about as far from nuclear policy as she could find: Today, she's the owner of Barefoot Contessa, a specialty-foods store in East Hampton, New York, and author of a popular cookbook called *The Barefoot Contessa Cookbook* (Clarkson Potter, 1999). Whenever she wants to try a new merchandising-layout strategy, Garten walks into her store and moves things around — no hesitation, no deliberation, no focus groups, and no public-opinion polls.

"If I want to move the cheese, I move the cheese!" she says. "I find out quickly enough if the move was right or wrong. And if it was wrong, I change things again." Whether the enterprise is a specialty-foods store or a global retailer, change insurgents share a common attribute: They don't wait for permission. They don't ask for resources. They don't try to build consensus. They make a decision, see how it plays out, and either reinforce it or change it. Change insurgents thrive on decisions: Make an informed choice, implement the decision, read the feedback — and repeat the cycle. "Here, I can make a decision in the morning, implement it in the afternoon, and know if it was a good decision by the end of the day," Garten says. "When you think about it, that's the kind of environment that encourages change. It's what change should be about. If you get feedback quickly, you're encouraged to make more changes."

At Cadence, Mark Shunk takes this rule to heart. "A few months ago, we realized that the organizational framework that had served us for the prior 9 or 10 months was starting to bind our abilities as we grew," he says. "I woke up one morning and decided that we needed to move our director of operations out of his role and onto a special project. He was leading 35 people at the time, and I thought, 'There are two approaches to this: I can redraw the organizational structure by myself, or the management team can do it together.' I went with the 'we.' And over the course of about three hours, the management team reorganized our entire organization. People were saying things like, 'I can take on this functional role, and I'll take these 5 people and move them over to that organization.' We walked out of the room with everybody thumbs-up on a new organizational structure. We put it into PowerPoint slides and presented it to the rest of the company within 24 hours." The new economy thrives on speed and implementation. The job of the change insurgent is to alter the speed and comfort level of the organization. And the best way to do that is just to do it.

10. When you've got to go, you've got to go.

Change insurgents come to the job with a clear set of understandings — both about themselves and about the work. They know that by prodding the company outside its comfort zone, they are playing a high-risk, high-reward game. If they succeed, the company thrives, and they earn both personal credit and the chance to stay in the game. If they fail, the company may falter, and they risk losing personal standing. But sometimes, almost perversely, even if they succeed, they end up losing: They expend so much energy in the process that they begin to question the value of the effort, or they burn so many bridges internally that it becomes clear that they're no longer welcome, or effective. Or, sometimes, they leverage their way to a better opportunity either on their own or with an organization that appreciates their approach to change. The final job of the change insurgent is to know when it's time to go.

Nick Gould, 33, is CEO of Catalyst Group Inc., a New York-based consulting firm that helps other companies bring about change by focusing more on customers and aligning the organization behind that focus. Gould founded Catalyst in 1998, but until this past May, he was VP of Internet strategy and business development at Scholastic Inc., which is now a Catalyst client. Gould has nothing but good things to say about his time at Scholastic. But ultimately, he found that he could be more helpful to the company — and more focused on his own mission — from the outside than he could from the inside.

“If you want to be a successful insurgent, you have to build your own sandbox,” he says. “You have to find people to play with who can relate to your mission. And then you have to cluster together — to foster a sense of mission for your little group — and try to grow from that core. Sometimes, you can do that from within an organization. Sometimes, there are enough people who want to change with you. But sometimes, you have to build a wall between your group and the rest of the company, until you get big enough and have enough strength to hold your own and to impress the rest of the organization with your work.

“At Scholastic, I realized eventually that the best way for me to create that dynamic was to be outside the organization,” Gould continues. “That way, I wasn't bound by existing rules or politics. I really believe in what the company is trying to accomplish. But I could contribute more effectively — and I could have more fun — working as a consultant to the company, rather than as an employee of the company.” Gould was lucky, but — like most change insurgents — he also made his own luck.

The most undeniable truth of the new economy is that there is a surplus of exciting, challenging, and worthwhile work to be done — and a deficit of change insurgents to do it. If you're a

smart, hardworking, talented change insurgent, and your company can't change, won't change, or doesn't even recognize the need to change, you may simply be in the wrong place — at the right time. Look for a company that genuinely appreciates the need for constant change and challenge. Or launch your own company — and find other change insurgents who will run with you.

Business is constantly changing. Competition is constantly changing. Technology is constantly changing. Face it: There's no better time to be a change insurgent.

Robert B. Reich (reich@brandeis.edu) is an author, a professor, a former labor secretary, and a change insurgent. His new book, *The Future of Success* (Alfred A. Knopf), will be out in January.

Sidebar: How to Detect Change Resisters: It's in Their Talk

It's as much a law of work as it is a law of physics: For every action, there's an equal and opposite reaction. Change insurgents are bound to evoke their opposite: change resisters. How can you tell who's a change resister and who's not? Listen to what people say.

“That seems risky.” Of course it's risky. The question is whether the risk is worth it, given the chance that it might work — and also the inherent risk of not changing.

“Let's go back to the basics.” What basics? Mass production? Command-and-control organizations? The idea that “basics” exist is usually wrong, because the world has changed profoundly since the time when there was one right way to do everything.

“It worked before.” Past success is the enemy of change — especially when it's offered as a safe alternative to blazing a new trail.

“We're fine just the way we are.” Maybe — but it's unlikely that you'll stay fine unless you change. Success breeds complacency.

“There's no threat.” There's always a threat, there are always dangers — and if they're not “out there,” they're “in here”: Internal threats are often the most destructive.

“That's not in our core competence.” Too bad. You'd better learn. Any organization that lets itself be bound by its old competencies is building its own coffin.

“The numbers don't work.” Old models are often irrelevant to the new economy. Pay attention to cash flow, but

FC:LEARNING

○ don't let the "green eyeshades" prevent change from happening.

"It's a slippery slope. Once we start down that road, there's no stopping place." The real message: I'm not in control anymore! That part is true: Customers are in control. Old-fashioned control freaks are not in control. Anything that's not working can be ended immediately. What can't be stopped are successes.

"There will be unforeseen consequences." Naturally there will be, because the new economy is nothing but unforeseen consequences — which is why constant change is necessary.

Sidebar: You Can Be a Change Insurgent

In the lexicon of job titles of the future, being a "change insurgent" is something that anyone can claim. In fact, "change insurgent" is the kind of title that you can add to your existing title, like an abbreviation for an honorary degree: "vice president, marketing, CI." Here's how you can qualify.

You don't have to be at the top of the organization.

○ In the old economy, leadership was another way of saying "formal authority." In the new economy, power comes from knowledge and creativity — which means that change insurgents can, and should, be anywhere.

Power lies with people who know the technology.

People closest to the technology (programmers, designers, engineers) are in the best position to discover what the technology is capable of doing — what can be tweaked or altered to get a different result. Geeks are also most likely to be in the "gossip circle" about what's cooking elsewhere. The job of every change insurgent is to bring that information to bear on the company's operations.

Power lies with people who know the market.

People closest to the customers are in the best position to know what the customers want. They're in the best position to gauge competitors — and to detect the next competitor. And they're also most likely to pick up hints from companies in other industries that are dealing with the same customers.

Change insurgency can be a team sport.

○ The most effective change insurgents aren't loners, mavericks, or revolutionaries. They work the system. They enlist others.

They sell their ideas upward and outward, and they grab good ideas from others.

The best managers foster change insurgency throughout their organization.

People in positions of responsibility know that high-performing organizations are rife with change insurgents. So they reward people for their ability to sell their ideas. The more someone is imitated, the higher that person's value. Good managers also reward insurgents for finding good ideas and spreading them. Great organizations create a culture of insurgency.

Your Job is Change

EVERYTHING IS CHANGING AT LIGHTENING SPEED FOR FIRMS

today. The ubiquity of information has shifted the power from inside the firm to outside: now all customers, investors, and virtually all of your stakeholders can switch to your competitor almost instantly. There is no time for hiring a change agent to keep you up-to-date. You need a change insurgent!

In this article you will learn the 10 rules of the change insurgent and how to put these rules to work in your organizations. You will also get tips on how to identify the people in your organization who are resistant to change. Best of all, you will get instruction on how to become a change insurgent yourself.

DISCUSSION QUESTIONS:

1. We have all heard of change agents. Now Reich is describing the change insurgent. What are the differences between the two and why has there been the development of the latter?
2. You are a change insurgent, but the organization is not ready for dramatic change - even though it is necessary - what do you do?
3. Are you born a change insurgent or is it something that you can learn to become?
4. Name some companies you think have benefitted from internal change insurgents. Explain why you think they were successful.
5. In addition to short projects with assured success rates, are there other ways of helping new hires gain acceptance in a company?
6. What are some ways that you can get a company more accustomed to productive conflict? Name some examples from Reich's article.
7. Have you worked in an environment with "heat shields"? How do you find the balance between too much heat and not enough?
8. What are some other ways to break open communications across the usual organizational boundaries?

ACTION ITEM:

Classroom Curriculum:

1. Have students think about their role at work, at school, at home or in social circles - would they categorize themselves as change agents or change insurgents? Are they happy with their own categorization?
2. Create a business scene and allow students to improvise the roles as pushers, blockers, handlers, geeks, resisters and change insurgents.

Corporate Curriculum:

1. Between participants share:
 - a) the situation where people feel change insurgency is needed
 - b) the factors making change imperative
 - c) how they would go forward - identifying key stakeholders, major resisters, etc.

Other group members serve as consultants, stimulators, reality-checkers to try to aid the person in coming up with an action plan.

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