Idyllic cottage

but...
Transformation is not for the faint of heart... no matter how you look at it... and the closer we get to deep change, the scarier it feels.
Transformation leaders are:

- Value creators
- Difference makers

But above all...they are

- Game-Changers!
What are the hallmarks or distinguishing characteristics of a Game-Changing Organization?
Game-Changing Organizations...

- Stand out
- Think differently
- Beyond value creators
- Craft a “special place”
Building Game-Changing Organizations…

Where do we start?
Game-changing leaders do really well.

5 things

really well.
The Game-Changing Leader’s Job is to …

- Craft Your Organization’s Collective Ambition
- Build a Collective Leadership Capability
- Drive Innovation through Next-Gen Organizational Capabilities
- Revitalize through Continuous Learning & Development-Talent Factory
- Align Messaging with Metrics & Rewards-Promises Made/Promises Kept

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The Game-Changing Leader’s Job is to ...

#1 Purpose and The Power of Collective Ambition

Craft Your Organization’s Collective Ambition

Revitalize through Continuous Learning & Development-Talent Factory

Build a Collective Leadership Capability

Align Messaging with Metrics & Rewards-Promises Made/Promises Kept

Drive Innovation through Next-Gen Organizational Capabilities

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What Happens When Every Issue is a “Top Priority” when Transformation is the Agenda?

- Disruptive Innovation
- Connectivity and Convergence
- Digitization
- Reverse Brain Drain
- Knowledge-Based Economy
- Future of Mobility
- Shift in global economic power
- Entrepreneurship Rising
- Reputation
- Inadequate Educational Opportunities
- Security
- Smart Technology in Every Product
- Accelerating urbanization
- Climate change and resource scarcity
- Mindfulness
- Income Inequality
- Technological breakthroughs
- Climate change and resource scarcity
- Global Threats
- Health and Wellness
- Rising
- Entrepreneurship
- Disruptive Innovation
- Carbon Neutral
- Sustainability
- Unipolar to a multipolar world
- Increasing Demand for Transparency
- Knowledge-Based Economy
- Health and Wellness
- Mindfulness
- Income Inequality
- Technological breakthroughs
- Inadequate Educational Opportunities
- Security

*Megatrends as predicted by PwC, KPMG, McKinsey, Forbes, HayGroup, Frost & Sullivan

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Welcome to Your World!
Setting an Agenda for the Future
The story? Your company’s path to becoming a game-changer
Game-changing companies are...

Easier said than done!

Why is it so difficult to build these capabilities simultaneously?
Companies face embedded tensions and paradoxes when driving transformation:

- Revitalization
- Globalization
- Innovation
- Optimization
- Digitization

versus

- Normalization
- Simplification
- Regulation
- Rationalization
- Humanization
Game-changers that are...
"Performance with Purpose" vs. Corporate Social Responsibility

Indra Nooyi, CEO, PepsiCo

From the 2014 Aspen Ideas Festival
Powerful Storytellers
The Game-Changing Leader’s Job is to …

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The Game-Changing Leader’s Job

Align Messaging with Metrics & Rewards - Promises Made/ Promises Kept

Drive Innovation through Next-Gen Organizational Capabilities

#2 Collective Leadership Capability
How the hell do I tell them I haven’t a clue where we’re going?
Getting Started: Creating a Climate of High Engagement

EXERCISE—Reflect on teams, businesses, or functions you have led—were any of these experiences characterized by either “bad marriage,” “blame game,” or “big hat/no cattle” environments? What did you do to move your organization toward a climate of “mutual investment”?
Collective Leadership
The Game-Changing Leader’s Job is to …

#3 Build Next-Generation Organizational Capabilities

Craft Your Organization’s Collective Ambition

Revitalize through Continuous Learning & Development - Talent Factory

Build a Collective Leadership Capability

The Game-Changing Leader’s Job

Align Messaging with Metrics & Rewards - Promises Made/ Promises Kept

Drive Innovation through Next-Gen Organizational Capabilities

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Stand Out

Be Different

Organizational Capability:

Skills/processes that create differentiated competencies leading to competitive advantage.

Get Noticed

Generate Value

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The Game-Changing Leader’s Job—Building the Capabilities to Move from Inspiration to Implementation

Approximately 2/3 of companies say building organizational capabilities is a top priority…

<1/3 actually do it.

Why?

from McKinsey Global Survey Building organizational capabilities 2010
Why building game-changing organizations is so hard...

1. Upper level executives see and feel fewer problems with their current strategy than those at the customer interface.

2. Often, organizational culture makes it very hard for those who perceive the need for change to speak up.

3. Talk is cheap—saying it doesn’t make it so—we need to invest time and resources into building a new future.

4. Routine is comfortable. We have succeeded at creating it. Change is uncomfortable, so we find all kinds of creative approaches to resist it.
Next-Generation Capabilities

Case Example

KIA MOTORS
The Power to Surprise™
Kia Motors Corporation

- Kia founded in 1944 – steel tubing and bicycle parts
- 1957 – motorcycles…1962…trucks…1974…cars
- 1997–Asian financial crisis. Kia declares bankruptcy
- 1998–Hyundai outbids Ford for 51% of Kia
- 2005–Targets Europe and U.S. as key growth targets
- 2006–Hired Peter Schreyer (Audi’s legendary head of design) as Chief Design Officer
- 2005/6–Establishes “core future growth engines” (design, quality, safety, value, technology, fun)
- 2010–Records best-ever sales records in U.S. and Europe

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Kia Motors Corporation
Building Next-Generation Capabilities

Vision
*Rising Out of Asia*
Top 5 in the US
#5 in Europe
#1/2 in Korea
Top 5 in Latin America
Top 5 in Asia

Brand Promise

Values/Principles

Strategic/Operational Priorities

Capability gaps

Importance
Strength
Building mission critical capabilities…

…for a clear competitive advantage!
The Game-Changing Leader’s Job is to …

#4 Align Promises Made with Promises Kept

Craft Your Organization’s Collective Ambition

Revitalize through Continuous Learning & Development - Talent Factory

The Game-Changing Leader’s Job

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Align Messaging with Metrics & Rewards - Promises Made / Promises Kept

Drive Innovation through Next-Gen Organizational Capabilities

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“I want the public to think of us as ‘The Company With A Heart’. But I want you to think of us as the company that will chew you up, spit you out and smear you into the carpet if you screw up.”
What attracts a potential game-changer to your company?

* A powerful, compelling sense of Purpose

- An exciting Brand promise
- Extraordinary Opportunity—growth, perspective, rewards

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Attracting and retaining top talent

Purpose

Brand

Promises Made

Promises Kept

The Talent Compact

Culture

Opportunity

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The Power and Perils of Organizational Culture
Jumble Word Game

Try to put these words into a sentence that provides us with a coherent definition of organizational culture. Add your own words as necessary!

manifested through culture normative behaviors consequences

rewards articulated values relationship among shared beliefs
Organizational Culture may be thought of as the relationship among our shared beliefs, articulated values, and normative behaviors, as manifested through a series of reliable rewards and consequences.

or, for the scientists in the room...

\[ OC = \frac{SB + AV}{NB} \rightarrow \approx R + C \]
About Four Seasons

Undisputed leader of luxury hospitality

• 92 hotels and resorts, in 38 countries, on every continent except Antarctica
• ~38,000 employees, small corporate office
• 50 year history
• Very strong owner culture
• One business strategy

THE GOLDEN RULE
"if you treat people well, the way you would like to be treated, they will do the same"
Isadore “Issy” Sharp, Founder and Chairman, Four Seasons

• Aggressive global growth strategy
• Facing increased competition
• New types of hotels
• Changing employee base
Then came 2008…
The Four Seasons Transformation Story

- Doubling-down on their core purpose
- Recommitting to the Golden Rule
- Establishing the “Guiding Team” – respected senior level change champions
- Global Road Show – capturing information
- Created 15 strategic and operational initiatives organized under 3 bold ambitions
- Innovated – Bluewater engagement initiative – finding new ways of delivering “wow”
- 2016 – Four Seasons is back in the black, growing, named by Fortune as Best Companies to Work For – 19 years in a row.

**FOUR SEASONS HOUSEKEEPER IN HONG KONG:**
“Before BLUEWATER I would go into rooms to make sure they’re clean. Now I look for opportunities to wow.”
The Game-Changing Leader’s Job is to …

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Drive Innovation through Next-Gen Organizational Capabilities

#5 Building a World-Class Talent Factory

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Does any of this matter?

“We don’t need to waste time building a talent management process for our company... that’s what headhunters are for!”

Division President, Fortune 100 Manufacturing Company
Building a robust **Talent Factory** isn’t just good for the soul...it’s great for the business!

- Superior Productivity
- Higher Growth Rates
- More Positive Organizational Climate

* McKinsey, Egon Zehnder, Hay Group studies

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Talent Factories Share Two Characteristics

Their talent management processes have:

High Functionality:

What You Do, Do Well
High Functionality—Understanding the mission-critical aspects of the Talent Management Value Chain

#1 Attracting and sourcing talent
#2 Assessing potential & optimizing performance
#3 Rewards
#4 Creating a high-engagement culture
#5 Diversity & Inclusion
#6 Developing key talent
#7 Retaining key talent

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While Functionality is fit-for-purpose
(one size does not fit all)

The second characteristic and the secret weapon is:

**Vitality**

Vitality is universal and characterized by three hallmarks:

- Commitment
- Engagement
- Accountability
Talent Magnets
The Power of Purpose as a Talent Strategy
Paul Polman, CEO, Unilever

Excerpt from May 2014 McKinsey & Company Interview
The Hallmarks of a Game-Changing Talent Strategy

• Serves as the “glue” and the “grease” that enables your company to be Purpose-Driven; Performance Oriented; and Principles-Led…simultaneously

• Line leaders are “in deep” as Talent Champions—deeply committed; highly engaged; and thoroughly accountable.

• HR partners who are no-nonsense, highly skilled, strategically oriented doers.

• Together, these talent champions and HR partners are passionate about creating and sustaining “a special place” that sets them apart.
Game-changing companies are...

- purpose-driven
- performance-oriented
- principles-led
“An organization, to render any service so widely useful, must be large in scope as well as great in purpose.”

Henry Ford, 1925
Game-changing leaders...

- are powerful storytellers
- build a collective leadership capability
- demand disciplined decision-making while driving innovation and change
- do everything in their power to align Promises Made with Promises Kept
- are talent developers and talent magnets
Yes, transformation is complex and, indeed scary…

Taking action:
A whole new look and feel!
One final thought...
Cucumbers seem just fine…

until we taste grapes!
Thank you!