

The Transformational Change Simulation and Leadership Workshop  
*“Different by Design”*

**Chapter Fourteen “Structural Change”**

**After the break, the group was in a rather stunned silence. That reflects the mental state of “readiness” for learning something new and “different.” It happens when the context shifts from “problem solving” to the “creating” process.**

**I began, “The purpose of the rest of our time today is to “help you” release the “potential” of Phase Three /Four for your life and your companies and make a conscious choice as to how to create the future you want in the most economical way.”**

**I paused to put emphasis on the next point and said, “We are all customers.”**

**There was silence from this obvious statement of fact. “Asking the “purpose” question at any restaurant is for you to personally realize how important it is for any business with whom you interact --- as a customer --- to be consciously designed to serve you.”**

**With that statement Debbie quickly stated, “It was that interaction with that young lady that night that finally got my attention --- nothing ---- nothing --- prior to that even opened the door to the possibility of “purpose” being the core design criteria --- I’m so sorry to interrupt – but we all must begin within ourselves to get the right answer --- please pay close attention to what Tom is going to tell you!”**

**I paused and said, “Thank you Debbie --- hundreds of restaurants fail every year because the restaurant owners believe that success is all about the “food” – yet we all know of a restaurant with great food that we will never patronize again as we had bad service --- and there are other choices that have equally good food.”**

**The silence about the “obvious” of being a customer remained, “Yet franchise restaurants are opening everywhere that promote ‘the best burgers and fries’ as the dominant design criteria.”**

**I paused as a lecture about the “obvious” has been delivered --- and ignored for many years. I continued, “This applies everywhere ---**

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**banks, insurance companies, rental car agencies, airlines --- you know this --- yet leaders at all levels continue to try to perfect Phase Two efficiency and reduce the cost of “functionality” by sending jobs to international destinations ---- in the guise of sustainable differentiation --- and when it fails --- they blame the amorphous thing called the “culture.”**

**Several hands went up wanting to give examples of how that has happened in their companies and throughout their industries --- but I motioned for them to wait and said, “We all did it during the Simulation in Phase Two --- the astounding thing is that we --- everyone in this room did it because we had no other context within which to “design the factory” to function.”**

**Once again I paused to be sure everyone was focused and said, “Let’s be very clear that this does not make us wrong --- stupid --- or any other adjective --- it is simply a lack of awareness as to how to do it “different.”**

**I continued, “Thousands of people play golf --- take lessons --- books and magazines and videos show pictures of all the Professionals – how to play is in plain sight ---- yet they reach a handicap that cannot be defeated --- likewise there are hundreds of books about leadership and business about how to design companies for success --- articles about “sustainability” in business --- and nothing changes ---- because ---- people at all levels of leadership say ONE THING ---- one thing that prevents that “something” from changing --- they say --- “I know that.”**

**I paused and asked every to say, “I know that.”**

**“I know that,” was barely audible.**

**I raised my hand and said, “We can only go as fast as the slowest--- so together say ---- “I know that.”**

**“I know that!” came the response.**

**I laughed as the “wholeness” routine does “wake” some people from the “lecture” that they have heard before --- typically from a “boss”**

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**of a parent --- or from a “proclamation” that tell them ---don’t text and drive.**

**I continued, “Every company has said we need to serve customers -- - yet the “purpose” question reveals that the business is not designed to execute that command.”**

**I had to transition to the main topic for the day, so I said, “Please – everyone take a deep breath --- as if you are about to try to make a four foot putt for your first PGA or LPGA Tour championship.”**

**I saw Rod in the back of the room, and he could easily tell everyone that it was the “deep breath” before that four-foot putt for his first Champions Tour victory. He smiled and nodded agreement.**

**I continued, “We are going to shift back to the “new” way to design any business, but we must realize the “design” of anything is totally a function of the “context” that contains the “intrinsic energy field” that releases the “creative potential” of people to create the “content” to support the new context.”**

**That statement is very confusing, so I asked them to refer to the statement in their workbooks and we repeated it several times with emphasis on the meaning of each word. I also referred them to Chapter 2 in *Transformational Change* where the diagrams of *Context* and *Content* would help clarify the difference.**

**Jody asked if I could give a concrete example, so I said, “In 1492 the dominant context --- the view of how they saw the world --- was that it was flat --- and within a flat world context, they would be constrained to design “flat world” boats. In other words, they would not have the “intellectual capital” and “creativity” to design “round world” boats within a “flat world” context.”**

**I paused for a moment and said, “Recall the time when we were challenged to land a man on the moon and we did not have the “I know that” and “creativity” associated with space travel--- the astronauts had to simulate sending the rockets into space and landing the capsules in the ocean to be sure the astronauts would**

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**come back alive. Space travel was a totally new “context” that released the “intrinsic energy field” to allow the creativity needed for space travel to emerge.”**

**I paused as people were still trying to internalize the word “context” and said, “Consider what happened during the practice of “wholeness” before Phase Three of the Simulation. It is true that every person has an “intrinsic energy field” within them that can be activated by a change in “context” that inspires them to use their “creativity” to produce the Fliers that are now on the wall.”**

**Everyone was beginning to grasp that a change in “context” is critical to release the “creativity” of some people.**

**Brian asked, “What was the context change of Phase Three?”**

**I paused as the answer was critical to our understanding of what actually happened during Phase Three. “It was from the Industrial Age business model of producing “things that fly” --- that can be made and put in inventory ---- by highly functional “jobs” --- where people called “cutters” and “folders” did not need any creativity to follow the cutting and folding directions --- were interchangeable --- - could be cross trained to do multiple functions --- could pass the “trash” knowing that their ability to produce quality was not a part of their “job” --- would only be responsible for their function until the time was up --- and that there was no meaning to their work other than to cut and fold and paint --- no need to be concerned about what happened to the pieces beyond their function --- nor had any concern that there was a customer at the end of inventory accumulation.”**

**Brain said, “Sounds like two meaningless jobs I’ve had in the past!”**

**Everyone laughed and I said, “We all know that reality --- but the context changed when the customer became the primary destination for the Fliers --- not inventory --- and the need was for a “message” to be communicated by the Flier symbolized by the “creativity” of every person here in the room --- it is called Mass Customization.”**

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**I paused and with some emphasis said, “AND ---- no company can achieve Mass Customization until they design the factory with the “context” of the Customer as the criteria for “content” design.”**

**There was silence yet I could see that everyone was becoming clear about the word “context.” I continued, “We are all customers and it is not likely that we will settle for “two-all-beef-paddies-special-sauce-lettuce-cheese-pickles-onions-on-a-sesame seed bun” or please step aside --- using the advertising phrase from McDonald’s that no longer applies to even their highly mass customized business today.”**

**I continued, “Recall the litany of stories that everyone told yesterday about someone --- typically of higher authority --- who would not be easily convinced that your experience here for three days has any relevance to them or your company --- as “They Know this!”**

**“They are simply ‘contextually’ blind.”**

**Ralph, who had been very silent for most of the three days raised his hand and asked, “Is this why Kaizen doesn’t work?”**

**I raised my hand to get everyone attentions and said, “Everyone stay very focused on what Ralph is asking --- it may be one of the single most important issues for many going back to others in similar situations.”**

**I said, “Ralph --- tell us what you mean by “Kaizen doesn’t work?”**

**Ralph with some reluctance began, “Our company has been doing Kaizen continuous improvement for over a year now – spent a fortune with a consulting firm --- long story --- and nothing has improved --- in fact on-time deliveries have declined --- I complained that we needed to stop the “stupid” meetings about eliminating waste and improving cycle times ----- and here I am --- I was told to come here by my new boss and understand this approach to organizational change --- he knows you and said we will need to shift our “context” --- and I said, what the hell is that?”**

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**I raised my hand to assure focus and said, “Ralph has described the issue we will be addressing all day today – but for right now --- let me suggest that what you have been doing is continuously improving Phase Two” ----I once again pointed to that section on the wall**



**“hoping to make the functionalized process go “faster” and with “more” efficiency and less waste to meet the challenge of all the inventory demands of all four customers --- and recall that the forecast for Phase Three was only an incremental increase in top line revenue growth.”**

**Ralph with some emotion said, “That is exactly what we have been doing for over a year and we are blaming customers for wanting specials.”**

**I inserted, “Said another way --- you have been trying to improve the “content” hoping to meet the challenge of a “contextual” shift --- it would be like the “flat world” boat builders in 1492 trying to add sleeping quarters to their flat world boats.”**

**That comment brought some laughter to this most important and serious subject --- I looked at Ralph and said, “Kaizen is brilliant technology for improving existing “content” within a fixed “context”**

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**but it will not meet the challenge of “contextual” change----- does that make sense?”**

**He quietly said, “Now I understand why my boss sent me here.”**

**Wally raised his hand and asked, “Does this mean we must think “out of the box?”**

**I chuckled recalling Wally’s encounter with the “out-of-the-box” demands of his boss and said, “Out-of-the-box” is totally a contextual change issue. It is not possible to “get-out” with “content” thinking.**

**There are four outer boundaries to the box --- time, place, matter and causation – that need to be transcended --- we did all of them during the Simulation ---- and we will talk about how they all need to be addressed as we design the structural framework to support the “out-of-the-box” context after lunch.”**

**Curt said, “This is heavy shit --- isn’t it?”**

**Everyone laughed at the profanity, but it was very normal for many people to express their frustrations in a “profane” way.**

**I laughed and said, “Curt --- this is heavy stuff --- it is why we simulate it so it can be seen as “real” --- not just a lecture by a consultant that can be dismissed ---- the fact that you actually “did it” proves that it is “possible” --- if ---- you want to embrace the heavy load that is required.”**

**To reinforce the magnitude of the “contextual” shift that was confronting the “world” --- not just our companies --- I asked everyone to turn to the quote by Dee Hock that read:**

*“We are living on the knife’s edge of one of those rare and momentous turning points in human history. Livable lives for our children, their children and the children’s children hang in the balance. The Industrial Age, hierarchical, command-and-control institutions that have grown*

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*to dominate our lives are increasingly irrelevant in the face of the exploding diversity and complexity of society worldwide.”*

Once again, I looked at Curt and said, “Feel the weight of that assignment?”

“AND --- the really good news is that it is not a “problem” to solve rather a future worth creating.”

Several hands went up to comment or ask a question, but I motioned for them to wait: “Realize then that there is “something” that “influenced” the behavior to change in Phase Three ---- AND that “something” is invisible ---- it was not the demands of a senior authority figure --- it was “outside of the “box” of Phase Two --- it is what we will be revealing today that will change everything for you and your companies.”

Debbie could not resist and said with some emotion in her voice, “It is amazing.”

That moment broke the seriousness of the conversation, so I suggested that everyone stand up --- stretch and “allow” themselves to be free of the constraints of a “lecture” about change.

When everyone was again seated, I said, “When you begin to create “wholeness” back at work, it is important to realize that it can be perceived as a lecture --- and as we just did, “allow” everyone some “space” to absorb the message to that point.”

For the next ten minutes I referred everyone to various Chapters in *Transformational Change* --- starting with Chapter 2 Context and Content -- - where the differentiation between these two issues were illustrated.

I then asked, “Everyone think of the most influential leader in your life and the difference between the “influential” and the most “authoritarian?”

Someone yelled at Carlos. “Hey Plant Manager – Plant Manager --- we have an idea!!”



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Carlos yelled back, “Just do your job!”

The humor about this most serious issue was refreshing to hear and everyone was “influenced” into a leaning mode.

Brain said in a questioning mode, “You mean that purpose influences an organization to serve customers --- that sounds very weak to me?”

“Brian, there is not a single restaurant, bank, car company --- any company who has “authority” over you as a customer --- for what is marketing other than the ability to influence you to buy --- yet many companies trick you into signing a contract that gives the authority within the legal system -----.”

He quickly interrupted and said, “I hate those companies!”

Zac quickly risk his career with Brian and said, “Then why are you training us how to do that?”

I had to intervene and said. “This is a first for everyone when they realize that the Industrial Age selling systems are not designed to work from the customer back to the factory --- so let’s all be “influenced” to change many things that we have embraced for years that may not work in the future --- that is the purpose of the Simulation ---- make sense?”

I raised my hand for silence and said, “It is very “simple”--- the purpose gives meaning to the “context” of the Customer --- that’s what “purpose” does in the organization --- and --- if it is not accurately defined --- if it is “to make a profit” --- nothing will change. That is the total reason we have been here for three days!”

We were nearing a break and beginning the work of creating the new underlying structure to support the transformation of the Industrial Age business model --- So, I suggested, “Let’s be clear that emotions about the past are relevant, but we will not “influence” the structure of a lake to change by “yelling at the water.”

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With that comment, there was complete silence. I said, “Think about that as you take a break.”

Ralph raised his hand and said. “Wait!” --- looked at the wall and said, “We can’t see context --- can we?”

I said, “Context is invisible and always open to interpretation --- but as we all know, many things are misinterpreted --- taken out of context --- focusing only on “content” --- and getting the wrong meaning --- it happens when people only see the functionality of their work and are not clear about how that work impacts the customer.”

He said with a somber voice, “I get-it.”

I said, “Take a break and be back in fifteen minutes.”