



The Compelling Journey

A story about enterprise development and entrepreneurial activity for leaders needing to act now to take and shape initiatives creating new enterprises and transforming organizations, communities and society.

By Bill McCormick

2008

The information and viewpoints expressed in this document are proprietary and confidential to Krier McCormick & Associates™. This information is provided for the purpose of considering a proprietary solution for implementation by the recipient and contains an explanation thereof. The contents are not to be reproduced in whole or in part nor disclosed to any third party without prior written consent. This document may be reproduced for the internal purposes of the recipient in so far as the said purposes comply with those specified in this notice.

About this document

Krier McCormick & Associates is a consulting firm based in Santa Fe, NM. We specialize in entrepreneurial activity, innovation, enterprise and community development, and change leadership. We work with entrepreneurial people who lead and are accountable for the development and performance of their enterprises (businesses, organizations, communities, and social initiatives) and whose enterprise have a compelling need to develop, change and grow in today's complex, volatile, low-growth environment. We advise boards, C level executives, senior teams, entrepreneurs, investors, patrons, and organizational or initiative leaders, staff, volunteers and other key stakeholders on aligning actions, mitigating risks, and defining and implementing a course of action to accomplish tangible results. Such activities require the knowledge, skill and expertise to create and sustain the creative energy needed to implement real change and to develop the resiliency to overcome and learn from the inevitable setbacks and failures.

Krier McCormick provides clients with a unique integrative perspective on enterprise development and performance improvement emphasizing entrepreneurial action, adjacent opportunities, risk readiness, governance and cognitive design as key to successful change. Our programs are tailored to your specific circumstances based on your implementation needs and priorities. We provide professional services related to the taking and shaping of initiatives to improve performance, align resources, develop capacities and capabilities, and to implement and execute growth and change strategies. Our practice focuses on information, infrastructure and culture. We have extensive experience in strategy, culture change, change implementation, technology and adoption of innovation.

Deciding to change is easy. Actually successfully changing is very difficult — *Most change initiatives fail*. In recognition of this fact, Krier McCormick & Associates / Red Tiger & Associates created *The Compelling Journey*® Program – principles, practices, methodologies and technologies, for enterprises of all types needing to change and accomplish tangible results. We will help you define and implement a course of action both pragmatic and tangible. Our entrepreneurial leadership and enterprise development innovations include opening organizational and group boundaries, changing the way leaders and people think and act so previously inconceivable opportunities can emerge.

Krier McCormick & Associates focuses on the people side of change. An enterprise's people and customers are the foundation upon which to build successful development and change programs. By consciously grasping the principles of individual and enterprise development and recognizing the pervasive nature, presence and impact of group and organizational culture, our clients are able to achieve sustainable performance improvements, to improve their chances for success with change initiatives by reducing the risk of failure, and to improve their return on investment.

This document provides you with a wealth of new practical knowledge and information about entrepreneurial action resulting in successful change. It explains Krier McCormick's emphasis on developmental principles, the people side of change implementation, the importance of addressing information, infrastructure and culture in change management, and the potential applicability of *The Compelling Journey*® Process in meeting your specific needs.

Krier McCormick & Associates ... ACTION ... with tangible results.

Table of Contents

About this document	2
Table of Contents	3
About Krier McCormick & Associates	6
About the compelling need for change	7
Table 1 – Change Risks	8
About Entrepreneurial Activity	10
The Relationship between Entrepreneurial Activity and Risk	11
Figure 2 - Adjacent Opportunities.....	11
About Entrepreneurial Action.....	11
Figure 3 – Performance Components	12
Figure 4 – Entrepreneurial Action.....	13
About Risk Readiness	13
Bad Alternatives.....	13
Bad Choices	14
Bad Execution.....	14
Risk Readiness	14
Table 5 – Risk Readiness	16
About Cognitive Design.....	17
Figure 6 – The Cognitive Design Performance Curve	18
About Culture as Performance Limiter	19
About Governance	19
Figure 7 – The Entrepreneurial Governance Model.....	21
Figure 8 – Enterprise Accountability at the Board.....	22
Figure 9 – The Community in the Entrepreneurial Governance Model.....	23
About Committed Action with Tangible Results	24
About The Compelling Journey for Enterprise Renewal.....	24
Figure 10 – The Compelling Journey Action Principles	25
The Call to Action.....	25
The Course of Action	26
Aligned Accountabilities	26
The Compelling Story	26
The Return	26
About The Compelling Journey Program	28
About our Change Leadership Programs	29
I. Change Leadership Programs.....	30
A. The Call To Action	30
B. The Compelling Journey for Enterprise Renewal	31
C. The Heroic Business Journey	31
D. Realizing the Inconceivable (Adjacent Opportunities).....	31
E. The Sustainable Model for Inconceivable Development	32
F. Team Alignment and Development	32

The Compelling Story

G. Governance and risk management.....	32
G.1 Governance, risk readiness, and risk management.....	32
G.2 Due Diligence.....	33
G.3 Implementation Audit.....	33
G.4 Board Performance, Accountability and Alignment.....	33
H. Change Implementation.....	33
II. Change Leadership Consulting.....	34
III. Assessments.....	35
A. Strategy Assessment.....	35
B. Change Readiness Assessment.....	35
C. Risk Readiness Assessment.....	36
D. Improvement and Effectiveness programs.....	36
About our Technology and Approach.....	37
I. Archetypal Patterns.....	37
II. Warp Speed Design.....	38
III. Meta System Architectures for Enterprises.....	39
IV. Cognitive Design for High Impact Systems.....	39
V. Antinomies.....	39
About our Technology Consulting Services.....	41
About the foundations of our work.....	42
About Entrepreneurs, Entrepreneurship and Entrepreneurial Activity.....	42
About Development Models and Thinking Developmentally.....	43
About Strategic Models.....	43
About Enterprise Coherence and Conflict.....	44
About Sustaining Change Efforts.....	45
Figure 11 – The Performance Improvement Pyramid.....	46
About Preparing the Ground for Change.....	46
Figure 12 – Change Readiness and Capabilities Assessment.....	47
About <i>The Compelling Journey</i> Value Proposition.....	47
About the Value and Risks of Change.....	48
Figure 13 – The Value Proposition.....	48
Figure 14 – Change Readiness Assessment.....	49
About Adopting and Measuring the Pace of Change.....	49
About Alignment for Change.....	50
Figure 15 – Alignment for change.....	51
Figure 16 – The Key Elements for Change Success.....	51
About The Compelling Story.....	53
About the Fundamental Dynamics of Change.....	55
About Meeting Enterprise Change Requirements.....	55
About Our Change Leadership Practice.....	56
Figure 18 – <i>The Compelling Journey</i> Process.....	57
About <i>The Compelling Journey</i> Process.....	58
Figure 19 – <i>The Compelling Journey Methodology</i>	60
About <i>The Compelling Journey for Enterprise Renewal</i>	60
Afterword.....	61

The Compelling Story

Acknowledgements	62
About customer testimonials and comments in the business literature.....	63
Biographies	65
Janet E. Krier.....	65
Bill McCormick	65
Craig DeForest	66
Jim Johnson.....	66
J. Marshall Knight, Ph.D.	66
Ron Schultz.....	67
Glossary.....	68
Exhibit A – Change Implementation Process.....	73
Exhibit B – The Compelling Journey Process.....	74

The Compelling Story

About Krier McCormick & Associates

Krier McCormick & Associates is a consulting firm specializing in entrepreneurial activity, innovation, enterprise and community development, and change leadership. We bring to our work expertise in strategy, culture change, technology change, change implementation, change management and risk readiness. In today's business environments deciding to change is easy, sustaining change and performance improvements is not as simple. There is a wealth of evidence that change initiatives fail more than they succeed.

According to Senn-Delaney Leadership, the world's foremost leadership and development consultancy *'More change initiatives, from strategy to I.T. systems to merger to reengineering, fail as a result of cultural issues than any other single factor.'*ⁱ

The culture of an enterprise, initiative group, organization or institution consists of the values, habits, customs, principles, models, rules and behaviors shaping the way its people act, feel, and think. Culture shapes the way they meet developmental challenges, competitive threats and crises, and how they identify opportunities they want to pursue or not. Culture shapes the manner in which they treat people, customers, suppliers, alliance partners, other constituencies and stakeholders. And, how they define and fulfill the values, mission and purpose of the enterprise.

*"A corporation's culture can be its greatest strength when it is consistent with its strategies. But a culture that prevents a company from meeting competitive threats, or from adapting to changing economic or social environments, can lead to the company's stagnation and ultimate demise."*ⁱⁱ

What is the key to sustainable success? Taking a developmental approach to integrating the people side of change with changes in culture, infrastructure and information flows. Organizations that ignore the reality of culture and its potential impact on change initiatives do so at their own peril. They are the least likely to achieve sustainable performance improvements.

Krier McCormick & Associates views information, infrastructure and culture as keys to successful change and sustainable performance improvements. Richard Foster of McKinsey & Company states that in effect, in knowing the impact of culture, knowing the limits of our available approaches, we can go around them. Finding ways around these limits and changing the way people think, feel and behave not only provides better solutions to known problems, but also opens up unanticipated opportunities on an unimaginable scale.ⁱⁱⁱ

The Compelling Story

At Krier McCormick & Associates, we provide our client's with a unique integrated capability to change successfully and to realize sustainable performance improvements by utilizing developmental principles and focusing on the people side of change implementation. We work closely with our clients to bring about changes in their information, infrastructure and culture to sustain success. We greatly improve our client's chances for success by reducing their risk of failure, energizing their initiatives, focusing their efforts and energies on success, and increasing their return on investment. The poet Goethe said
“... Whatever you can do, or dream you can do, do it. Boldness has genius, power and magic in it. Begin it now.” [If your organization needs to change, begin now with Krier McCormick & Associates!](#)

About the compelling need for change

Krier McCormick & Associates created *The Compelling Journey* program to provide enterprises, businesses and organizations needing to develop, grow and change with new approaches, strategies, tactics, capacities and capabilities for improved success leading and managing change. Because change initiative failure rates are so high, most organizations and businesses are unable to implement sustainable change and to fundamentally improve enterprise performance. The inability of an enterprise to successfully change leads ultimately to failure and death potentially jeopardizing its leaders, employees, customers or clients, owners, and the larger community.

The Compelling Journey programs provides enterprises with a detailed and focused course of action for successful change. Why is plotting a course of action to change so important? It provides a tangible means to maintain direction and accountability and it focuses the people on what they have to accomplish together. The single most important cause of change failure is enterprise culture rooted in individual thinking and behavior. Successful change management requires changing the way the culture, the people and the leaders of an enterprise think, feel and behave. A survey of recent business literature shown in Table 1 – Change Risks shows the grim reality.

The Compelling Story

Table 1 – Change Risks

- Only a quarter of all growth initiatives succeed^{iv}
- Three-quarters of the top business disasters of the past five years have been triggered by ill-fated expansion^v
- More than 50% of all change initiatives fail^{vi}
- More change initiatives, from strategy to I.T. systems to merger to reengineering, fail as a result of cultural issues than any other single factor.^{vii}
- More than 2/3's of all mergers and acquisitions fail to realize their expected value^{viii}
- More than 50% of all Enterprise Resource Planning (ERP) based programs fail. Of those only 58% were finished on time and under budget – executives of CRM software providers Siebel Systems and SAP report failure rates of between 60-70% and usage rates between 25-40%^{ix}
- Employee disengagement levels nationally are in the 15%-20% range with an estimated annual loss in productivity in the range of \$350 billion^x
- Employees are “disengaged passionately” – More than 40% of employees said they had negative feelings about their jobs: Nearly one-third is actively looking for other jobs.^{xi}
- The impact of a strong culture on productivity is ... as much as one or two hours of productive work per employee per day^{xii}
- Recent study shows the more successful companies achieved 68% ROI for IT investments^{xiii}
- Payoffs to IT investment occur not just in labor productivity increases but also in multifactor productivity (MFP) growth, and that the impact on MFP growth is maximized after a lag of four to seven years. ... these returns are correlated with decentralized computing architectures, suggesting the diffusion and networking of computing throughout the organization contributes substantially to the payoff.^{xiv}
- 70% of the market value of a typical US company resides in intangible assets.^{xv}
- *Fortune* 1000 companies sustained losses of more than \$45 billion from theft of confidential and proprietary information (i.e. trade secrets).^{xvi}
- Shareholders of acquired companies are the big winners, receiving on average a 20 percent premium in a friendly merger and a 35 percent premium in a hostile takeover. Shareholders of acquiring companies, on average, earned small returns that are not even statistically different from zero.^{xvii}
- More than \$70 billion is spent annually on training with little or no discernable impact on productivity or effectiveness.

The survey further shows these failures are primarily due to people and cultural issues. Can your enterprise afford to absorb or even risk losses like these?

Under the weight of these staggering figures, taking an attitude of denial, “We won’t have that problem here,” does not show a great deal of business savvy. It also makes it very apparent why knowing how to get where you want to go and how to enable your workforce and allies to move in that direction is so essential to obtaining a successful outcome.

The Compelling Story

Ask the more than 50% of organizations that have recently attempted large-scale change programs and failed, or the executives that are now looking for other work because of those failures, if properly addressing the cultural and people needs of their enterprises might have made better sense. At Krier McCormick & Associates we know it does, and we are committed to your sustainable success.

The Compelling Story

About Entrepreneurial Activity

An enterprise is a business, organization, social or community initiative or project that requires boldness and energy. An entrepreneur is the individual who calls the enterprise into being, organizing and managing its development and unfolding with significant initiative and at considerable risk. The entrepreneur's capacities and capabilities express both the potential and the limitations of the enterprise at any point in time.

At Krier McCormick & Associates, we operate on the premise that entrepreneurial activity is the key to success in enterprise development. For us, true entrepreneurial activity is only fully possible in a non-governmental enterprise. Otherwise, the potential and limitations of the initiative are bounded and circumscribed by the power, authority and interests of the government or applicable institution limiting the field of action and the freedom of the entrepreneur to act.

Individual people involved in entrepreneurial activities initiate and sustain entrepreneurial actions on behalf of the enterprise throughout the course of its life. Creating, nurturing and embodying this spirit is the ultimate entrepreneurial challenge. The personal and moral development of the entrepreneur shapes the way they obtain knowledge and acquire wisdom. These, in turn, shape the way the identity and potential of the enterprise manifest themselves. Since there are vast differences in the capacities and capabilities of individuals and enterprises, one of the fundamental leadership challenges is to meet the entrepreneurial needs of the enterprise by seeing that the proper capacities and capabilities are present when needed and the information and infrastructure required to support action are in place.

The leader's knowledge, skills, experience and judgment, imbued with imagination, intuition, and inspiration, are his or her essential tools. Leaders decide how and when to act. The fundamental entrepreneurial leadership dilemma is to effectively fulfill both the enterprise's capacity and capability needs, while anticipating and formulating responses to emerging developmental questions. All of this creative activity occurs while the leader must also tend to all of their other duties and responsibilities. In view of the complexity and challenge of this effort, it is not surprising how difficult it is for entrepreneurs to realize and sustain change leading to long-term success.

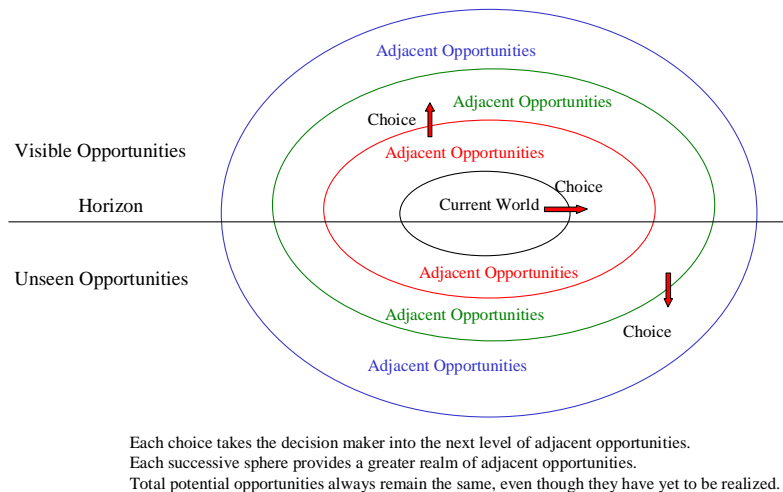
For Krier McCormick & Associates, the keys to enterprise success are forged within entrepreneurial activity, fired by individual entrepreneurial action, and supported by a culture that nurtures and cultivates the entrepreneurial spirit of the enterprise. The essence of the Compelling Journey Program lies in these principles.

The Compelling Story

The Relationship between Entrepreneurial Activity and Risk

Entrepreneurs are called to act, this is true whether they work within an existing enterprise or are trying to start one of their own. No matter the environment in which they work, they often see what others cannot. What separates the entrepreneurial spirit from those who see only “more of the same” is that they can envision the adjacent possibilities or opportunities that lay just outside the current world within which they operate and act on them (See [Figure 2 – Adjacent Opportunities](#)). These opportunities hold the greatest potential for innovation, development, growth and change. Claiming this ground can make the difference between moving forward or enterprise stagnation and death.

Figure 2 - Adjacent Opportunities



So, why isn't everyone activating this entrepreneurial energy and seeking this new world of opportunity? The answer is, that because the opportunities lie outside the current world, in unknown or uncertain territory, they generate the greatest concern about loss and risk. This makes doing more of the same feel like potentially the safest action to take, when in fact, it is a proven path to dissolution. As we will demonstrate, it is this cultural fallacy that lies at the heart of our misconceptions about action in relation to risk.

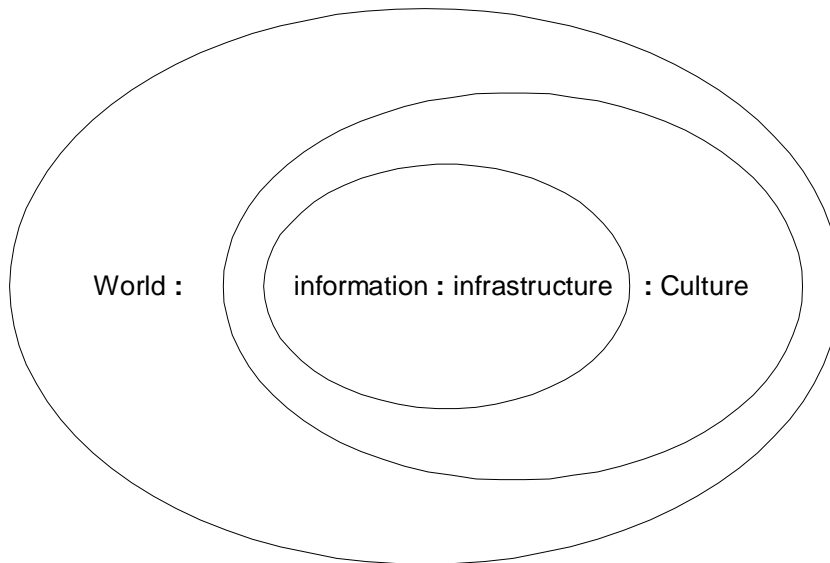
About Entrepreneurial Action

Entrepreneurial Action is about individuals identifying and meeting the compelling need of an enterprise or community. We accomplish this by actualizing adjacent opportunities while recognizing and becoming ready to meet any associated risks. Readiness to act, in turn, requires that we overcome such personal and organizational barriers as anxiety, inertia, resistance, and opposition. The good news is that in doing so, we are not forced to make any rotten compromises along the way.

The Compelling Story

The capacities, capabilities and limitations of the entrepreneur are at the core of entrepreneurial action. Entrepreneurial activity is based on the relationship between the information generated internally and externally within ourselves and our enterprises, and the infrastructure initially erected with the intention of supporting the enterprise. These are then held in relationship to the culture of the enterprise, and finally to the impact of the world within which the enterprise operates. It is the interaction of these three integrated relationships that form the fertile ground out of which innovation and risk arise and provides the basis for differentiation and a unique value proposition. (See [Figure 3–Performance Components](#)).

Figure 3 – Performance Components

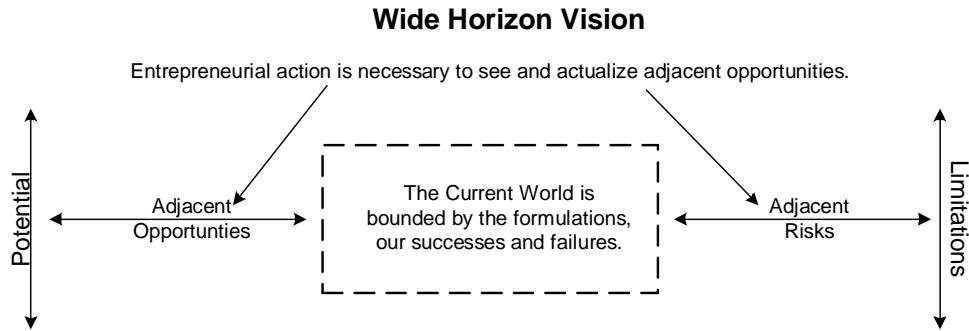


What emerges out of the interaction of these three elements is the formulation of our strategy for realizing the vision and potential of the enterprise. The process of enterprise development is, like Plato said, “one of everlasting becoming.” It follows the general form of unfolding action, which originates from the fountainhead of the enterprise as identity => potential => call to action => individual action => manifestation or actualization. This vision and strategy formulation defines the adjacent opportunities and all their inherent potentials and limitations. Why this is important to address is that our natural tendency, whenever an adjacent opportunity is actualized, is to lock within that formation all the potential and limitations of that opportunity.

If we were to look again at adjacent opportunities, risk and entrepreneurial action in relation to this distinction, adjacent opportunities would fall under the side of potential and risk in the realm of limitations. Entrepreneurial Action is influenced and actualized between these two poles (See [Figure 4 – Entrepreneurial Action](#)). Since both risk and opportunity reside within every Entrepreneurial Action, we must be prepared to address each of them in order to assure success.

The Compelling Story

Figure 4 – Entrepreneurial Action



About Risk Readiness

To more clearly understand the distinction between risk readiness and risk management, we should take a closer look at what has driven traditional risk management -- the minimization and containment of loss and exposure. The first issue is that the traditional approach doesn't necessarily look at the separate ingredients in the mix, it accepts the product as is, and works from that assumption. This is why it fails so often to protect the assets it was designed to secure. What we neglect when we look at risk in this narrow fashion are the sources of risk. We divide these sources into three categories – 1) bad alternatives, 2) bad choices, and 3) bad execution. These sources of risk are actually the products of a cognitive failure; a failure in our thinking surrounding what has to be accomplished and how to do it. In our drive to get things done quicker and more cheaply, traditional risk management accepts these failures of thinking as rotten compromises and attempts to minimize and contain their impact. (See [Table 5 – Risk Readiness](#))

We think there's a better way. We call it Risk Readiness. Being ready means that we must begin addressing risk as soon as we formulate a new opportunity so that we are aware of the limitations inherent in the formation. This requires us to have a clear awareness as to what we mean by each of our three risk categories.

Bad Alternatives

This is the home of the rotten compromise. Since we can't identify a good alternative or don't see the reality of the problems and issues we face, we are forced to manufacture poor ones in the absence of good ones. In the name of expediency and getting it done, we make trade-offs that will ultimately be the source of our undoing. Our intentions may be good, but the thinking behind the decision is flawed.

The Compelling Story

Accepting these rotten compromises is a reflection of our inability to envision reality and propensity to seek the “right” idea or engage others to discover the “right” idea when in fact there is only the adjacent possible. Facing that breakdown, we may call on what has worked in the past, without understanding that what has worked previously may not reflect the current conditions and situation. Bad alternatives are a reflection of the limitation and failure of our thinking – cognitive failures. And, as in any area, when the limitations outweigh the potential, failure is a foregone conclusion.

Bad Choices

When the alternatives before us are bad, we can only make bad choices. We think a choice *must* be made and rather than appearing to not know the right answer, or delay the decision, we are willing to proceed with the bad choice and accept the rotten compromise. Bad choices are a reflection of the limitations of our alternatives and a failure of imagination and courage to confront reality.

Bad Execution

Poorly implementing bad choices and expecting good results is a sure sign of Disconnection from reality. But bad execution can also be the downfall of good alternatives and their subsequent good choices. Bad execution is an indication of the limitations of our ability to act, to have a clearly defined call to action and course of action to follow and issues related to alignment of accountability.

How an enterprise breaks this habitual pattern of bad alternatives leading to bad execution and changes how it views risk is through the development of what we call “Wide Horizon Vision.” (See Figure 3 – Entrepreneurial Action.) What Wide Horizon Vision provides is greater access to the adjacent opportunities available to an organization and subsequently, an increase in the number and quality of alternatives from which to choose.

Our initial tendency when confronting specific business dilemmas is to focus our perspective narrowly on the problem directly before us. Just put out the fire. By narrowing the focus prematurely or due to cognitive limits, however, we limit our alternatives to the exclusion of a raft of other opportunities that lay just one step away from actualization, and which may hold the key to innovative entrepreneurial action and growth. The fire may need to burn for a while to clear out deadwood, so that new growth can take hold.

Risk Readiness

Our concern and fear of the consequences of risk and loss lead to our attempt to manage it and end up limiting innovative pursuits, often creating the opposite effect for which our management of them was designed. And if the source of risk is, as we propose, the failure of our thinking, managing it only hides and delays the failure. The answer lies not in accepting and making bad choices and rotten compromises, but in the ability to access a wider horizon of opportunities and be ready for risk if and when it surfaces.

The Compelling Story

Enterprises often manifest this failure of thinking by creating greater infrastructure than is required to successfully run its operations. The thinking is that infrastructure equals security and less risk. In fact, excessive infrastructure fixes costs and establishes performance limitations that much like arteriosclerosis can lead to illness, paralysis and death. The same is true of other decisions like paying premiums to market for acquisitions, investing large sums on bad strategic bets, and the like that fix non-competitive cost structures. When deconstructed, organizational security is simply a fear of the death or destruction of the organization. In this fashion, security is playing to lose, rather than playing to win. On the other side of the coin, what provides an enterprise with growth, generating and regenerating the living organization, is establishing the proper ratio between information and infrastructure and a culture of change to adapt them to changing circumstances.

One way to imagine this ratio is to picture how we create color in paint. To create the specific color we desire, we mix the various colors available to us, adding just the right amount of each color required -- the proper ratio of ingredients -- for our particular color. However, in differentiating our companies from one another, we are constantly striving to mix the colors available to us in new ways to create unique hues and shades.

Each business concern has its own ratio of information to infrastructure that is required so it can be the kind of distinct business it wants to be. The problems arise when the color created doesn't match the color envisioned. We haven't gotten the mix right for our business. This is further complicated when the cultural aspects of an enterprise are thrown into the recipe.

Of course, if establishing the proper ratio between information and infrastructure to facilitate a vibrant culture were as exact as blending colors at the hardware store, there would be fewer business failures and far less risk. All we can do within our organizations is assess the situation within each operation to make sure that the ratio between infrastructure and information isn't limiting the scope of entrepreneurial action required to operate the enterprise successfully. What we are doing, then, is assessing our potential risk exposure caused by this incorrect ratio, while opening our thinking to greater sources of information and subsequently a wider view of the adjacent opportunities.

Managing risk is an after-the-threat attempt to manage failure to delay organizational death. Risk readiness is identifying adjacent opportunities and surfacing risk before it arrives. We then have far more opportunities and time to address our exposure to create potential growth rather than be forced to make rotten compromises that only limit an enterprise's ability to prosper and grow.

The Compelling Story

Table 5 – Risk Readiness

<u>Example</u>	<u>Losses</u>	Risk & Strategy			Governance & Leadership		
		Bad Alternatives	Bad Choices	Bad Execution	Culture	Infrastructure	Information
Enron	Deceased	X			X		
WorldCom	Bankruptcy	X			X		X
AOL Time Warner	\$200 Billion	X			X		
Tenet	\$24 Billion		X	X	X		X
Arthur Andersen	Deceased		X	X	X		
Rhythms Netconnections	Deceased		X	X	X	X	X
Arthur Andersen / Andersen Consulting	Split Apart		X		X		
Qwest	At Risk		X	X	X	X	X
McDonalds	Troubled		X		X	X	X
United Airlines	Bankruptcy		X	X	X	X	
United Way	Troubled		X	X	X	X	

Risk can and will surface, and it often arises in unexpected and devastating ways. But we can greatly limit its impact when we can maintain a wide horizon view of the potential and limitations of the adjacent opportunities that surround us.

How we apply what we see with our wide horizon view and the adjacent opportunities that surface is through the process of Cognitive Design.

About Cognitive Design

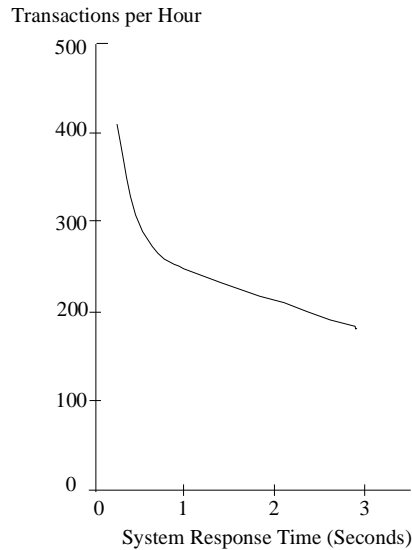
Cognitive Design means understanding the creative impact we can have on innovative development by using the whole of our human capacities and then using these capabilities more consciously as an integrating and binding force when implementing change. In doing so, we place ourselves, as thinking human beings, our knowledge about the human being, and our knowledge, skills and expertise at the center of all thoughts and actions about enterprise change and development. This places our true nature -- the way we think, make sense of what we perceive, and how we ascribe meaning to our experience -- at the center of our strategy, technology and change design. This then has a profound impact on the implementation of our infrastructure, systems, and processes.

Cognitive Design suggests there is a whole new way of thinking about how we create our systems, structures and information. It recognizes the unseen potential for performance improvement lying beyond the threshold of human cognition. These unseen potentials and attendant limitations are embedded in the relationships between information, infrastructure and culture. . What we are suggesting now is that by incorporating our ability to create infrastructures and transfer information that is more readily and efficiently comprehended by those who use it, we unlock the unseen potential that reduces the impact of cognitive limits on performance.

The power of cognitive design lies in providing instantaneous access to information at the speed we humans can cognize it and in forms more readily cognizable. Research at IBM has established the basis, in fact, for achieving simultaneous reductions in cost and improvements in productivity from adopting Cognitive Design principles.^{xviii} Figure 6 – The Cognitive Design Performance Curve, also known as the Thadani Curve, depicts the potential value curve of the improvements. When there is something that requires response and action, even delays that fall below our conscious level of integration reduce accuracy, quality, productivity, and increase costs. This creates frustration and dissatisfaction, which become aggregated and eventually cause performance problems. These phenomena, in turn, create additional costs, increase training and support costs, and impede adoption of new practices and processes. Eventually, they undermine value propositions and business models increasing the likelihood of failure to implement sustainable change.

The Compelling Story

Figure 6 – The Cognitive Design Performance Curve



The IBM research shows the applicable benefits of sub-second response time are:

- cost savings, improved individual productivity, better quality of work, and the ability to leverage resources to sustain higher volumes of activity and revenue.
- Improved employee and customer engagement, factors known to be strongly correlated with high performance.
- Improved individual productivity as all users benefit from sub-second response time. In addition, on average an inexperienced user with sub-second response time was as productive as an expert with slower response. A novices' performance became as good as the experienced professional and the productivity of the expert was dramatically enhanced.
- Cycle time compression on the order of 35%-40% was realized in complex activities with an associated 50%+ increase in productivity.
- In studies of the impact on other types of activities, productivity increases of 300%+ were observed suggesting broad applicability of the benefits on performance.

The results of these findings are of great importance within industry sectors such as health-care, financial services, retailing, and transportation. In customer focused businesses, labor is expensive, hard to find, and difficult to keep engaged and aligned. In sectors where accuracy and speed are highly important to avoid such things as: loss of life, injury, or illness, impacting individual and community health, or major financial loss due to inferior information and poor communication, cognitive design offers real possibilities for substantially improved productivity and effectiveness. Likewise, the impact of response time on performance suggests an even greater potential when we apply creativity to overcome cognitive limitations in business processes, information and infrastructure. [These are the multilevel factors referred to in the literature.]

The Compelling Story

At the heart of Cognitive Design is a creative aesthetic, the integral beauty and simplicity of design to which we as humans respond naturally and intuitively. This elegance and wholeness of design, though often ignored over cost or lack of appreciation or understanding, is what engages us at levels of which we are not conscious. The combination of sub-second information access speed and the aesthetic, as two essential elements of design, allow us to more effectively actualize the adjacent opportunities before us, and engage our own entrepreneurial activity to make choices unfettered by inappropriate risk and rotten compromises. Creating these cognitive designs requires greatness, courage, and openness to the opportunities surrounding us.

About Culture as Performance Limiter

Creating a culture to support an environment for cognitive design is not a trivial matter. Neither is a culture that understands the relationship between Entrepreneurial Action and Risk and the need for readiness and preparation. In creating our complex enterprises and constructing labyrinthine infrastructures to ostensibly support and protect our assets, we tend to ignore that which resides within those structures and systems. They are built not for human interaction, but as fortresses to protect property. Today, we even build fortresses to protect intellectual property.

In order to assure these assets are properly protected, we are required to keep operations tightly bound, an action that by its very nature limits interaction and closes down our access to adjacent opportunities. The thinking is, we have our idea, our proprietary product we know works and we're going to keep that knowledge to ourselves. That's why we're in business. Narrowing our wide horizon vision like this feels intuitively logical and safe.

Unfortunately, a secret and protective culture is one that will automatically shy away from the entrepreneurial activity and discourage the entrepreneurial actions of individuals that renews life within an enterprise. Rather than widening our focus, we become occupied with burying treasure.

The roots of commerce are to provide value to the customer, and yet we create cultures within our enterprises that because of their insularity and selfishness produce the single greatest source of risk to the enterprise. People create enterprise failure. There's no one else to blame. Knowing this, we still focus on producing greater asset protection rather than addressing the source that generates the assets in the first place, the people and the culture of the enterprise they create.

About Governance

Governance is the process of individuals exercising authority over an enterprise and how it acts and unfolds in the world. It is the responsibility of the leadership of the enterprise. Governance involves shaping the behavior, values, culture, information and infrastructure of an enterprise while providing and sustaining coherence and alignment with the identity and potential of the enterprise.

The Compelling Story

Recent history provides us with numerous and significant business failures, bankruptcies, executive and investor misconduct, and government misconduct that are ready examples of situations where governance processes were ineffective in shaping and sustaining enterprises in a constructive and positive manner. In fact, efforts over the last ten years, efforts to reform governance, particularly in large public corporations, have failed to produce meaningful change in the occurrence of governance problems, jeopardizing the viability of many enterprises. We continue to see governance reforms from the NYSE, SEC, Federal and State legislatures, and others that speak to such things as: board membership, independent directors and their duties and responsibilities on the board, changing the roles and responsibilities of the audit, nominating, compensation committees and so forth. Interestingly, none of the reforms speak either to the need to oversee enterprise development or to provide a means for Community accountability.

While the barriers to successful reform are beyond the scope of this discussion, we think it is possible to picture a potentially healthier model of governance. We envision a model based on community accountability that involves holding enterprise leaders accountable, both individually and collectively, for governance failures. A minimum starting point for accountability is a published, annual, Board self-evaluation. This self-evaluation is then combined with an assessment by independent directors, or a third party on behalf of the Board, that looks at the enterprise's performance in terms of such areas as, operations, development, entrepreneurial activity, governance and fealty to its own identity and potential, and its responsibilities to the Community.

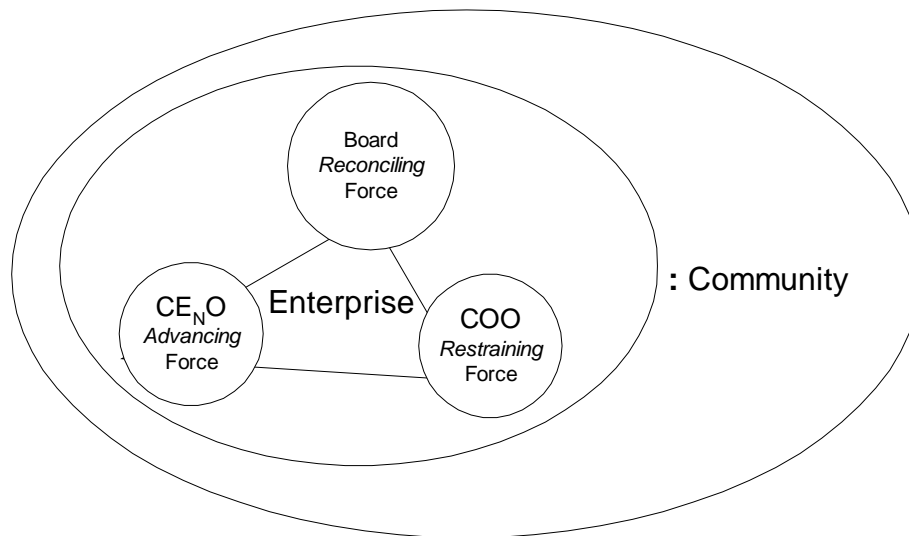
Based on our work in enterprise development, we are posing a governance model for discussion. It is based on the notion of a Community to whom the enterprise is ultimately accountable and a threefold governance structure. The Community consists of the Market, Government, and Stakeholders like, employees, investors, retirees, and the various communities of interest or affinity within the larger Community. In addition, potential associations of interest that would include groups like, producers and consumers within other emerging communities, should be involved.

The proposed threefold governance structure is based, developmentally, on the enterprise being driven by the confluence of three fundamental forces: advancing, restraining and reconciling. Each of these forces has a role in relation to the others in both the developmental stage and the needs of the enterprise. In an ideal governance arrangement, an individual is designated as responsible for the care and nurturing of one of the three developmental forces, for example: the Chair of the Board (Board Chair), the Chief Operating Officer (COO) and the Chief Entrepreneurial Officer (CE_NO). The Chief Operating Officer, representing the restraining developmental force, is, as within today's structure, responsible for the operations of the enterprise. The Chief Entrepreneurial Officer (CE_NO), replacing today's Chief Executive Officer, represents the advancing developmental force of the enterprise, embodying all entrepreneurial activity and the care and nurturing of the entrepreneurial spirit of the enterprise.

The Compelling Story

Finally the Board Chair, representing the reconciling force, is responsible for the long-term health of the entire enterprise. Over time, this involves the interaction and interrelationship between the advancing and the restraining forces, operations and entrepreneurial activity. All three positions serve at the discretion of the Board and are accountable to the Board who are, in turn, collectively and individually accountable to the Community. Figure 7 – The Entrepreneurial Governance Model depicts the three key roles in the enterprise governance process and shows the enterprise in relationship to the Community.

Figure 7 – The Entrepreneurial Governance Model

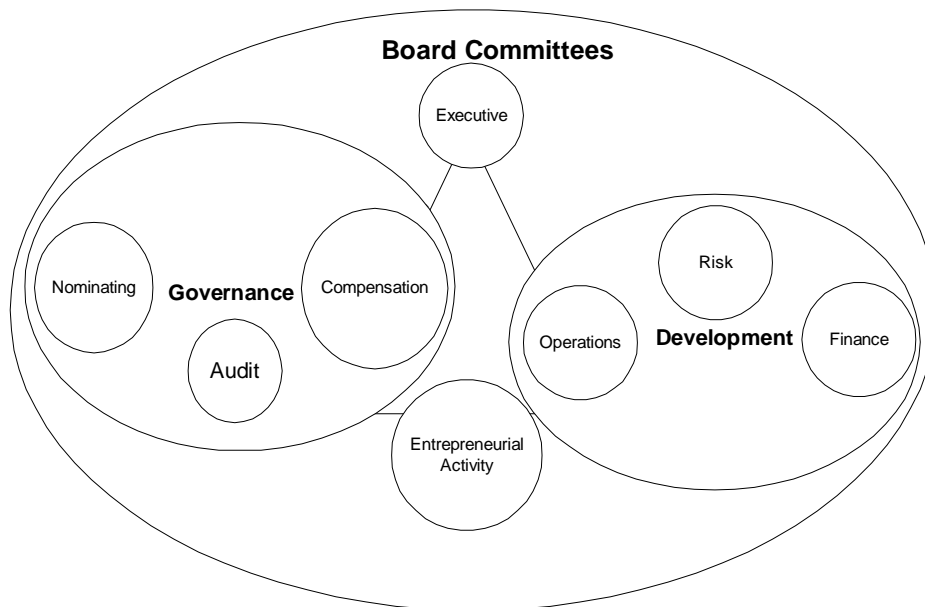


The Community consists of all current economic, government, and social constructs including the market, the 'rule of law', consumers, interest groups, political parties, and as yet to be formed groups and associations of consumers, producers, and other interest groups. The central idea is the enterprise is accountable to the Community. The manifestation of that accountability, and the details of implementation, can and will change in time. It will also vary under different circumstances that will tend to anticipate the needs of the next developmental stage, but not impede or conflict with the needs and potentials of the enterprise and Community.

The Compelling Story

Considering the definitive and broadened roles, responsibilities and accountability of the Board, we offer a model Board arrangement for discussion. The formal duties and responsibilities for each committee are discussed elsewhere in the literature. For our purposes, the governance role encompasses the audit, nominating, and compensation committees. The governance committee is responsible for all governance issues and in the final analysis for the culture and how it stands in relationship to the Community and achieving the enterprise's vision, mission, goals and objectives. The development committee's scope of activity encompasses the operating, finance and risk committees. The proposed development committee is responsible for development at all levels, including Board development in accordance with the needs of the enterprise. The responsibility for entrepreneurial activity, governance and development is directly the responsibility of the Board Executive Committee. Figure 8 – Enterprise Accountability at the Board shows the proposed core committee structure for the entrepreneurial enterprise.

Figure 8 – Enterprise Accountability at the Board

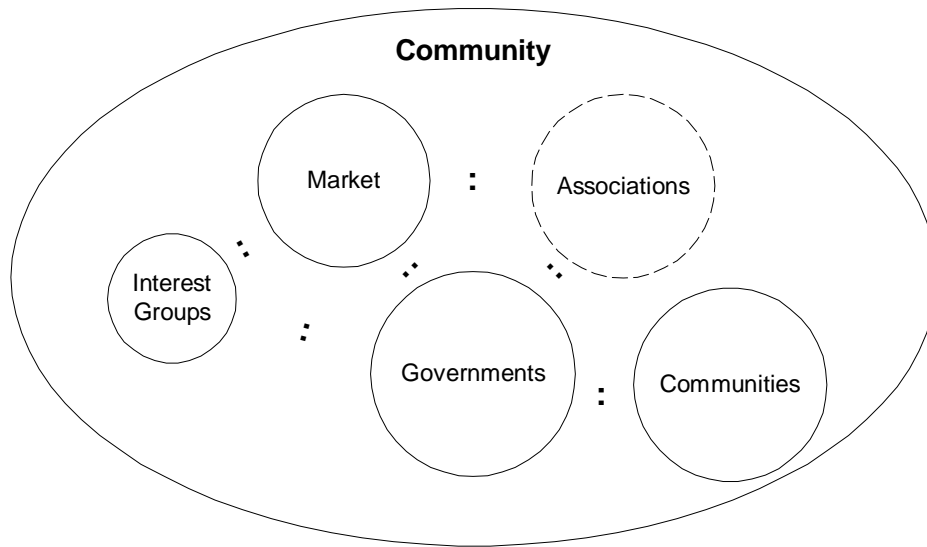


Implicit in these governance discussions is a picture of one whole Community consisting of diverse and varied communities of different types. The whole Community is coherent, and the emerging communities inherit that coherence. In fact, the presence and validation of the coherence is an important measure of the effectiveness of the overall process. This is not to say divergent and even opposing communities might not emerge and be present. It can even be argued that this inclusiveness is the only way to achieve wholeness. Yet the distinguishing point we wish to make is that the coherence of the whole is not fragmented, but rather a shadow whole emerges that is only reconcilable into a coherent whole at a higher level of synthesis. Each of the infinite emergent communities serves a legitimate need of the people for its duration and then ceases to exist. It is then subsumed again into the whole. The same is true for community created institutions. Figure 9 – The Community in the Entrepreneurial Model shows the various constituent archetypal components of the Community in relationship to one another.

The Compelling Story

This formulation permits both the unfolding and the transformation of existing Community elements that are driven by the entrepreneurial activity of individuals and groups of people. We think this formulation permits the entrepreneurial spirit to take hold and to manifest in whatever forms are effective in the Community without restraint by special interest groups and institutions with their own potentially conflicting interests.

Figure 9 – The Community in the Entrepreneurial Governance Model



In our view, the key issue to address in moving to an entrepreneurial enterprise developmental model is to overcome the limitations on entrepreneurial activity of existing governmental, economic and social structures, and to place individual accountability at the center of governance at all levels. In this regard, we pose placing the Board, and the leadership in the absence of a Board, of all enterprises in an accountability relationship with the Community. In the proposed threefold structure, the CE_NO assumes responsibility and accountability for activating the enterprise, the CEO role as such no longer exists, the COO continues responsibility for operations, and the Board Chair on behalf of the Board mediates among them with authority and accountability to the Board. The Board, in turn, is accountable to the Community via the Market, Government, and the actions of the other Community elements, by way of full public disclosure of all information, and transparency in all governance processes.

The essential governance challenge then is to create a culture filled with the entrepreneurial spirit that promotes and rewards entrepreneurial activity. It is one that understands the necessity for change in how we develop our enterprises, how we respond to growth and complexity, and we promote Community learning. Community learning becomes, with individual wisdom, the means for balancing the disparate needs of the Community into a constructive whole. . In our view, governance becomes focused on guiding the enterprise toward its next developmental stage with appropriate structures and ideas.

The Compelling Story

We by no means imagine such changes can be achieved quickly. However, we think that, in time, a truly entrepreneurial arrangement will emerge that will transform the present forms of economic, governmental and social arrangements. By presenting this model of entrepreneurial activity and accountability, we hope to stimulate discussion as well as entrepreneurial action to bring about constructive change in economic, political and social circles on behalf of us all.

When the limitations of our formations begin outweighing their potential, it's not time to renovate, put up decorations to hide the limitations, look solely for where our structures are at greatest risk of collapse. It's time to renew, to open us to the adjacent opportunities that surround our enterprises, and to widen our entrepreneurial horizons. We cannot ignore the structures within which we bound and limit our enterprises. We must be willing to enact new ways for designing how we do what we do, ready and able to address potential loss and risk, but not at the expense of the life of the enterprise. In short, it's time to take bold steps and create anew.

Goethe said, "Whatever you can do, or dream you can do, do it. Boldness has genius, power and magic in it. Begin it now."

About Committed Action with Tangible Results

How to "begin it now" is what follows. It is one thing to promote theory from a distance, but what we propose is *pragmatic action with results*. What follows is a means to realize the breadth of our entrepreneurial activity without falling prey to the limiting risks created by the failures of our thinking. We call this a *Compelling Journey for Enterprise Renewal*. See [Figure 10 – The Compelling Journey Action Principles](#).

About The Compelling Journey for Enterprise Renewal

Our Compelling Journey approach is based on five action principles:

A Call to Action – What we have to accomplish

A Course of Action – How we intend to accomplish our objective

Aligned Accountabilities – How we traverse our Course of Action

The Compelling Story – How we engage others to help us meet our objective

The Return – How we share what we have gained from our accomplishment

The Compelling Story

Figure 10 – The Compelling Journey Action Principles



The Call to Action

Having a clear and stated understanding of what we want to accomplish is essential to sustainable enterprise success. Defining the Call to Action are the enterprise's compelling needs and benefits, and vision, strategy, capacities, capabilities, resources, constraints and priorities. The Call to Action provides the focus and direction for everything that will follow. It germinates the seeds of engagement and establishes the landscape across which we will move. In this regard, the Call to Action is the birthplace of the Adjacent Opportunity. By activating a wide horizon view as we develop our Call to Action, we are in a place to envision what continually lies just one step away from the current world in which we operate. This vision of the adjacent opportunity not only changes our perspective of the horizon and landscape before us, it becomes our next Call to Action.

The Compelling Story

The Course of Action

The Course of Action is how we actualize the Call to Action. This principle first requires that we understand what limitations keep us from accomplishing our objective. These limitations come in two forms, personal and organizational. Once we consciously recognize those barriers and have identified how to eliminate and/or get by them, we then assess whom our allies and adversaries are and how we might transform those we perceive as adversaries into allies. We need to make sure we're getting what we need from current leadership and how we can foster and support emerging leaders. We then need to step forward and chart the actions required of each person involved to accomplish our objective.

Aligned Accountabilities

As with any undertaking like a Course of Action, we must address who does what and how things will actually get accomplished. These Aligned Accountabilities are an agreement among all team members to do what is expected of them to meet their aligned objective and to communicate out when they are delayed or pulled off course by conflicting priorities. Stepping forward to help realign the Course of Action whenever a team member falls back is an action for which each member of the team agrees to be accountable.

The Compelling Story

Progressing along any journey requires the engagement of people both internally and externally. A Compelling Story is a means to communicate an entire opportunity using just one narrative. This brief description is repeated again and again by the team. By the very nature of its compelling message, it becomes an effective means to engage the people necessary to accomplish the team's objective and meet the Call to Action.

The Return

This final action principle is about sharing what we've gained from our journey with others in the community. This is one of the most difficult actions we face. We have become accustomed to looking out for ourselves for so long, the idea of working for the benefit of the greater community is one we have lost. This is one reason why some corporations have gained the despicable image characterized by greed and cheating. We don't recognize that when the system as a whole benefits the entire system develops and grows. We tend to get caught in protecting our own little plot of land, and then we wonder why, when we least expect it, what had been so fruitful suddenly turns barren. Until enterprises are ready to accept their accountability to the communities within which they operate, they will never enjoy healthy, sustainable growth.

The Compelling Story

At the end of the 20th century, we saw an expanding greed glorified and then run amok as we crossed over into the new millennium. There was no concern for enterprise health, providing customer value, community sustainability or fostering entrepreneurial action. The drivers were only profit and spoil. In many quarters remnants of that system still linger. That was the product of the thinking dominating the last 150 years in the Anglo-American world, and while it generated wealth for some, it has done so at the expense of the world Community, i.e. the system and those who are supported by the system.

This is a new century, a time when Entrepreneurial Action is required to point the way forward. We can let last century's mentality succeed, cowering us in our fear of loss, while we self-destruct producing more of the same. Or we can accept the challenge of our new century and its adjacent opportunities to create a more sustainable system in which we interact to win over a more promising future.

Do we want more of the same with even more disastrous results or do we want to create a business environment in which enterprises can recognize the power of the adjacent opportunities that lay just one step away? How many rotten compromises must be made before we recognize there might be a better way? How many bad alternatives do we have to take, before we start widening our perspectives? How much do we have to lose before we recognize the source of our losses?

Something new can be done.

The Compelling Story

About The Compelling Journey Program

The Compelling Journey Program provides a real basis for tangible success. We look at change in terms of 1) information, 2) infrastructure, and, 3) culture. Ron Schultz, who founded Red Tiger & Associates, introduced this notion in the book *Open Boundaries*.^{xix} Thomas M. Hout of the Boston Consulting Group, commenting on complexity in business in his review of the book in the Harvard Business Review, said “the information-to-infrastructure message has real merit. Companies do become prisoners of their mind-sets and internal systems, causing them to shut off the flow of learning that otherwise might go on naturally.”^{xx} Krier McCormick & Associates aims to dramatically improve change implementation results by focusing our change innovation efforts in these three areas.

Krier McCormick’s *The Compelling Journey Program* spans leadership development, change leadership, change management, culture change and change implementation services. We develop innovative approaches, review and reformulate strategy, perform readiness assessments, provide coaching, training, and team building activities, conduct performance reviews and audits, and work directly with you implementing change. Our deep experience in the field of culture change, change implementation, and technology mean we can find the appropriate solutions. Our unique integrative perspective on the change leadership problem means our results are on target and focused so clients can act confidently.

Krier McCormick offers innovative and creative delivery formats incorporating *The Compelling Journey Action Principles* for the key steps in successful change — defining a call to action defining the compelling need for change, overcoming personal and organizational barriers to success, recognizing and seizing inconceivable opportunities, avoiding inconceivable risks, plotting a course of action to accomplish the needed changes, defining the compelling story for change and sustaining value creation throughout the change process. Our programs enable enterprises to reach critical mass to adopt the changes faster and to sustain innovation using the sustainable model for inconceivable development. We provide consulting services working directly with your team in specially designed working sessions, facilitated activities, and workshops. All of Krier McCormick’s programs are customized and tailored to meet client specific needs and circumstances.

See the following sections for more specific details about Krier McCormick’s program offerings.

The Compelling Story

About our Change Leadership Programs

Krier McCormick & Associates provides a complete set of change leadership programs and consulting services to its business and organizational clients. Our work is focused on your specific needs and circumstances — strategy, alignment, implementation, risk, return, capacities and capabilities, readiness, execution, and/or operating effectiveness— and tailored to the type of ownership (e.g. private sector, non-governmental organization, etc.). We work with your leaders, senior team and board to determine the focus and pace of the desired change, and then examine your specific issues in more detail to strategize our work. We also will work with your in-house staff, other consultants, business partners, suppliers, investors and others to provide you with a seamless integrated focus on sustainable success.

We facilitate workshops, working sessions, trainings, experiential work and other related activities. We provide transitional management, leadership and functional expertise for operations on an interim basis when appropriate. We conduct field research using interviews, questionnaires, surveys and focus groups. We review and analyze reports, conduct independent research on an organization, its markets and competitive situation, and the whole operating context affecting the organization, industry or their collective activities. We coach individuals and teams, train, evaluate, assess, audit, advise, recommend and implement our recommendations. And at the most fundamental level, we create and provide engagement activities in the form of exercises, instructions, training, education and feedback to individuals, dyads, small groups, and cascading for large groups.

We provide coherence throughout all these activities with a focus on the individual participant's experiences creating a feeling and possibility for movement towards the values, thinking and behaviors of a sustainable high-performing organization. Krier McCormick's programs are delivered on-site in your workplace or offsite in a place appropriate to your needs and capabilities. We will arrange special destinations and location activities around the working sessions to meet your specific needs, goals and objectives.

A precondition to successful change involves looking clearly and objectively at your vision, mission, goals, objectives, constraints, priorities, compelling needs and benefits, alignment and engagement levels as facets of your competitive and operational situation. We will look at these with you in sufficient detail to determine an effective course of action for proceeding. The work plan for proceeding is designed with your participation and includes defining success and accountability for key actions and deliverables. When key leaders are aligned, priorities are clear, and resources are available, it is possible to commit for successful action. The change process begins. The following sections describe Krier McCormick's offerings and capabilities to participate with your enterprise in a successful change initiative. We can provide a cascading implementation to address the needs of large scale organizations.

The Compelling Story

I. Change Leadership Programs

Krier McCormick's change leadership programs are designed for stimulating entrepreneurial activity, entrepreneurial action and innovation. They are built to immediately improve enterprise and individual effectiveness and for sustaining change. The basic building blocks are two-day comprehensive work session components tailored for your organization.

Separate and distinct programs are designed for the board, senior team, entrepreneurs, team leaders and mixed groupings throughout the change initiative cycle — before, during and after implementation. Our consultants work with you prior to the session to clearly define your compelling needs, benefits and your change objectives. We document the capacities, capabilities, potentials and limitations of your key people and current organization. We design and tailor the program to meet your specific needs. We also provide train-the-trainer programs if you want to use The Compelling Journey Action Principles and programs internally. We will work closely with you to design a cascading implementation of the change initiative throughout your organization.

A. The Call To Action

The Call to Action process is the foundation of all the Krier McCormick programs. In order to change successfully, there needs to be a compelling need to act, alignment on the need, and a readiness, willingness and ability to act. The Call to Action process is designed to capture succinctly the compelling need for action, the alignment of the needs with the essence of the enterprise, i.e. identity, potential, values, etc., the leadership, the established goals and objectives, the capacities and capabilities of the leaders and enterprise, and the capability of the leaders and the enterprise to act.

The Call To Action process involves meetings, interviews and research to document the current situation, the reality, priorities, constraints, and potential courses of action. The product of the process is a written summary of key findings and recommendations, and a recommended course of action. With this information the leaders of the enterprise can decide how to proceed.

The Call to Action process is both effective and pragmatic in that it answers four essential questions:

1. *What is the problem?* – The compelling needs for change.
2. *Why is it a problem?* – Alignment, focus and coherence around the identity, potential, vision, mission, values, goals, objectives, strategy, tactics of the enterprise are essential to sustainable success. What are the consequences of misalignment? The intention of this effort is to define a picture for the leaders to validate as embodying the information known individually and to affirm coherence with the fundamental impulse of the enterprise.

The Compelling Story

3. *What are the alternatives?* – The defense and intelligence communities dealing with the war on terror and homeland security have forwarded the idea for assessing risks, threats and alternatives within the framework of the known, the known unknown, and the unknown unknown. By validating the alignment and coherence of the enterprise for use in exploring adjacent opportunities, Krier McCormick brings a unique capability to help you examine the adjacent possibilities lying in what we call the new world of opportunity, i.e. the unknown unknown.
4. *What do we recommend?* Given this picture of the current reality, what do we recommend as a course of action and what are the compelling benefits of acting on this now?

The recommendations might range from doing a Change or Risk Readiness Assessment, further assessing the capacities and capabilities and how to obtain them, doing a Compelling Journey for Enterprise Renewal workshop, or a related program, identifying and engaging other resources to provide needed capabilities, waiting to act until key resources and capabilities are available, finally to not proceeding and reexamining the fundamental strategy, alignment, and so forth. The key is you will accept accountability for pursuing a course of action and the level of information and knowledge required to proceed.

B. The Compelling Journey for Enterprise Renewal

The basic enterprise renewal and change leadership program is a work session for mixed groups or small teams who need to generate alignment, commitment and sustainable movement towards a major chosen path of change or accomplishment. It produces a charted course of action, aligned accountabilities and a compelling story for change to which everyone is deeply committed and engaged.

C. The Heroic Business Journey

This program is for boards of directors, senior teams, entrepreneurs, start-ups and/or other leadership teams who are grappling with major decisions on strategic issues and particularly with the need for a call to action to define, reexamine, or change the vision, mission, direction, and/or goals of the business or organization.

D. Realizing the Inconceivable (Adjacent Opportunities)

This program is for leadership groups, i.e. board, senior team, entrepreneurs, venture capitalists, and leaders, who sense pervasive stagnation in the growth and evolution of their business or are convinced there are other alternatives to be explored beyond those being considered and want to engage in a proven methodology for discovering and exploring heretofore inconceivable possibilities for future action to stimulate growth and/or development of all aspects of their business.

The Compelling Story

E. The Sustainable Model for Inconceivable Development

This program provides leaders facing seemingly intractable problems in moving forward into a new world of opportunity with a proven approach to breaking down habitual patterns of thinking and behavior in people, groups, functions, and whole organizations in order to pursue the now-conceivable development paths in their new world of opportunity.

F. Team Alignment and Development

In this program, facilitated activities are designed to improve team alignment and to foster team leadership, development, and communication across functions and organizational boundaries, forming the basis for developing coalesced teams that can generate real thrust toward mission specific objectives.

G. Governance and risk management

G.1 Governance, risk readiness, and risk management

Recent developments in several market sectors combined with new mandates and regulations have focused attention anew on boards of directors and their governance responsibilities. Recent developments with potentially profound effects on governance include the Gramm-Leach-Bliley Act (GLBA), the July 1, 2001 Federal Financial Institutions Examination Council (FFIEC)/GLBA “joint rule” on safeguarding customer information, mandated risk assessment compliance requirements for financial institutions, recent and emerging requirements from the SEC related to governance specifically to the role of independent directors, requirements related to the Health Insurance Portability and Accountability Act (HIPPA), Homeland Security, and other likely administrative reforms relating to risk management and transparency, and issues related to business interruptions, business continuity and exposures to information technology risks related to strategic systems and operations. Programs for board members focus on the role and responsibilities of the board and its key committees – governance, nominating, compensation and audit committees – and compliance with extant regulations and mandates. In addition, we introduce the potential use of the proposed governance and development committees to provide complete coverage of the governance of an entrepreneurial enterprise. The governance program produces new understanding, alignment, level of engagement, and transparency in the governance process and a course of action to change and improve the governance process.

The Compelling Story

G.2 Due Diligence

This program provides the board, senior team, investors and other interested parties with an independent assessment and evaluation of strategic decisions or transactions prior to implementation. The resulting “highly confident letter” details the likelihood of success, risk readiness, change readiness, and specific action recommendations to overcome identified risks. The program produces new understanding of the potential impact of the decision or transaction on the organization and its key stakeholders.

G.3 Implementation Audit

For organizations who are already immersed in change, Krier McCormick & Associates conducts meaningful audits of change plans, status, and results before, during, and/or after implementation. In addition to better understanding the status of the change, the causes of any incompleteness or lack of quality in the change process, and what needs to be done to achieve the intended benefits, the organization also learns where it stands in terms of adopting the change throughout the organization, and whether the change has become self-sustaining.

G.4 Board Performance, Accountability and Alignment

Krier McCormick & Associates provides independent governance assessments touching on the appropriateness and effectiveness of the current duties, roles and responsibilities of the board of directors and its key committees and members. The outcome includes recommendations for producing the needed alignment, levels of engagement, and transparency in the governance process and for changing the membership.

H. Change Implementation

This program provides the board and senior team facing major decisions with an independent assessment of major change initiatives, risks, returns, readiness and the likelihood of success and potential impacts on the organization. The program produces new understanding of risks, returns, and the potential impact of the change on the organization and its key stakeholders.

The Compelling Story

II. Change Leadership Consulting

Krier McCormick & Associates offers a complete system of architectural, design, implementation and delivery services to guide your major change efforts in business units, functional groups or whole organizations. The needs, goals and objectives of your change effort—and therefore its design and implementation—are unique, not only to your organization, but also to the *initiating cause* or reason for the change, which is typically one of the following:

- a new business strategy or pursuit
- needed change in organizational capabilities and/or spirit
- technological change
- needed change in your value adding processes
- needed change in your core business processes

In order to qualify as “complete,” change leadership consulting services must successfully embrace and enable the following elements, if and when they are required:

- The *strategic* foundation for the change, and how the change effort will carry out both the *external and internal* aspects to a holistic business strategy;
- Conceptualizing and envisioning the desired end state of the change process in a way that captures all the critical future dynamics within and among the business’ *people, technology, and work processes*;
- The *cultural* implications of the change to the organization, and enabling organization members to increase their awareness of, and dedication to change, the culture to meet new business and value requirements;
- The requirements of *leadership* to fulfill their natural roles in generating vision, alignment and thrust throughout the organization through the call to action and a course of action, and then providing direction and guidance during the change;
- The *re-structuring or redesign* of roles, work processes, and organizational interactive processes and systems to enable carrying out the change and living out the desired end state with real effectiveness;
- *Developmental work sessions* aimed at producing the new capacities and capabilities needed at all levels of the organization to live out the desired state;
- Well-designed and facilitated *implementation* planning and execution.

The Compelling Story

Your change process will be strategized and designed to include as many of the elements above as necessary to ensure a successful and inspiring change. Our approach to determining what is necessary is to conduct a change readiness assessment up-front with your leaders' involvement, and then carry out the change process through your leaders to ensure that order, quality, control and accountability for the process is maintained in your hands.

III. Assessments

It is imperative that your leadership has an accurate, objective assessment of the *current state* of your enterprise, business or organization prior to engaging in any major strategic or operational change. This assessment forms the very ground or foundation from which the change will ensue; to proceed from an inaccurate or incomplete assessment of this foundation is to increase the risk of failure. Krier McCormick & Associates utilizes a blend of scientific and systems thinking concepts as the foundation to conduct complete assessments in the following areas:

A. Strategy Assessment

Every business or organizational strategy is limited in its completeness and appropriateness by the limitations in the thinking that created it. It can be extremely helpful to have an independent assessment of the strategy along four overall dimensions:

- The potential value or benefit of what is to be pursued through the strategy;
- What is not being pursued through the strategy, and the potential cost of not pursuing it;
- The risks inherent in the strategy, and how these risks can be managed toward mitigation or irrelevancy.
- The unseen, unknown, unknown unknown, risks inherent in the strategy and how they can be identified, examined and their potential impact reduced.

B. Change Readiness Assessment

The purpose of this assessment is to determine the state and condition of assets, including people, processes, systems, and structures, and to what extent they have the capacities and capabilities to proceed with the planning and implementation of an intended change. Krier McCormick & Associates conducts this assessment, as well as producing a plan for developing the desired state of readiness in information, infrastructure and culture.

The Compelling Story

C. Risk Readiness Assessment

The purpose of this assessment is to determine the state and condition of operational risks, threats, transference of liability, and other risk elements associated with outside service providers and internal operations and to what extent they are mitigated and in compliance with all relevant regulatory and legal mandates. Krier McCormick & Associates conducts this assessment, as well as producing a plan for developing the desired state of risk readiness in all pertinent areas.

D. Improvement and Effectiveness programs

D.1 Conceptual Selling

The Conceptual Selling program is offered in conjunction with Miller Heiman. It focuses on the effectiveness of the individual sales call. Unlike other systems that stress trial closes and other manipulative techniques, it concentrates on understanding the “customer’s concept” or “solution image” that determines why customers really buy.

D.2 Strategic Selling

Also offered in conjunction with Miller Heiman, this program focuses on the strategic analysis that must precede every call to a complex customer organization—one in which there may be several people who are buying influences, each with their own unique needs and aspirations.

D.3 Strategic Large Account Management

The Strategic Large Account Management Program offered in conjunction with Ingenium Associates provides sales executives and account managers with an assessment of the effectiveness of their sales managing systems, and a process and action plan for putting in place the managing systems to energize and sustain a much more effective large account program.

D.5 Value-Creating Collaborative Partnerships

This program offered in conjunction with Ingenium Associates addresses how to prepare for, initiate and sell successful collaboration with customers and suppliers to improve products and services and to create new products and services for the emerging needs of consumers and new customers.

The Compelling Story

D.6 Creating High Value Functional Alliances

This program brings together entrepreneurial development for businesses and organizations with their alliance partners to look at the unique challenges and opportunities strategic alliances provide for creating value, reducing time to market, and for providing unique value propositions to the market.

D.7 Program Management Performance Improvement

This program brings together the elements essential to creating and sustaining a successful Program Management office or function to use in creating and establishing, improving, or renewing a Program Management program in your organization. Program Management is a comprehensive strategy for accountability and improved effectiveness managing portfolios of projects or business activities. It is both important and useful to have alignment on Program Management in order to realize success. This working session is oriented specifically to the needs of Program Managers.

D.8 Project Management Performance Improvement

This program brings together the elements essential to creating and sustaining a successful Project Management program. It is useful in creating and establishing, assessing, improving, or renewing a Project Management program or a specific project. Project management is essential to the success of large projects involving technology, business processes and people. This working session is oriented specifically to the needs of Project Managers.

About our Technology and Approach

I. Archetypal Patterns

The principle underlying Krier McCormick's programs is the notion of archetypes. An archetype is the original pattern or model from which all things of the same kind are based. We have found that successful change programs have the five common components we call The Compelling Journey Action Principles (See Figure 10 – the Compelling Journey Action Principles). We use the notion of archetypes to work with these five components. They are as follows:

The Compelling Story

1. Call to Action – The compelling need and business case for action, with clear value premises and risk evaluation aligned with business, human capital and technology strategies;
2. Course of Action – the proposed or planned course for accomplishing what is required to satisfy the Call to Action.
3. Aligned Accountability – alignment on an Action Plan or Calendar of Accountability for what is to be accomplished, by whom and when. The Action Plan defines success, addressing the scope of action, change or work, key success factors, priorities, constraints, resources, budgets, timelines, business case and value proposition, risk assessment, and management sponsorship. The Action Plan provides the basis for effective and efficient implementation execution with appropriate program and project management elements and reviews.
4. The Compelling Story – a specially crafted, concise distillation of the business case and rationale for the initiative, succinctly presented in a style conveying to all who read or hear it the compelling rationale for the initiative, with sufficient clarity and feeling so they are compelled to act to support it.
5. The Return – When the change initiative is completed successfully and adopted by the group, the knowledge, skills and experience gained from implementing the changes are shared with the larger organization, thereby amplifying the benefits and modeling behaviors, thoughts and values essential to sustainable change.

II. Warp Speed Design

Warp Speed is a design process for conceiving the constructive acceleration of change of all types using archetypal concepts and systems thinking. Using Warp Speed principles and systems thinking, organizations can develop the capability to move faster with greater self-assurance of success in making changes.

The acceleration and increased pace of business change in today's markets make it critical for organizations to learn how to move faster. Given the risks inherent in major change initiatives, it is imperative they also learn to mitigate risk and to improve the return on investment while creating sustainable change. Therefore, it is important to be clear about the nature and roles of advancing, restraining and reconciling forces or energies introduced by developmental processes and their potential effect and impact on change processes. This is a key understanding for operating at Warp Speed.

The Compelling Story

Krier McCormick applies systems and developmental thinking and principles to an organization's culture, infrastructure and material and information flows to achieve sustainable results and compress the time to reach critical mass adoption by 50% or more, and more reliably, as compared with conventional thinking. We operate at Warp Speed, demonstrating how organizations can move beyond the limits obtainable from a *philosophy du jour* and into a new world of opportunity.

III. Meta System Architectures for Enterprises

By viewing all change processes as instances of a primal or *Ur* change process where potential and identity are shaped by context, environment and consciousness, think of the rose or an ocean wave, it is possible to obtain maximum leverage from and reusability of the concept of self-adapting models to drive change. Viewing an organization's culture, infrastructure and technology, and material and information flows from the perspective of general models in nature provides a means of invoking this powerful thinking. For example, by approaching the information flows of an organization from this perspective an organization can provide the means for separating the technology of the information flows from the information flows themselves permitting more rapid unfolding of needed capabilities. A meta-system architecture provides the means for accomplishing this creative leap.

IV. Cognitive Design for High Impact Systems

Cognitive Design integrates Warp Speed Principles, Meta Systems Architectures, and the knowledge, skills and expertise of culture change, change implementation and technology into a single coherent design process. Cognitive Design means the conscious adoption of aesthetics as the cohering force in implementing change. It also means including fast response time and recognition of factors across the threshold of cognition as primary determinants of productivity, efficiency, costs effectiveness, accuracy, quality, satisfaction and engagement. The underlying basis for the coherence is the intention to place the human being at the center of all thinking and as the source or archetype of all thoughts about leadership, organization change and development. This places the true nature of the human being, the way they cognize, make sense of their percepts, and attribute meaning to their actions as the locus of change implementation and the design and implementation of structures, systems, and processes.

V. Antinomies

A fundamental problem confronting organizations and businesses today is the problem of new developments, new creative ideas, and progress in a complex, interdependent, volatile and conflicted world. Krier McCormick & Associates calls this the new world of opportunity. In complexity thinking, it is called the world of adjacent possibilities.

The Compelling Story

All real human problems arise from the *antinomy* of order and freedom. An antimony is a contradiction between two laws: a conflict of authority; opposition between laws and principles that appear to be founded equally in reason. Antinomies is our initial attempt to develop a holistic science for working with antinomies – an example is advancing and restraining forces or impulses for change.

F. Scott Fitzgerald said “the test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function.” We pose a number of antinomies as examples for contemplation in developing a feeling for the impact such contemplation has on one’s thinking. The goal of the contemplative work is to create a more fluid, dynamical thinking and increased consciousness of the reality in the pictures behind the thinking.

	<u>Restraining</u>	<u>Activating</u>
Bodily Nature	Softening Rejuvenating	Hardening Calcinating
Soul Nature	The Fanciful The Fanatical Mysticism	Pedantry Philistinism Dry Reason
Spirit Nature	Going to Sleep	Waking Up

The solution to the problem of the opposing forces is to incarnate or invoke consciously a reconciling force that works on both and limits the influence of each within boundaries established by consciousness and the reconciling force. The facility to work consciously with these underlying realities is a product of inner work and moral development. The latter is a determining factor in the transformation of knowledge in wisdom in application in these areas. A discontinuity occurs when these boundaries are changed or break down and the opposites operate outside the consciousness and reconciling forces. Discontinuities are characteristic of development in a complex world. However, s-curves and developmental thinking enable Krier McCormick & Associates to work consciously and effectively antinomically across discontinuities.

The whole crux of organizational, social and economic life is that it constantly requires the living reconciliation of opposites that, in strict logic, are irreconcilable. Yet each has its role to play in the unfolding of life. A healthy unfolding occurs when both are present with the presence of the reconciling force. An unhealthy unfolding occurs when one or the other gains ascendancy and the whole is rendered out of balance. A healing unfolding occurs when the reconciling force mediates to return movement towards a healthy balance. The healthy interaction occurs when all three are present and interacting under the shaping of the reconciling force. This is a condition that will occur in the future.

The Compelling Story

It is not simply a question of mitigating the opposition of two competing needs by some compromise that satisfies neither of them, but to recognize them both and to compromise neither. In this sense, Krier McCormick & Associates strives and aspires to find a middle way that reconciles the opposites without degrading or excluding either of them. Thus, there is no final solution to this kind of problem. There is only a *living* solution achieved day by day on a basis of a clear recognition *that both opposites are valid*.

Krier McCormick & Associates strives in our work to bring about wholeness and healthier, more successful, sustainable organizational life by offering and serving in the capacity of one of the antinomial poles where appropriate to provide capabilities for an organization or business to reach its fullest potential in a particular context. More importantly, Krier McCormick & Associates strives to assist sacrificially incarnating, invoking and shaping change via the reconciling force enabling an organization or business to more successfully change and adapt and to sustain the changes over time.

About our Technology Consulting Services

Krier McCormick & Associates offers a full range of technology consulting services including technology strategy, implementation and project management as components of change management. We have in-depth knowledge, skills and expertise in enterprise information architectures (EIA), enterprise resource planning (ERP), customer relationship management (CRM), business process reengineering (BPR), and the development of custom software. We have specialized expertise in the integration of custom, commercial off-the-shelf, web enabled and legacy systems, and the entire spectrum of issues related to creating and operating a high performance infrastructure with both voice and data communications, locally and globally. Krier McCormick is experienced in ramp-ups, crisis management, turnarounds, infrastructure upgrades and updates, and transforming systems, infrastructure and information flows quickly and efficiently.

Krier McCormick offers clients a truly unique perspective on technology in change management based on high performance, high availability architectures developed and tested in large-scale international organizations and in securities trading on Wall Street. The basic architecture is founded on asynchronous, message based processing with sub-second response times as key to delivering scalable, high availability, high performing applications. We offer sophisticated strategy, planning and implementation capabilities and innovative techniques using meta-system architectures, warp speed development, warp speed adoption, and cognitive design to deliver inconceivable technology value.

The Compelling Story

About the foundations of our work

In today's complex and highly competitive consulting environment, Krier McCormick & Associates stands out as a unique source of innovation, imagination and inspiration for leaders and enterprises needing to change. Most consultants offer more of the same rhetoric and approaches developed during the 70s and 80s, recycled in the 90s, and repackaged in the new millennium. Some of them were uniquely creative. Nevertheless they have a shelf-life and are proven limited in addressing the actual needs and current realities of today's enterprises. We think this is symptomatic of a lack of understanding within governance and leadership circles about the reality confronting them and their preference and choices for narrow one-sided interests.

With the loss of any meaningful understanding of context of community and the wholeness of humanity and nature, the course of action and behavior of leaders and leading institutions leads further into the abyss of destruction so characteristic of the last century. It is not solely a matter of placing mercantilism above other impulses in a *pax Americana* but rather an unremitting hatred and misunderstanding of humanity leading opposition to human collaboration and cooperation, and apparently irresolvable conflicts that threaten humanity and the Earth itself. This threatens each individual with the loss of their own humanity and human dignity when compelled by others to act in situations against themselves, their own interests and development. Those who chose to serve and become instruments for such impulses present another type of dilemma for the freedom-seeking individual human being.

About Entrepreneurs, Entrepreneurship and Entrepreneurial Activity

Entrepreneurs are people who act with boldness, imagination and energy to organize and manage important and difficult initiatives. We think in this post-industrial age, it is the knowing doer, the entrepreneurial impulse – in the social, business and scientific realms, who will establish, vitalize, develop, grow and renew social, commercial and scientific enterprises and initiatives in response to the real needs of humanity. We view entrepreneurship as essential to reconciling our needs for a sustainable humane future with establishing business and economic, social and governmental arrangements to meet these needs. Therefore, entrepreneurial action and activities are a prime concern for Krier McCormick & Associates.

The dynamic thinking required to be entrepreneurial across the spectrum of potential human activity is acquired by study – the sciences and social sciences, by action – personal choices, business and economic activity and social activity, by self-reflection and knowledge – contemplative and meditative practices and study of work based on same, and by research – work to integrate the capabilities developed by study, action, and self-reflection into new individual capacities and capabilities to be applied to further study, action and self-reflection. In other words the goal is to strive for personal development and the emergence of capabilities for mobility and fluidity in thinking, knowing and doing, allowing one to more consciously participate as a knowing doer in the development of humanity.

The Compelling Story

Another key factor is resiliency. How resilient are the entrepreneur and enterprise? In the midst of uncertainty and meeting resistance are they ready, willing and able to act? To move forward? Or are they uncertain about how to proceed? The course of action to take? Krier McCormick & Associates works to acclimate entrepreneurs to expect the unexpected and to be prepared when at the threshold of success to anticipate the emergence of unexpected events and circumstances that jeopardize their success.

About Development Models and Thinking Developmentally

At the core of Krier McCormick's work is research and study of the human being, nature, business and social life. We use systems thinking and a developmental model to understand and work constructively with change. The term development refers in organic phenomena to growth within a structure or model until a limit is reached. Beyond the limit the existing structure or model can no longer impose order on the larger mass. The consequence is either disintegration (death or chaos) or a step up to a higher level of order. These phenomena are observable across the continuum from the single living cell and higher organisms according to intrinsic patterns and potentialities, to human created economic and social organizations.

In human development and economic and social enterprises there also is a psychological development that occurs. Therefore, change initiatives must accommodate both the human and the enterprise physiology and psychology. To think and to act developmentally means to set in motion changes in the direction of the next stage of development of which only the general outline is known. The form and content of the next stage emerges out of the actual potentialities of the people involved. The developmental process is ongoing and irreversible. ^{xxi}

About Strategic Models

Krier McCormick uses a strategic model to integrate our research and the development model. In the strategic model a larger and more comprehensive system contains two or more active subsystems each of which possess either no information or incomplete information about the criteria governing the other's choices. A strategic model assumes a continuum of motive, aim, interest and action between joint consultation and collaboration or conflict and strife. Thus, each entrepreneur and enterprise faces on-going complexity resulting from how it chooses to interact with its owners, employees, partners, allies, customers and competitors, between the poles of collaboration and conflict. ^{xxii}

With the strategic model and developmental model, Krier McCormick is able to integrate and to resolve contradictions within an enterprise among conflicting principles and models and to address conflict-creating dissonances by objectifying the purpose and identity of the activating force embodied in the vision of the enterprise. These foundational elements are useful in characterizing the cohering aspects of the initiative and for validating and affirming its presence and assessing its effectiveness in implementation and operation.

The Compelling Story

About Enterprise Coherence and Conflict

An enterprise is an initiative, business, organization, group or project undertaken by human beings, especially one that is important or difficult or requires boldness or energy. Krier McCormick & Associates takes as its point of departure for *The Compelling Journey* a systemic view of an enterprise as a coherent, organic, living whole, a system with identity and potential in the process of becoming. The enterprise develops as it unfolds becoming a fuller and more articulated system manifesting the driving impulse in the world.

The leadership challenge is maintaining enterprise coherence over the course of its life while balancing the needs of the enterprise, people and community. As leaders confront these dilemmas conflicts inevitably arise threatening the coherence. Leaders are called upon to choose a course of action that preserves both the coherence and vitality of the enterprise while enabling it to meet the legitimate needs of the individuals and community.

The enterprise operates within a temporal environment defined by the community consisting of the social and governmental arrangements within which the enterprise is based and the norms within which it operates. The exercise of political and economic power and the actions of related interest groups leads to other conflicts in the environment in which the enterprise operates.

These conflicts, the resulting crises, and the way the individuals and the enterprise meet them, provide learning opportunities and meaning to all involved. They also provide the foundation and context for the emergence of new possibilities and opportunities for community needs and their fulfillment as well as for individual accomplishment and entrepreneurial expression.

A developmental model for enterprises needs to take into account all of these primary factors – the factors driving the creation and sustaining the existence of the enterprise, the principles governing living organisms and the human being, the historical and temporal context of the situation, and the environment and times within which the development of the enterprise occurs.

In this exceedingly complex and emerging world, there are infinite potentials and opportunities for growth and change. Similarly, there are infinite barriers and obstacles to success. The measure of accomplishment on a continuum between success and failure depends on the actions of individuals, groups acting in concert or interdependently, and the innumerable interactions of all individuals, communities, enterprises and institutions at all perceivable levels by which the complex whole develops.

Krier McCormick & Associates is involved in an on-going effort to tap directly into the sources of innovative ideas to help clients meet their needs. Innovation is the introduction of new ideas, concepts, techniques and practices into economic, social and intellectual life. In searching for improved effectiveness, we strive to innovate in pragmatic and tangible ways. We especially are seeking innovations tapping the sources of greater individual engagement, personal commitment, and individual and collective innovation.

The Compelling Story

Achieving maximum individual engagement in an enterprise is a key to long-term success as both employee and customer engagement are significantly correlated with long-term success. Individual and enterprise meaning and the constellation of allies and adversaries all change over time requiring continual adjustments in order for the enterprise to develop. Development is an irreversible process that compels change either to fulfill the purpose of the enterprise, its allies or adversaries, the community and the individuals involved. Thus is established the psychological and social dimensions of the challenge leaders must confront.

The enterprise leaders also must confront the social and psychological dimensions and consequences of its purpose and life in the form of the search for meaning of the individuals involved, their aims, and purposes. Over time this creates another dimension of dynamics as the dilemmas between and among individuals and the enterprise, and the enterprise and the community emerge and change the need for different types of leadership is visible in order to overcome the inertia and resistance of the environment and internal conditions and culture, and to reconcile the on-going dilemmas of group life, and to align them in order to fulfill the purpose of the enterprise.

Recognition of the complexity of enterprise leadership in a changing world is fundamental to understanding Krier McCormick & Associates' work. So is recognition of the importance of entrepreneurial individuals who are able to intuit, identify and align with the needs of the community. These individuals act with sustained energy and sometimes at great personal sacrifice to overcome inertia and at times against the sustained resistance of special interests to introduce innovations to meet these real community needs.

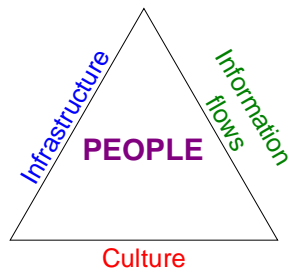
About Sustaining Change Efforts

Change leadership is the overall process of bringing about change in enterprises. The fundamental question addressed by change leadership is - How can an enterprise successfully change? Krier McCormick addresses this important question directly — The culture and the way people think and behave have to change. The desired outcomes driving change might be adopting a more effective strategy, gaining more effectiveness implementing a strategy, staying in-the-game, changing the value propositions - improving quality, reducing costs, improving service, becoming more productive, or sustaining performance improvements. At another level, the change drivers might be coming from a new world of opportunity. Since businesses are complex social organizations, functioning at level 8 in Boulding's hierarchy of complexity, we need an expanded consciousness and more dynamical thinking to address change leadership more effectively.^{xxiii} Static and simplistic thinking in terms of level 1 frameworks, from the natural and social sciences cannot reliably represent the reality and complex phenomena of human organizations. So, we have to bridge to another way of thinking about the problem of changing organizations. Yet the fundamental question remains: How does an organization successfully fulfill its purpose, realize its potential and retain its identity and coherence?^{xxiv} In the final analysis, the culture and people have to change in order for the organization to prosper and survive. Coherence, vision, alignment, accountability and catalyzing values and behaviors are the essential ingredient for success.

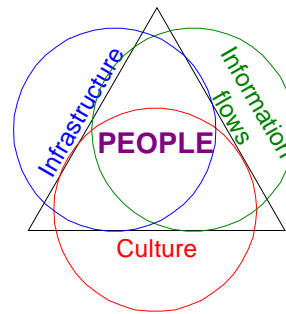
The Compelling Story

To achieve sustainable performance improvements an organization must adapt its culture, infrastructure and information flows and their interrelationships to provide for new opportunities to emerge, be recognized and adopted. These changes are linked to strategy and involve the ongoing efforts and attention of the senior team, the enterprise's leaders, and the people at all levels. Figure 11 – The Performance Improvement Pyramid shows the key elements in Krier McCormick's developmental model and the fact an enterprise's people are central to all productive activity.

Figure 11 – The Performance Improvement Pyramid



11.1 The Pyramid



11.2 The Interdependencies

Our experience and research confirm the findings reported in the change leadership and business literature - culture is the single most likely cause of change failures. Since the culture of an organization is pervasive, it both shapes and is embedded in the actions, feelings and thoughts of your people; Krier McCormick places the people at the center of its change management activities.

About Preparing the Ground for Change

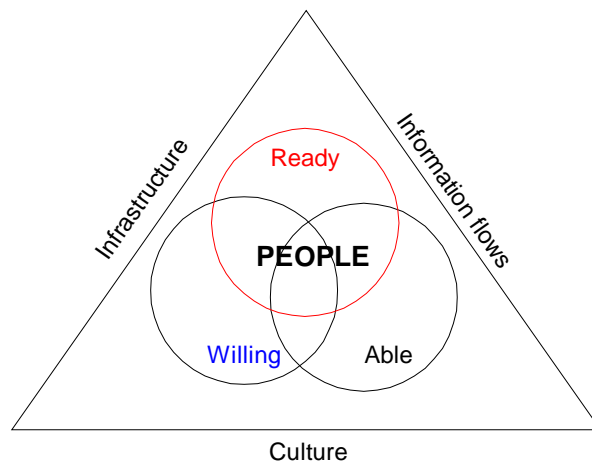
The Compelling Journey program is pragmatic. It is a course of action based on practical experience, innovative new thinking, and established best practices in the change leadership field. Our programs, methodologies, technologies, techniques and knowledge are developed, tested and refined at major international corporations and the preeminent consultancies. They are supported by research at universities and the major business schools.

The Compelling Story

At the beginning of a change process it is essential an enterprise is capable of change. *The Compelling Journey* change readiness and culture assessment processes mark readiness and identify gaps and limitations in capacities and capabilities needed to change successfully. An action plan is then charted to ensure your people are ready, willing and able to change. Similarly, we assess readiness of your infrastructure, information and technology providing an appropriate action plan for preparing to change. Finally, we integrate all of this information into the change readiness assessment to produce a course of action or action plan to provide the overall capabilities needed to support the planned changes. All of the findings and recommendations are integrated into the change implementation plan with appropriate accountability.

A ‘rule of thumb’ in change management is the people cost of change implementation range from 20% - 25% of total change initiative costs. With this in mind, we work closely with you to establish realistic budgets and schedules. We also work with you to ensure cost controls and performance against plan including allocating or sourcing resources to provide needed capabilities. Figure 12 – Change Readiness and Capabilities Assessment depicts the overall assessment process.

Figure 12 – Change Readiness and Capabilities Assessment



About *The Compelling Journey* Value Proposition

The key to implementing any innovation or change initiative is to understand that no matter how varied and complex the components of that change are, there is always a way of getting at the essence of the transition and making it simple. Krier McCormick & Associates’ organizing principle – *The Compelling Journey* - supplies the cohering perspective necessary to unveil what may be inconceivable on the surface or at the periphery, yet will ultimately provide the difference between successful change and another change failure. This is why we feel safe in saying that we can promise tangible deliverables and inconceivable results.

The Compelling Story

About the Value and Risks of Change

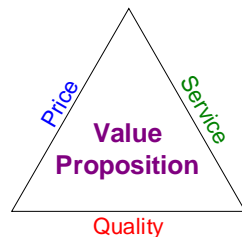
Krier McCormick & Associates brings a mature risk management philosophy to change management. While your organization invariably has its own particular viewpoint about risks and returns, we advocate broadening risk assessment to include: costs of failure, costs of inaction, and costs of making bad choices. Our risk assessment focuses in three key areas: 1) Execution Risks, 2) Return on Investment, and 3) Return on Equity. We define change management risk as the cost of the initiative plus the loss of expected value creation plus all other related opportunity, resulting and unanticipated costs. In the final analysis, the ultimate risk is jeopardizing the long-term interests, value, potential, identity and viability of the organization. In light of the risk of loss, Krier McCormick's methodologies are designed consciously to focus on making the right decisions at the right time and on effective implementation thereby capturing full value or more from anticipated changes while mitigating their risk of failure or loss.

Krier McCormick & Associates' methodologies help clients manage risk by requiring change management planning to include steps:

1. To correctly identify and understand the need for change and the scope of needed changes;
2. To identify and make good choices among available alternatives; and,
3. To implement the changes effectively and efficiently.

We work closely with your enterprise to meet its return on investment objectives by conducting a comprehensive risk readiness review of the change, before, during and after implementation, to ensure it is aligned with your business strategy, what you want to accomplish, and the course of action for accomplishing it. Key to a successful change initiative is clarity about the value proposition for the change. By this we mean the combination of price, service, and quality perceived post change by the customer. Our overarching goal is to balance the cost, risk and returns and to deliver your value proposition. Figure 13 – The Value Proposition depicts the value proposition components.

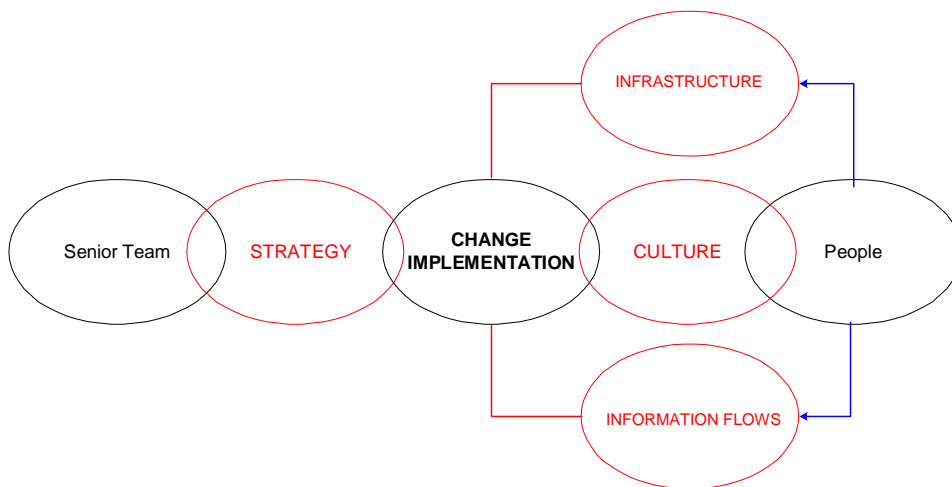
Figure 13 – The Value Proposition



Our risk assessment experience and approach help assure your enterprise is aware of risks across information, infrastructure and culture. By exposing the risks and putting strategies into place for mitigating them, your organization greatly increases your chances for success. Krier McCormick & Associates adds value to your change implementation by reducing your risk of failure and increasing the likelihood of your success.

Figure 14– Change Readiness Assessment shows the components Krier McCormick deems critical to successful change. Our change readiness assessment process is designed to ensure that all of the areas essential to success are assessed and the business case and value proposition are validated to ensure realistic timelines, resource commitments, priorities, potential impacts and benefits, and critical interdependencies. We cover all of the important issues in the process.

Figure 14 – Change Readiness Assessment



About Adopting and Measuring the Pace of Change

Krier McCormick & Associates provides pragmatic advice and counsel on change initiatives. We have a bias towards action for successful change. We call successful change - the diffusion of key values and guiding behaviors - ‘adopting’ the change. At each level of change implementation, it is desirable to measure and monitor adoption. With respect to culture we specifically mean adopting the desired values, thinking, and behaviors determined essential to success. Success means leaders are modeling the needed values and behavior. Success means the people are adopting the needed values and behaviors. We use a variety of measurement techniques to assess adoption including quantitative performance measures and qualitative measures obtained by interviews, through surveys and questionnaires, and focus groups.

The Compelling Story

Research has shown that adoption of changes follows the now familiar form of the s-curve. Krier McCormick advocates using s-curves as a change management and strategy evaluation tool. An s-curve shows the pace, velocity or rate of adoption over time within limits. It incorporates the expected value creation or return on investment. The s-curve also is useful for illuminating the potential impact and consequence of discontinuities during change implementation on strategy, execution, and change management plans.

When adoption of change reaches critical mass adoption becomes self-sustaining. After critical mass change leadership and resource requirements change radically. Therefore, it is important for change leadership to know about adoption phenomena so as to be aware when management tasks, resource requirements and priorities change. Our methodologies focus efforts on the problem of reaching critical mass and then on providing clients with different levels of implementation support and focus.

About Alignment for Change

Krier McCormick & Associates considers alignment a key change leadership success factor. Alignment means agreement among leaders, people, and interest groups, i.e., all of the affected change elements, on the nature, direction, and pace of change. Alignment provides and sustains coherence throughout a change initiative. Therefore, it is vitally important that key change dimensions and elements are aligned and there is accountability.

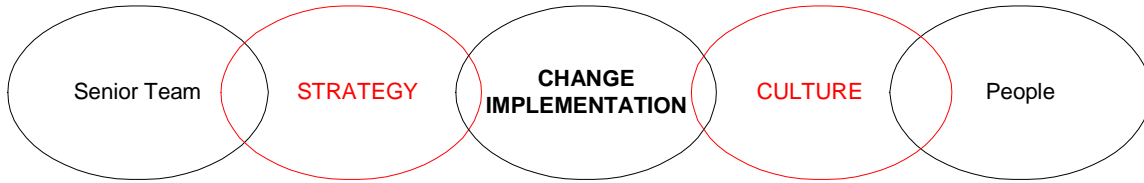
In change management, we look on alignment among the Senior Team, Business Strategy, Change Implementation, Culture and the People as key to success. The Senior Team is accountable for the Business Strategy and the change initiative. The change leadership process is accountable for the Change Implementation that aligns the Culture and the People with the strategy. All must be aligned for success. The alignment must be sustained for success.

The Compelling Journey process checks continually to ensure there is alignment and accountability throughout the change process - before, during and after the implementation. Each of the five key alignment dimensions is vitally important to the change process and cannot be ignored. Properly and sustainable alignment is the most significant way to contain change management risks.

Krier McCormick's methodologies and implementation designs touch all these key areas integrating them into a comprehensive, executable and controllable change plan with accountability. Figure 15– Alignment for Change depicts these key components as aligned.

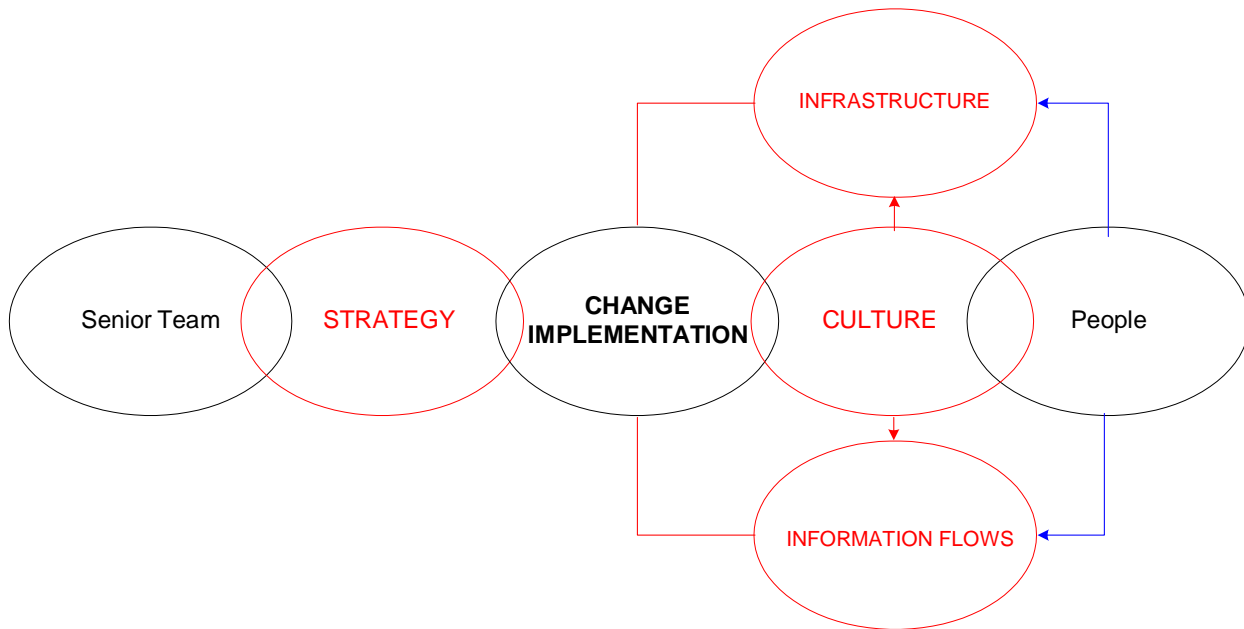
The Compelling Story

Figure 15 – Alignment for change



Krier McCormick & Associates provides innovative techniques for monitoring alignment, adoption of changes and for tracking the pace and effectiveness of change initiatives. Diffusion is the process by which changes are communicated and take effect over time among the people in an organization. In change management this means adoption and convergence of the people on culture, i.e. values and behaviors, and the organization on infrastructure, i.e. structures, functions and activities, and information flows. Figure 16 – The key elements for change success depicts areas to be integrated in a successful change implementation.

Figure 16 – The Key Elements for Change Success



The pace of adoption or the rate change is diffused into an enterprise is important since the value propositions and expected benefits from changes are time bound. S-Curves or adoption curves have been shown to realistically depict the adoption or diffusion of change in enterprises and complex social systems.^{xxv}

The Compelling Story

Krier McCormick advocates using adoption curves with other management, control and planning techniques. Adoption curves are powerful in their ability to picture concisely the pace of adoption or diffusion over time against plans. Adoption curves are particularly effective indicating cultural change, i.e. the diffusion of values and behaviors essential for successful, sustainable change, and for realizing benefits, the value proposition, and the return on investment.

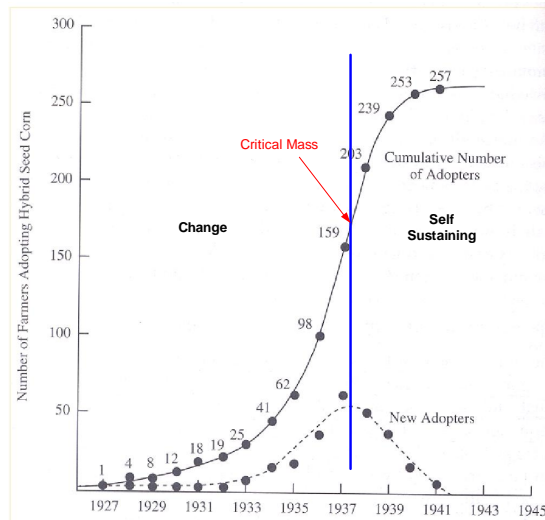
Using s-curves provides Krier McCormick's clients with an accessible picture of change strategy and implementation status over time. If the curves are congruent the change initiative is being implemented effectively. If they diverge, the reasons need to be identified and assessed. The divergence may result from inefficiencies in execution, cultural resistance, other internal forces, or from markets and forces external to the organization. Nevertheless, a loss of effectiveness during implementation shown by the divergence of the curves is a very strong indicator of potential failure.

Another compelling reason for using s-curves is their ability to depict realized benefits built into the strategy and change initiative. The adoption curve reflects the value proposition driving the change in time and magnitude. A divergence of the adoption curve from plan is a strong indicator of risk of failure, and risk of loss of direct and indirect benefits. This form of change implementation performance monitoring is especially powerful in providing the Senior Team and change managers with a clear, concise picture of the state of the initiative at key points in time.

For change leadership, the central value of the idea of diffusion is a change initiative will reach critical mass and become self-sustaining. Self-sustaining means the changes are sufficiently diffused in the organization to impel further diffusion without substantial outside impetus. On reaching critical mass, the organization can redeploy assets, resources and attention to other uses. By using integrative assessment techniques with s-curves, Krier McCormick's clients can measure the number of adopters, diffusion of values and behaviors, and realization of benefits. Monitoring and managing the entire change process in this way strengthens risk management. Figure 17 – The Adoption of Change shows these ideas superimposed on a classical adoption curve.

The Compelling Story

Figure 17 – The Adoption of Change



The use of s-curves for risk management is another example of Krier McCormick’s aggressive innovation to improve chances for success in change management.

About The Compelling Story

The taking and shaping of change initiatives requires a compelling story that touches and moves people in an enterprise to change. The power of the compelling story sustains and supports the change. To do so it must touch people at a deep, emotional and personal level. Since organizational culture is the single most important factor enabling or jeopardizing success, a compelling story is needed to change an enterprise’s culture.

The power of a compelling story is captured by Goethe saying - “*the moment one definitely commits oneself, then Providence moves too. All sorts of things occur to help one that would otherwise not have occurred. A whole stream of events issues from the decision raising in one’s favour all manner of unforeseen incidents and meetings and material assistance which no man could have dreamed would have come his way.*”

The Compelling Journey for Enterprise Renewal involves identifying a call to action; barriers to action, both personal and organizational, and the knowledge needed to overcome them; identifying a course of action or action plan to accomplish something; aligning individual accountability for essential steps; defining and measuring success; creating a compelling story; overcoming the unexpected; and, bringing the knowledge, skills and expertise created during the journey back to others in the organization or larger community.

The Compelling Story

The Compelling Journey is an archetypal developmental model, used since antiquity in all the world's cultures, applied in a new way to change leadership in the post-industrial world. It is a unique innovation and contribution of Ron Schultz to the practice of change leadership. *The Compelling Journey* archetype is powerful and effective. Krier McCormick & Associates has adopted it as the foundation essential to all of Krier McCormick's activities. We also strive through contemplative practice, meditation, research and study to elaborate and to improve the effectiveness and applicability of our human insights, wisdom and understanding with organic developmental ideas to the seemingly intractable problem of successful change leadership.

Krier McCormick's *The Compelling Journey* programs recognize the centrality and essential nature of a compelling story for change management. Our processes are specifically designed to expose the Call to Action and to lay the foundation for and to create a Compelling Story to enthuse your people for change, to create allies in change, and to ensure the ingredients, commitments, and priorities for success are present.

In a culture many behaviors serve the purpose of sustaining the existing culture. Our programs are designed to identify these and to adapt them for success. Otherwise, they can become a major impediment to change. Creating a culture for success means creating one that is future oriented since the new world of opportunity lies ahead. The challenge is to create a culture by adapting the existing one.

Each and every enterprise has its own unique story. The enterprise's story is embedded in a composite of stories about its founders, of people and circumstances that represent the essence of the enterprise – its heroes. There are stories about why it exists, how it started, how it became what it is, how it overcame obstacles, survived crises, became successful, and so forth. Each individual human being has a particular and specific story. These stories are determined in part by one's physical heredity, circumstances of birth and education. Another and fundamentally important factor for individual stories in modern life is the impact and effect of institutions and organizations on the individual. Individual human beings undergo a process of development in which they come in contact with, work for, and are shaped by institutions, enterprise, organizations, businesses and government in the social and economic life. Individuals are in turn able as a product of their capabilities to create, shape and direct the unfolding of enterprise. Enterprises and individuals are co-participants in the evolving social, economic and political life.

The circumstances of life, the times, and these stories have the power to engage, educate and enthuse people compelling them to act. In recognition of this reality, Krier McCormick & Associates has created *The Compelling Journey Process* as a way for enterprises to work more consciously with the archetypal power of stories to shape and align culture and individual actions.

The Compelling Journey Process is one part practical, addressing the pragmatic needs for moving an enterprise forward, and one part archetypal, calling on an enterprise and its leaders and people to change the way they think and behave in order for the enterprise to move towards the future with confidence and assurance in a coherent organizing purpose.

The Compelling Story

About the Fundamental Dynamics of Change

Imagination and innovation create an entrepreneurial culture that thrives on change. It fosters a tradition of success at companies like 3M, that even in a market downturn, still finds a way to increase its market and profitability. Organizations that have fallen into the trap of doing more of the same, only faster, cannot unleash this same power of creative innovation because they are incapable of successfully bringing about change. They get stuck in the repetition of what feels safe, which can never move them outside the world in which they are currently operating into a new world of opportunity.

What If:

Your leadership could create a compelling story that would align your work force to travel into a new world of opportunity? Would you be interested in reading more?

Your executives could chart an accountable timetable to differentiate your offering from your competitors or increase your market share? Would you be interested in learning more?

Your project managers could plot a detailed and focused course of action to successfully implement any major cultural or technical change you wished to undertake? Would you be interested in knowing more?

Your workforce could complete whatever your organization wants to accomplish? Would you be interested in hearing more?

If your organization is interested in bringing about the changes that maximize imagination and innovation, Krier McCormick & Associates can help you make it happen. We do so by working closely with you to align your actions for success. We help *your people change* by changing the way they think, the way leaders lead, and the way your organizational culture accomplishes its objectives. Our methodologies are based on emergent change, strategic interactive thinking, and conscious leadership. Our workshops and consulting programs improve alignment, while activating accountable collaboration, joint ownership of success, and a mutual commitment to making the changes essential to that success.

Our change leadership programs provide detailed and focused directions to successfully achieve what you need to accomplish. Why is plotting that course of action for success so important? The enormity of the problem of failed change initiatives shown in Table 1 and the resulting economic and social consequences provide the answer.

About Meeting Enterprise Change Requirements

Change affects an enterprise's culture and people, its infrastructure, and its information. Implementing change requires alignment of cultural and resource priorities along with an examination of your enterprise's strategic vision and what you want to accomplish – often translated as your mission, goals and objectives. These may include strategy implementation, addressing leadership issues, organizational infrastructure redesign, enterprise technology adoption, or “partnering for performance” programs (customer / alliance relationship-building.)

The Compelling Story

In the midst of these issues, most enterprises are faced with an environment full of uncertainty and complex interdependencies. These factors contribute to a climate of risk, reluctance and avoidance, that foster, at best, an unreliable implementation capability. Although these challenges make a commitment to change difficult, entrepreneurs are still compelled to act on their strategic ideas. But, as the numbers stated earlier show, wanting to change and implementing change do not always go hand-in-hand.

Confronting their next change initiative, business leaders need to ask themselves and their organizations, not only, “how can we beat the odds?” but also, “how can we achieve results beyond those predictable by our current ways of thinking and acting?” For Krier McCormick & Associates change implementation *is the people*. We provide a powerful and compelling approach to answer these questions based on our extensive experience, pragmatic perspective on leadership, organizational design, and cultural change. We can help your organization catalyze inconceivable opportunities and accomplish unimaginable results.

Why do we focus so strongly on culture? Culture is comprised of the organization’s people and their collective values, beliefs and behaviors. It is both the power that limits and impedes organizational renewal and the key to an organization fully realizing its future potential.

As author James Champy states:

“Everything we’ve learned drives toward one solid conclusion: The rules of governance (and self-governance) for effective business enterprises today are being determined by their culture, not their organizational structure.”

About Our Change Leadership Practice

Krier McCormick provides change leadership consulting services across the full initiative cycle — before, during, and after implementation — including: change readiness assessments, risk readiness assessments, implementation strategy; transition management and performance assurance; post-implementation audits, recovery and renewal; and technology.

Each of these offerings is formulated according to the five foundational elements of Krier McCormick & Associates’ organizing principle – *The Compelling Journey* – as shown in [Figure 18 — The Compelling Journey Process](#), which views every change initiative as a compelling journey that crosses an unknown terrain toward an unknown future. If any one of the primal elements is missing, it puts the integrity of the entire implementation at risk.

The Compelling Story

Figure 18 – The Compelling Journey Process



A call to action	– What needs to be done
The course of action	– How it gets done
Aligned accountability	– Who does it and when
The compelling story	– How we communicate it
The return	– How we give back to the community within which we operate

Working closely with senior executives and project teams, and applying Krier McCormick & Associates’ organizing principle, we can help your organization define and implement your initiative to achieve the results you want – on time and on budget.

How can we make such claims? Krier McCormick & Associates is a growing and responsive association of experienced senior consultants, with diverse backgrounds and expertise, dedicated to successful change implementation and organizational renewal. What unites and distinguishes us from other, larger, “change leadership organizations” is our focus on implementation, our effectiveness with leveraging the power of culture, our commitment to community, and our reliance on the alchemy of human capability to accomplish what often seems impossible.

Krier McCormick & Associates’ change implementation practice draws on its associates’ extensive experience with Senn-Delaney Leadership, one of the leading organizational culture consultancies in the U.S., with the Pacific Institute, the Institute For Developmental Processes, the Dublin Group, and other widely recognized performance improvement and change implementation approaches. Our consultants have particularly strong expertise in the adoption and application of emerging information technologies with change.

The Compelling Story

For large-scale initiatives, such as enterprise-wide systems implementations or business integration, we work with your organization to co-create, and initiate, a comprehensive strategy to assure that your people are ready and willing to make the often difficult transition and will be able to perform effectively in the new environment. We then help your organization sustain the momentum by supporting the initiative, where needed, with our expertise in the areas of cultural alignment, leadership development and coaching, team building, communications, training, and performance planning and management.

In such engagements Krier McCormick & Associates operates in partnership not only with your teams and functional experts but collaboratively with other technical consultants such as systems integrators, We bring our proven methodologies and tools, implementation-focused consulting, and coherent leadership coaching all aimed at assuring the initiative's success and long-term sustainability. And, *our* long-term goal is always to renew and reinforce the generative capacity of your people through transfer of technology and building an internal continuous-implementation capability.

About *The Compelling Journey Process*

At the forefront of our change implementation methodology is the *Compelling Journey for Enterprise Renewal*[™] methodology. The archetypal methodology is the foundation for all of our activities, working sessions, workshops and consulting work. Developed originally by Krier McCormick & Associates, it is a proven means for rapidly establishing a foundation for successful change. Based on our organizing principle – *The Compelling Journey*, we work with client teams to rapidly establish what they need to accomplish, set a course of action, determine leadership requirements and define and assign accountabilities. After initial issue identification and discovery consultations, the process begins with six to ten participants completing a day and a half *Compelling Journey Workshop*[™]. By unleashing the “wisdom of the team,” this workshop helps enterprises overcome initial resistance and its barriers to success and produces tangible results in the day and a half, that include:

1. A clear statement of what needs to get done – The **Call to Action**.
2. A detailed and focused course of action for whatever is to be accomplished – The **Course of Action**.
3. Alignment of accountability with a *Calendar of Accountability*, clearly denoting responsibility for actions and agreed-on times for completion of those actions; and,
4. A *Compelling Story* for success, that is clear, concise and motivating to align people and move them toward the success they want to accomplish.

The Compelling Story

The results realized from this workshop are improved alignment, trust, collaboration, joint ownership of success, and a mutual commitment to make the changes essential to success. Clear and constructive communications are established that acknowledge individual and group contributions, while providing appreciation and constructive feedback within a 'safe' working environment. At its core, this workshop assists the development of the values and behaviors essential to achieving sustainable success. It not only provides clarity about them, but also addresses the organizational and personal obstacles that must be overcome to be successful. Krier McCormick can adapt the contents of this workshop to working session and consultative formats to meet client specific needs.

The methodology, depicted below in [Figure 19 – The Compelling Journey Methodology](#), begins by understanding the current world and its call to action. Once that has been accomplished we can then gather the compelling knowledge necessary to overcome all barriers, both personal and organizational. At this point, we cross the threshold into a new world of opportunity, meeting the initial tests of our ability to operate here and discovering who our allies and competitors are. Then we focus on the leadership required to meet the challenge before us, and the actual steps necessary to accomplish our objective. We also define success and how to reward it, integrating what we have learned so that we can return to the current world and provide long-term benefit to our organizations and communities.

The results of the workshops or sessions are compiled and delivered to all participants within a few days of completion. After the *Compelling Journey Workshops*, Krier McCormick & Associates consultants work with the team in follow up sessions, for a minimum of one day in each of the two successive months. These sessions address additional issues arising out of the participants' work plans, overcoming new barriers to success and the unexpected events of organizational change. They take the form of two-hour to half-day on-site team workshops and can be combined with leadership coaching. Leaders play an essential role in the change implementation process, redefining and shaping the current and future culture by modeling the core values and behaviors they want others to integrate. The success of any organizational change implementation is a factor of its leaders modeling the desired values and behaviors, again, again and again.

The Compelling Story

Figure 19 – *The Compelling Journey Methodology*



The Compelling Journey action principles inform all of Krier McCormick’s work with clients and unifies the above-mentioned programs and delivery formats.

About *The Compelling Journey for Enterprise Renewal*

Krier McCormick & Associates has prepared this document as both a statement about change and a contribution to the discourse on change leadership. We intend to engage, contribute and participate with others interested in change leadership or confronting the need to lead or participate in organizational change, in taking the road less traveled. We are confident in the necessity and wisdom of doing this. While the challenges are many, few are the answers.

In recent months while working on strategy, we have discovered, a common call to action in a poetic statement about change by Goethe. The full text is quoted below. Our source for this translation is *Vision in Action*.^{xxvi}

‘Concerning all acts of initiative and creation there is one elementary truth the ignorance of which kills countless ideas and splendid plans; that the moment one definitely commits oneself, then Providence moves too. All sorts of things occur to help one that would otherwise not have occurred. A whole stream of events issues from the decision raising in one’s favour all manner of unforeseen incidents and meetings and material assistance which no man could have dreamed would have come his way. Whatever you can do, or dream you can do, do it. Boldness has genius, power and magic in it. Begin it now.’

The Compelling Story

Perhaps this impulse also resonates with you?

Krier McCormick & Associates ... *ACTION* ...with tangible results.

Afterword

Krier McCormick & Associates strives continually to develop its capacities and capabilities to meet the emerging needs of its clients and the times. Rather than delivering 'more of the same', as most consultants have done these past thirty or so years and continue to do, we are actively working to observe unfolding phenomena more objectively in order to see the symptoms of the times more clearly, to see the reality behind the pictures in people's minds more clearly, and to surface and meet the real needs of organizations more effectively. This is evident in our research and development initiatives for entrepreneurial action, wide horizon vision, risk readiness, The New CE_NO : Chief Entrepreneurial Officer, cognitive design, antinomies and the like.

In the face of the difficulty of implementing consciously sustainable organizational change and the long record of failure of enterprises to change successfully, new knowledge and new ways of thinking are required. We see a strong correlation in successful businesses and organizations of customer and employee engagement as a sure indicator of the path to greater success in change leadership. We hope in this way to help individuals and organizations meet the personal soul consequences resulting from the conditions and times in a way that provides them with sustenance and the ability to return again and again to their respective communities in order to transform themselves and the communities for the future.

Krier McCormick & Associates' work is based on archetypes and developmental principles and laws applicable to both the social and economic realms. These in turn rest upon human knowledge and experience since time immemorial represented in all of the great cultures and learning of antiquity. The loss of an individual human connection to working with this knowledge and the substitution of a materialistic *scientific knowledge* with abstract theories disconnected from reality and humanity have resulted in human misery and suffering, and the destruction of the Earth and natural resources to an extent not previously known or imaginable. On this foundation we are actively researching a number of ideas relative to the work described herein. They are:

- Consumption or destruction of capital at 20% - 25% annually
- Creation of new capacities and capabilities to meet needs of communities
- Creating associations to mediate consumption/production levels
- Individual accountability and self-development through study, contemplative practice and life
- An enlightened spirit of brotherhood represented in the entrepreneurial spirit in man – the knowing doer
- Working to develop the World Community with brotherhood and sustainability as the central organizing principles

The Compelling Story

We at Krier McCormick & Associates strive through our contemplative practice, meditation, research, study and our work together to discover and to develop our individual capacities and capability to reconnect with the living impulse in time that is the Earth. We also strive to develop true human knowledge and to apply our capabilities to the seemingly intractable problems of sustainability, development, and successful change leadership in enterprises and communities as the basis for societal change. We hope to see the emergence of new communities, communities of practice and interest, and *elective affinity* or communities of conscious personal choice and commitment as an antidote to the decline we now experience and see in life worldwide.

Acknowledgements

Krier McCormick & Associates owes a special debt to Ron Schultz and Steve Heffernan for their work with Bill McCormick at Red Tiger & Associates that defined and shaped many of the ideas embodied in this Story. Many others have shaped over the course of time the thinking embodied herein including: Jim Johnson, Johnson & Associates; Craig DeForest, DeForest Associates, and Ingenium Partners; Janet E. Krier, eSharp; and, Jim Knight, Koan Human Systems.

The Compelling Story

About customer testimonials and comments in the business literature

How much will it cost your organization if you don't accomplish your key strategic goal? Krier McCormick & Associates has a proven methodology that will plot a detailed and focused course of action to accomplish your objectives.

Here is what some of our clients have said about working with *The Compelling Journey Program*.

“Your work enabled our team members to discover their potential for collaboration/synergy and personal commitments/accountability. The methodology performed exactly as promised.”

Peter Kindzierski
Knowledge Management Platforms
Knowledge & Content Management
ICN IT KM KCM
Siemens AG

“I've written to express my enthusiasm for the workshop conducted here. The team of matter-of-fact, high-tech engineers I lead recently examined a big challenge we face. As a consequence of The Compelling Journey Workshop, we became a closer-knit, more effective team, we saw a way to achieve our goal and we conquered the obstacles to achieving our goal. The two-day session ended with tangible results as we proceed with completion and launch of our NASA spacecraft.”

Zubin Emsley
Program Manager, ICESat
Ball Aerospace & Technologies Corp.

“It was an exceptional process for enabling our board to think through its vision, mission and values, and to develop an action plan for the next six months. We now have a better idea of the nature of our journey, the roadblocks that we are likely to encounter, and the steps that we need to go through in order to overcome such obstacles.”

Bernard Amadei
President, Engineers Without Borders – USA

The Compelling Story

“I went into this hoping to simply walk away with a Calendar of Accountability. What I actually received was far more. We now have a Call to Action; we’ve confronted our personal barriers; we know who our leaders are and what’s expected of them; and most of all we have a Compelling Story that we can turn to for inspiration. And we accomplished all this in a day and a half!”

Michael Kerber
President, CEO
Red Wheel/Weiser Publishers

Here is what the press has said about The Compelling Journey methodology:

“A powerful and pragmatic set of exercises for exploring how we think, how we create the world around us, and how we can change it.”

Fast Company

“They make [you] rethink [your] assumptions about how much managers truly understand the flow of business.”

Harvard Business Review

“It’s as much about changing our perception of business as it is about changing business.”

CIO Magazine

The Compelling Story

Biographies

Janet E. Krier

Ms. Krier is a founder of Krier McCormick & Associates. She currently operates e-Sharp a technology consulting firm in Denver, CO. Janet is the source of many of the practical ideas on change and the emphasis on team building in this Story. Janet has extensive experience in the securities and mutual funds industries. She has held senior management positions and worked as a consultant to several major investment banks and telecommunications companies. Janet holds a B.S. from Metropolitan College, Denver, Co.

Bill McCormick

Mr. McCormick is a founder and operates Krier McCormick & Associates LLC a boutique consulting firm specializing in organizational development and change, and business and technology strategy and implementation. Mr. McCormick is Chairman and CEO of Consonant Technologies, Inc. in Santa Fe, NM. He is a Managing Director of Red Tiger & Associates. Mr. McCormick has extensive knowledge in the financial services (securities trading, clearing, settlement and compliance), health care, telecommunications, distribution, logistics and retail industries and in non-governmental organizations. He was formerly Vice President, Cantor Fitzgerald & Co., Inc. an investment bank and Director of Corporate Systems at Tenet Healthcare (the former American Medical International) that owned and operated over 300 hundred hospitals in the US and around the world. In these roles he led implementation of securities trading, clearing, settlement and market making systems, and a range of budgeting, billing, cash management, procurement, labor management and financial management and reporting systems for worldwide operations. He also worked as an integration consultant to Vanderbilt University Medical Center and other research and teaching facilities, as well as in regional and urban medical centers. Mr. McCormick has a BS and Masters in Business and worked on a Ph.D. in Business Strategy at the Claremont Graduate University, Drucker Center for Executive Education. Mr. McCormick has been involved with Waldorf education for almost twenty years as a parent and a leader and member of the Boards of Waldorf schools.

The Compelling Story

Craig DeForest

Mr. DeForest operates DeForest & Associates in Santa Fe, NM. For the past 19 years, he has helped corporations incorporate an advanced technology for change and development of their businesses, their organizations and their people. He has worked across the U. S., Europe, and parts of Asia with small and large corporations who are striving to further develop their strategic, leadership, and operational capabilities in systemic and integrated ways. Mr. DeForest began his career of seeking and implementing improved approaches as a manufacturing manager in Procter and Gamble. He later applied these approaches as a manufacturing director, HR executive and internal consultant for Mars Inc. Mr. DeForest is a senior member of the Institute For Developmental Processes of Carmel, California. For over twenty years, the Institute has studied and developed technologies, philosophies, and methodologies for creating advanced business organizations which reap the full potential of their employees at all levels and apply that potential to the delivery of superior customer value and the achievement of ongoing business growth.

Jim Johnson

Mr. Johnson is a Managing Director of Krier McCormick & Associates. He founded and operates Johnson & Associates, Reno, NV. Jim is an experienced business leader and consultant. He has extensive experience with leadership development and change implementation. Mr. Johnson has been successful in strategic planning and change management initiatives with state and local governments, native American communities and non-profits. Jim also works with international companies and major corporations like Electrolux, Hilton Mackie Designs and Holiday Inns on marketing, business development and strategic planning.

Mr. Johnson holds a B.A. in Social and Behavioral Sciences from Johns Hopkins University. He is involved in a number of community service activities including: Our Lady of Snows Pastoral Council; Mountain View Montessori School Board of Trustees, and Manogue High School Blue Ribbon Committee.

J. Marshall Knight, Ph.D.

Dr. Knight is an experienced senior executive and consultant with extensive experience in business development, leading-edge operations, strategic & business planning, process re-engineering, transitional management and implementation in diverse industries who is a key player in turnarounds and fast-track growth. He has demonstrated success in the development and implementation on new processes that substantially reduce waste, improve efficiency and productivity. For example, Dr. Knight helped a client turn a \$7.7M loss to a \$3M profit in 18 months with no added capital by leading employees with action oriented methods. In addition, they increased productivity by 28% through direct program innovations improving quality to lead their industry. Another client achieved \$1.4M annual savings by restructuring work flow processes. Still another achieved a \$1.44M (12%) reduction in base operating expenses by activating waste reduction programs.

The Compelling Story

Dr. Knight holds a Ph.D., from the UCLA Graduate School of Management, (1980); MS, UCLA Graduate School of Management (1971); and, a BS, Mathematics. CSULA, (1969). He has served as an Adjunct Professor/Lecturer at the UCLA Graduate School of Management; Monterey Institute of International Studies; California State University, Long Beach, School of Business; Pepperdine University, Graduate School of Business, MBA Program. Dr. Knight's public service experience includes: President/CEO; Chairman, Board of Directors, Board Member: Highland Hall Waldorf School, Northridge, CA, private school with an annual budget of more than \$3 million (1985 - 1992). Member of Administrative Committee, Japanese American Museum, Los Angeles, CA 1995-Present.

Ron Schultz

Mr. Schultz is the founder of Red Tiger & Associates and the former COO of Collectively Sharper, Inc. Prior to joining Collectively Sharper, Inc., Mr. Schultz was publisher of Leadership Press and director of publications for Senn-Delaney Leadership. Previously, he was in charge of media and publications for the Santa Fe Group, and was a senior consultant to the Santa Fe Center for Emergent Strategies. Mr. Schultz has written or co-written and had published 20 books, 13 of which are on business and American competitiveness. Included is the recently published (with Paul Nakai) *The Mindful Corporation: Liberating the Human Spirit at Work*, Leadership Press, 2000, and, (with Howard Sherman) *Open Boundaries: Creating Business Innovation through Complexity*, Perseus Books, 1998. Mr. Schultz spent six years with the Oliver Wight Companies, the developer of Manufacturing Resource Planning, the first and leading manufacturing software package of its time where he worked with Fortune 1000 manufacturers providing materials regarding all aspects of successful technology integration. He also wrote one of the first books on Just-in-Time, introducing many of these ideas into North America.

The Compelling Story

Glossary

Affinity

relationship by ties other than those of blood. By agreement. designating persons who share the same interests.

Behavior

the manner of conducting oneself, generally with reference to one's state of mind, feeling, and emotion.

Business

a person, partnership, or corporation engaged in commerce, manufacturing, or a service.

Capability

the quality of being capable; capacity; the ability to undergo or be affected by a given treatment or action: qualities, abilities, features, etc., that can be used or developed; potential.

Capacity

power of receiving impressions, knowledge, etc.; mental ability. actual or potential ability to perform, yield, or withstand.

Cognition

the act or process of knowing; perception. something known or perceived.

Coherence

the act or state of cohering; cohesion. logical interconnection. congruity; consistency.

Community

a group of people who reside in a specific locality, share government, and often have a common cultural and historical heritage. a locality inhabited by such a group. a social, religious, occupational, affinity, interest or other group sharing common characteristics or interests: the business community. the public; society. a group of associated nations sharing common interests or a common heritage. Groups of people including groups of groups aligned to accomplish an aim or purpose.

Consciousness

the mental activity of which a person is aware, as contrasted with unconscious mental processes. the mind or the mental faculties as characterized by thought, feelings, and volition.

The Compelling Story

Culture

the behaviors and beliefs characteristic of a particular social, ethnic, or age group:

Design

to plan and fashion the form and structure of an object, work of art, decorative scheme, etc.

Development

the act or process of developing. undergoing development; growing; evolving. a developed state or form; maturity.

Developmental Model

The term development model refers in organic phenomena to growth within a structure or model until a limit is reached. Beyond the limit the existing structure or model can no longer impose order on the larger mass. The consequence is either disintegration (death or chaos) or a step up to a higher level of order. These phenomena are observable across the continuum from the single living cell and higher organisms according to intrinsic patterns and potentialities, to human created economic and social organizations.

Enterprise

a project undertaken, esp. one that is important or difficult or requires boldness or energy. a plan for such a project. participation or engagement in such projects. boldness or readiness in undertaking; adventurous spirit or ingenuity. a company organized for commercial purposes; business firm.

Entrepreneur

a person who organizes and manages an enterprise, esp. a business, usu. with considerable initiative and risk.

Facilitator

to make easier or less difficult; help forward: Careful planning facilitates any kind of work. to assist the progress of (a person).

Goals

the result or achievement toward which effort is directed; aim; end.

Governance

the exercise of authority; control over an enterprise. a method or system of government or management.

The Compelling Story

Group

a number of persons ranged or considered together as being related in some way. more specifically, each person in the group is aware they are members of the group and those outside the group are aware they are not members of the group. An individual acts to become a member of the group. groups are purposeful, i.e. they based on social, study or action aims and purposes.

Identity

the state or fact of remaining the same one, as under varying aspects or conditions. the condition of being oneself or itself, and not another. condition or character as to who a person or what a thing is. the state or fact of being the same one as described. the sense of self, providing sameness and continuity in personality over time.

Information

knowledge communicated or received concerning a particular fact or circumstance; news. knowledge gained through study, communication, research, instruction, etc.; data; facts.

Infrastructure

the basic, underlying framework or features of a system or organization. the fundamental facilities serving a country, city, or area, as transportation and communication systems, power plants, and roads.

Integrate

to bring together or incorporate into a unified, harmonious, or interrelated whole or system.

Limits

the final, utmost, or furthest boundary or point as to extent, amount, continuance, etc. a boundary or bound. the premises or region enclosed within boundaries.

Limitations

something that limits; a limit or bound; restriction.

Methodology

a set or system of methods, principles, and rules used in a given discipline, as in the arts or sciences.

Models

a pattern or mode of structure or formation. a simplified representation of a system or phenomenon, as in the sciences with any hypotheses required to describe the system or explain the phenomenon, often mathematically.

The Compelling Story

Organization

a group of persons organized for some end or work; association. the administrative personnel or apparatus of a business.

Potential

capable of being or becoming. possible, as opposed to actual.

Principles

an accepted or professed rule of action or conduct; a fundamental law, axiom, or doctrine: the principles of modern physics. a rule or law exemplified in natural phenomena; a personal or specific basis of conduct or management: to adhere to one's principles. a determining characteristic of something; essential quality. an originating or actuating agency or force: Growth is the principle of life.

Process

a systematic series of actions directed to some end: a process for homogenizing milk. a continuous action, operation, or series of changes taking place in a definite manner: the process of decay. the action of going forward or on. the condition of being carried on.

Objectives

something that one's efforts or actions are intended to attain or accomplish; purpose; goal.

Rules

a principle or regulation governing conduct, procedure, arrangement, etc.

Strategy

Determining a course of action from the current reality to future state involving .

Strategic Model

A strategic model assumes a continuum of motive, aim, interest and action between joint consultation and collaboration or conflict and strife. Thus, each entrepreneur and enterprise faces on-going complexity resulting from how it chooses to interact with its owners, employees, partners, allies, customers and competitors, between the poles of collaboration and conflict.

System

an assemblage or combination of things or parts forming a complex or unitary whole.

Think

to have a conscious mind, capable of reasoning, remembering, and making rational decisions.

The Compelling Story

Thinking

rational; reasoning. thoughtful; reflective. thought; judgment: clear thinking;

Values

the abstract concepts of what is right, worthwhile, or desirable; principles or standards. to consider with respect to worth or importance.

Vision

the act or power of anticipating that which will or may come to be; foresight: entrepreneurial vision. a vivid, imaginative conception or anticipation:

Will

the faculty of conscious and particularly of deliberate action. power of choosing one's own actions. the act or process of using or asserting one's choice; volition.

Exhibit A – Change Implementation Process

The Compelling Story

Exhibit B – The Compelling Journey Process



-
- ⁱ Larry E. Senn and John R. Childress, The Secret of a Winning Culture *BUILDING HIGH-PERFORMANCE TEAMS*, The Leadership Press, 1999, page 8.
- ⁱⁱ Op. cit., page 8, from *Business Week*.
- ⁱⁱⁱ Foster, Richard, INNOVATION The Attacker's Advantage, McKinsey & Co., Inc., 1986, page 262.
- ^{iv} Thor Valdmanis, "Some Companies seek growth with Adjacency", USA Today, 12/31/03, page 5B.
- ^v Op. cit., page 5. USA Today, 12/31/03
- ^{vi} Senn and Childress, "change initiatives fail more often than they succeed", page 6.
- ^{vii} Senn and Childress, page 8., *Newsweek*
- ^{viii} Kristen B. Donahue, *How to Ruin a Merger: Five People-Management Pitfalls to Avoid*, Harvard Management Update, September 2001, Volume 6, Number 9, pp. 1-2.
- ^{ix} Darrell K. Rigby, *Best Practice – Avoid the Pitfalls of CRM*, from a Gartner Group report, Harvard Business Review, Feb. 2002, p. 102.
- ^x _____, *DISENGAGED AT WORK?*, Wall Street Journal, March 13, 2001, report on a Gallup Organization survey of worker disengagement, page 1.
- ^{xi} Kim, Jane J., *Poll Gives Workers Morale Boost*, Wall Street Journal, January 29, 2003.
- ^{xii} Senn and Childress, page 49, from Terrence E. Deal and Allen A. Kennedy, *Corporate Cultures*.
- ^{xiii} *Beyond the productivity paradox: New views on the value of information technology*, IBM Business Consulting, <http://www-3.ibm.com/e-business/doc/content/resource/pdf/26516.pdf>
- ^{xiv} Jason Dedrick, Vijay Gurbaxani and Kenneth L. Kraemer, *Information Technology & Economic Performance: A Critical Review of the Empirical Evidence*, November 2002, forthcoming article in *ACM Computing Surveys*. P. 10.
- ^{xv} "Trends in Proprietary Information Loss", a joint study by American Society for Industrial security and Pricewaterhousecoopers, as reported in Chubb CyberRisk Handbook Guidelines for Risk Management, p. 11.
- ^{xvi} Op. cit. Chubb CyberRisk Handbook Guidelines for Risk Management, p. 11
- ^{xvii} Copeland, Tom, Koller, Tim, and Murrin Jack, VALUATION Measuring and Managing the Value of Companies, John Wiley & Sons, New York, 2000, pp. 112-113.
- ^{xviii} Doherty, Walter J. and Thadani, Arvind J., "The Economic Value of Rapid Response Time", <http://www.vm.ibm.com/devpages/JELLIOTT/evrrt.html> .
- ^{xix} Howard Sherman and Ron Schultz, Open Boundaries Creating Business Innovation Through Complexity, Perseus Books, 1998, pp. 52-54.
- ^{xx} Thomas M. Hout, *Are Managers Obsolete?*, Harvard Business Review, March-April 1999, pp. 6-8.
- ^{xxi} Dr. B.C.J Lievegoed, The Developing Organization, Celestial Arts, Millbrae, Ca, 1980, p. 5-9;
- ^{xxii} Op. cit. Lievegoed, p. 5-9;
- ^{xxiii} Boulding, Kenneth, *General systems theory: the skeleton of science*, Management Science, 1956, pp. 197-208.
- ^{xxiv} Op. cit. Lievegoed, p. 28; Also Michael Lissack & Johan Roos, The Next Common Sense The e-Manager's Guide to Mastering Complexity, pp. 6-7; See these sources for more information on the association of the concepts purpose, potential, coherence, and identity with systems or individual organizations.
- ^{xxv} Everett M. Rogers, The Diffusion of Innovations, The Free Press, New York, 1995. page 4. "an important factor regarding the adoption rate of a 'change' is its compatibility with the values, beliefs, and past experiences of individuals in the organization."
- ^{xxvi} Christopher Schaefer and Tijno Voors, Vision in Action The art of taking and shaping initiatives, Hawthorn Press, Anthroposophic Press, 1986.