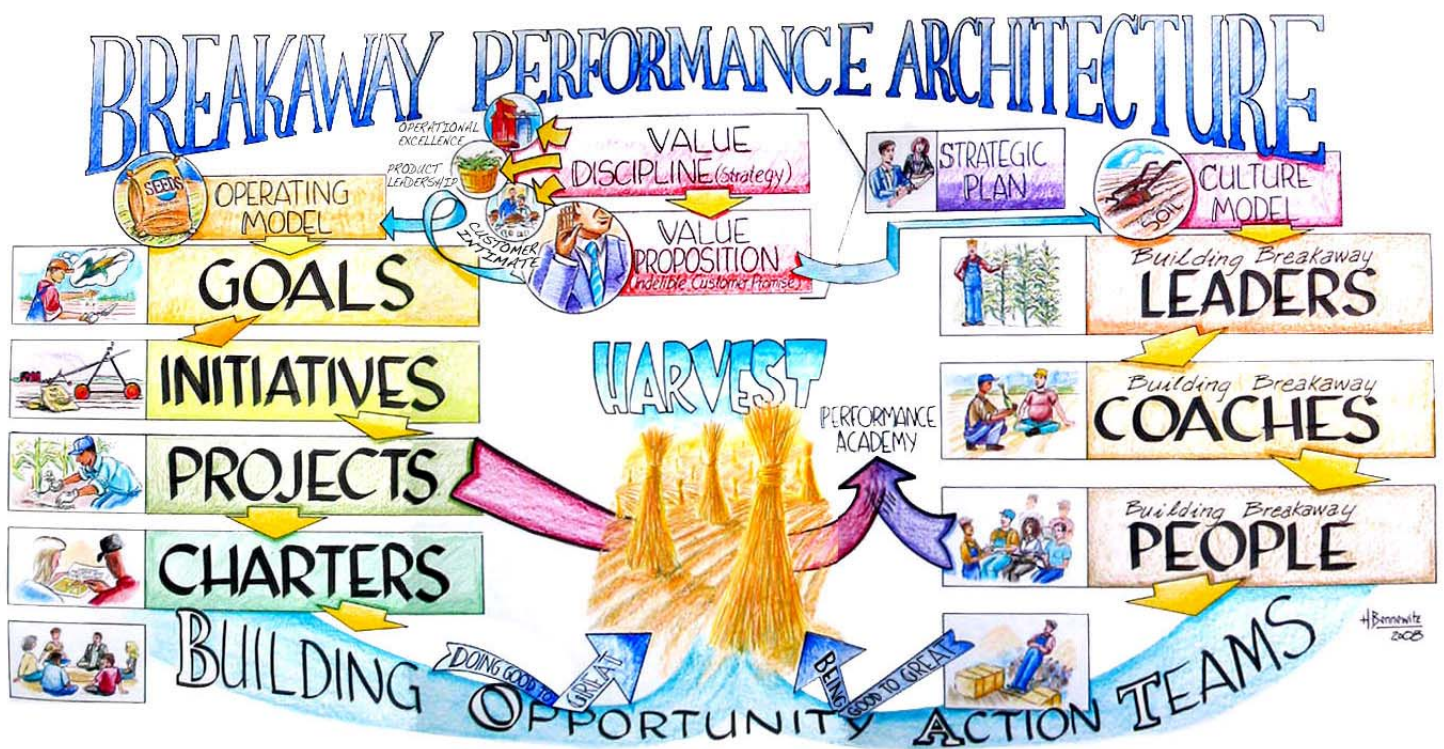


BREAKAWAY PERFORMANCE ARCHITECTURE

Endurance America



A WHITE PAPER



ENDURANCE AMERICA
Durable Business Counsel

Building a Breakaway Performance Architecture

In order to establish healthy sustainable growth, today's business leaders will need to draw on all of their talent, resources and wisdom to successfully compete in today's whitewater world of change. In fact, change is changing – it's getting faster. In order to accomplish this they will need to choose a precise **value discipline**, design a compelling **value proposition**, communicate their **vision** and **strategy**, lean out their operating model, and build a **high performance culture** that supports, facilitates and delivers all of the above to loyal customers. This white paper will focus on the architecture that will build and sustain a high performing organizational culture. The paper references best practice findings from current research and more importantly, discusses a proven process to transform organizational culture from mediocre to good to great.

One of the functions of a leader is to bring about change, whereas the function of a culture is to keep things the way they are. The challenge for the leader is to understand this dichotomy and help shape the culture into one of commitment from people rather than mere compliance. The goal is to create new and powerful cultural norms (attitudes, beliefs and behaviors) that support and deliver upon the current and future business strategies.

Leadership and Organizational Culture:

Leaders spend a great deal of time investigating and determining the appropriate business strategies and objectives for their organization, whether it is just-in-time inventory, lean manufacturing, quality control, etc. These are extremely important initiatives to get right; but, the greatest factor that effects the successful implementation and achievement of a business strategy and supporting initiatives is "the people". And,

most leaders fail to fully define the value discipline of the organization, the underlying value proposition and the operating model to support it. Without this, the company has no meaningful direction. Even with the value discipline fully defined you are still only half way there.

The other half is your people -- they can make the vision a reality or they can prevent it from happening. One way to think of this is in terms of a metaphor... **the seeds, the soil, and the harvest.**

Each business strategy, goal, initiative, or project can be thought of as a seed. The attitudes and behaviors of the people in the organization (the culture) can be thought of as the soil. The strategy, objective, initiative or project will flourish if planted in the right type of soil and provided with water, sunlight and nutrients. If the soil is well tended, nourished, and receptive, the seed will flourish. If the soil is hardened, dry and lacking in nutrients, the seed will flounder. The seed may begin to sprout, but will likely die — or more certainly, the seed will never reach its full potential.

What organizations really want and need in order to operate in today's world is well-tended, fertile soil — a workforce filled with committed people: people who are ready and willing to go the extra mile and do whatever it takes to ensure that the organization they work for is successful. If the soil (workforce) is well tended, all kinds of seeds (opportunities) can grow and flourish thus maximizing the harvest (business results).

The most important factor in building a great organizational culture (preparing the soil) is leadership. The visible behaviors of leaders and the underlying assumptions they use to make decisions are powerful forces that are seen, felt, and experienced by people.

Creating an organization of high-performing and committed individuals is a serious leadership challenge. If leaders are willing to accept this challenge then they will need to understand and believe in three truths about organizational change:

- ◆ **Organizational change does not begin until the people within the organization choose to change.**

- ◆ **Change occurs quickly when the individuals in the organization accept change because they understand the value of the change to themselves.**
- ◆ **Organizational change is most successful when the business strategy and culture strategy are integrated and aligned within the change effort.**

Leaders must also grasp how to build a high performing culture that integrates the findings of new research (*Human Capital Edge*, by Phau) about what people want from work. Phau says people want five things: *to learn new competencies; to drive and implement suggestions that make a difference; to work with a company that retains highly qualified people; to have a competitive reward and benefits package. Finally, they want (most of all) to learn to deal with change and stress.*

Any process proposing to change an organization's culture must include strategies and events that address these three truths about organizational change and what people want from work. In order to transform a culture, the people in the organization need to be engaged in their own change effort at their deepest level of being. When that happens, individuals are more likely to see the benefits of the change to themselves, which, in turn, helps create the passion and commitment that is required to make the change more sustainable. The result is an organization filled with high-performing, committed, and creative individuals who are focused on making the organization successful because they want to, not because they have to. In other words, organizations need to release the untapped potential of their people. In addition to a precise value discipline, organizations must have a clear set of ideals, purpose, and a compelling vision.

For most leaders, it becomes overwhelming to try to develop and facilitate the design of an organizational cultural change process that addresses all of these complex variables while striving for healthy business growth. This is precisely why so few change processes transform their work cultures into truly sustainable **“breakaway performance.”**

There is no one standard cultural change process to fit all organizations, but there is a proven model that offers the best possible opportunity to build and sustain a *high performing culture*: it is called “**The Breakaway Performance Architecture**” created by Michael Kerrison and delivered by Endurance America. This architecture encompasses all of the sensitive variables of changing an organizational culture while dramatically improving the bottom line.

Organizational Transformation using the Breakaway Performance Architecture:

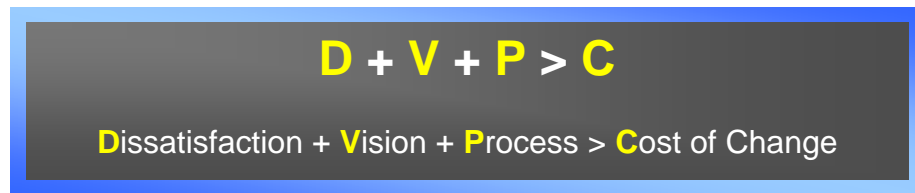
The first step in the process is to gather the leadership group, typically the Executive Team and some representation beyond the Executive Team— perhaps 10-50 leaders, for a session called **Building Breakaway Leaders**: The objective of this session is to align the executive team to a vision that has them “*doing things differently as a result of seeing things differently*”. Leaders bring about change. This means facilitating new behaviors from committed people who are competent and empowered to use their unique skills and talents to carry out and optimize the business strategy. The ideal outcome of this session is to help leaders understand what is required to effect positive change leading to healthy sustainable growth and eliminate managing to the status quo. After all, as Warren Bennis tells us, “Managers are there to keep things the way they are and to make things more efficient. Leaders are there to bring about change and make things more effective.”

The **Building Breakaway Leaders** session is a three day gathering of leaders who participate in a challenging process of ***creating the organization that if it existed, would put theirs out of business***. Early in the session, the participants will have the opportunity to experience themselves at their best through the use of experiential learning processes that create a visceral vision of how they are when they are operating optimally. The normal participant’s response to this process is, “**If we could be like this back at work, we’d be unstoppable!**” From this new place of being, the next few days are designed for the participants to work on defining, improving, and creating the organization that would, in fact, obsolete who they are today. In essence, they are creating their future and redefining the competitive rules for everyone else to follow. They cease to be who they were and they begin their transformation.

Outcomes of the “Building Breakaway Leaders” process include:

- **Building Your Case for Change** – the compelling and clearly aligned reason for the need to do things differently.
- **Purpose** – the definition of why the organization exists. This is not a goal but an on-going, inspiring reason for being.
- **Values** – the core beliefs, behaviors, and ideals that define how we agree to be with each other and with all of our stakeholders.
- **Visions** – the description of how we want the change to manifest itself. How we want to be seen, heard, experienced, and talked about by our loyal customers, our committed employees, our suppliers, our community, and ourselves as leaders.

During the “Building Breakaway Leaders” session the following formula is used to help the participating leaders understand the dynamics of change.


$$D + V + P > C$$

Dissatisfaction + Vision + Process > Cost of Change

Dissatisfaction represents the anxiety with the current state or with the status quo. It is articulated as the Case for Change, the compelling reason(s) for change. The **Vision** represents a future perfect scenario: how we will be seen, experienced, and talked about in the future by our most important stakeholders. The **Process** describes how we will get from the current state to the desired future state. The dissatisfaction with the status quo plus the vision of the future plus the process for getting from here to there must be seen as more beneficial or greater than the Cost of the Change.

The Cost of the Change refers to what must be **let go** of, given up, invested in, or paid for to effect the change. The financial investment is the least amount of the cost. The difficult cost is represented by emotional responses such as stress, anxiety, fear and a strong desire to remain in our collective comfort zones. Thus the most difficult Cost of Change is emotional.

The role of the leader is to ensure that people clearly understand the Dissatisfaction, “**what’s not working now and why**”; the Vision of a more beneficial future for all; and, the Process required to “getting us from here to there.”

It then becomes the role of leadership to help the organization learn the new competencies required to make the transformational changes from the comfortable present to the new and initially uncomfortable future. Leaders do this by becoming Coaches. The Breakaway Leader/Coach can best assist by creating an environment that helps to reduce the fear and emotional anxiety related to the cost of the change while supporting the people in learning critical core life competencies to deal with the changes. These competencies include:

- 1) Learning how to **learn** -- mostly from our own experiences.
- 2) Learning how to **choose** -- from what we have learned.
- 3) Learning how to **relate** -- in greater depth and breadth to others.
- 4) Learning how to **create** -- our own and the organization’s future.
- 5) Learning how to **integrate** -- concepts and ideas.

The Breakaway Leader/Coaches are trained by Mike Kerrison and other Endurance America professionals – most of which are previous business owners, consultants and authors. What the Breakaway Coaches learn is integral to being an effective leader. One of the most powerful outcomes of the Building Breakaway Coaches process is that leaders create congruence in their “being” and their “doing”.

In addition, the Breakaway Coach teaches the skills and transfers knowledge within the organization as a whole through **Building Opportunity Action Teams (BOATS)** — small, cooperative learning groups established throughout the organization.

The architecture or process for moving forward, beyond “Building Breakaway Leaders,” would be to enroll everyone within the organization in the Case for Change -- Purpose, Values, and Vision. Below is the outline for the basic change architecture and process. Kerrison recommends that the leadership team begin with the aforementioned “Building Breakaway Leaders” session. Afterwards, they can determine the best path forward for their organization.

How is this model implemented within organizations?

The Breakaway Performance Architecture™ is delivered as a series of integrated experiences, building one upon the next and the next so that participants find comfort in the changing business (or personal) world in which they operate. The rollout strategy and timeframes are always customized to the situation. In addition, they can be modified to support and integrate with an organization's already existing strategy, goals, initiatives, and projects.

PHASE ONE



Building Breakaway Leaders – for the Leadership Group

A three day gathering of the Leadership Group (typically the Executive Team and some representation beyond) to participate in a challenging process of “creating the organization that if it existed, would put theirs out of business.”

PHASE TWO



Building Breakaway Coaches

A one day advanced, expert-level training for a select group of coaches in the areas of: Leadership, Change Architecture, Facilitation, and Coaching. Most often, the coaches are leaders in the organization (supervisors and up) because we find the leadership group usually needs the most development. It is this group that makes or breaks the entire change effort. In this training program, the coaches are prepared for the role as change agents whom they will play in The Building Breakaway People event.

PHASE THREE



Building Breakaway People for Employees

This is a two day “awakening program” for every person in the organization. In this session, participants are introduced to the value discipline and the early initiatives the leadership team has created to date. Participants are enrolled in the change process to elicit their passion, commitment, and creativity so they can make the internal changes for themselves necessary to accomplish the organizational change. This program can be attended by 20–100 participants in each session.

PHASE FOUR



Building Breakaway Coaches (part 2)

This provides an additional, one day advanced, expert-level training for the coaches. This training program focuses on the areas of: Coaching, and the five Critical Core Life Competencies (learning to learn, choose, relate, create, and integrate). The coaches coach themselves and others in the organization in developing and applying relevant skills and processes to support and sustain the change effort. The coaches facilitate the “Building Opportunity Action Teams (BOATS)” charged with the responsibility of consistently identify opportunities, implementing them, and driving business results. .



Building Opportunity Action Teams (BOAT)

Building Opportunity Action Teams (BOAT Teams) are small, collaborative learning teams of 10 - 20 individuals that meet once per month to further the personal growth and development process begun in the Building Breakaway People event. It is the mechanism by which the change effort is sustained over time. Through the BOAT process, teams identify opportunities to remove waste, improve business processes, increase sales, drive innovation, and other ways to insure sustainable growth for the organization

The rollout strategy and timeframes are always customized to the situation. Several variables can be utilized to keep the process affordable and manageable. The above change architecture uniquely addresses all of these areas of concern so as to build commitment among employees — one of leadership’s greatest challenges!

This approach helps clients learn “how to fish”. Coaches are trained within the client’s organization to assist with the overall change effort. The coaches are your true change champions. Endurance America’s on-going consulting is primarily with the first group of leaders and coaches whereby they eventually become stand alone change agents.

Most companies have gone through the entire architecture; some companies have only gone as far as Phase One, Gaining Executive Alignment. In all cases, however, clients have found an extremely high value in the process. The process is action-oriented, measured, results-focused, and people pay attention to it. Any company that’s serious about using the Breakaway Performance Architecture should expect a ten to twenty times return on their financial investment within eighteen to twenty-four months. And, these returns should continue and expand into the years following the initial investment.

Simply stated, the process works!