



How to become good at change.

And why it is important for
businesses to **remain competitive.**

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The time it takes to change

Large and bureaucratic companies tend to have a slow ability to adapt. They are like oil tankers. Faced with company inertia they rely traditional pyramid based models to execute the new strategy. The time it takes for those ideas to drip through to the operational layer hampers companies' ability to innovate.

“The stronger the culture, the less corporate process a company needs”

More and more companies excel on different organisational models. Companies like Netflix and Airbnb show that a culture of transparency and collaboration can be highly effective and far more adaptive. The stronger the culture, the less corporate process a company needs. In fact, the pyramid based companies will most likely lose against collaboration based models.

The process ecosystem

Translating strategy into day to day operations is one of the most difficult things to do. This is where the process ecosystem can be of benefit. A process ecosystem is a community of processes, tools and people in a particular business area that aims to deliver value generating services and products. The process ecosystem represents the way the business area operates and how it is interacting with its environment.

The aim of the process ecosystem is to gently evolve, not to revolutionise, towards the most productive set of processes for adapting the chances and challenges a company faces. The key word is gentle here. By trying to change everything all at once, managers often destroy crucial competencies, tear the fabric of social relationships that took years to weave, and disorient customers and employees alike.



It does not make sense to take years and years in designing large processes that form amorphous constructs that are inflexible and hard to manage. Processes need to be modular so when faced with new disruptors in the market or a fundamental change in technology it can be reconfigured.

But large companies do not have the luxury to start from scratch. They have significant legacy from earlier best practices. In the process ecosystem these process frameworks coevolve with a tendency towards a leading process framework.

That doesn't mean that the old best practices have suddenly lost all value. These practices still coexist in day to day practices of company staff. The best practices need to be codeveloped rather than abruptly discontinued to form mutual beneficial symbiotic solutions. Use the process ecosystem to separate dynamic and stable components, identify where processes connect and define where to allow flexible innovation and where to standardise.

**“Frameworks
come and go,
there's always a
new one coming.”**

There are 3 areas to focus on to become more resilient.

1. Process modelling
2. Time to renew
3. Collaborative culture

It's important to understand that these process building-blocks should fluidly disjoint and reconnect depending on the state of the organisation. Do not rush towards new models, but take pride in the lessons learned from earlier implementations and adapt that. Frameworks come and go, and there's always a new one coming.

1. Process modelling tools

Here are some of the models that can help you to understand the process ecosystem you are working in.

The SIPOC

A great way to describe a process is with the use of the SIPOC method. A SIPOC diagram is an effective tool for identifying all elements required for a process. It describes the Suppliers and Customers, the Input and Output of a Process that exists to transform something in order to deliver value.



The Value Stream Map (VSM)

Another tool that can be utilized is the value stream mapping technique that is used to document, analyse and improve the process flow required to deliver a service for a customer. It helps you to see and understand the flow of information as a service makes its way through the value stream. A value stream map takes into account not only the activity of the service, but also the management and information systems that support the basic process. This is especially helpful when working to reduce waste, because you gain insight into the decision-making flow in addition to the process flow.

The critical to quality tree

The importance of the relationship between customer requirements and the business components that help to deliver these requirements is understood with the use of the critical to quality tree. It helps to separate the critical parts that form the key measurable characteristics of a process whose performance standards must be met in order to satisfy the customer. They align improvement or design efforts with customer requirements.

2. Shorten the time it takes to renew processes

The prime force against process renewal is active inertia. Over time the actual purpose, the why we are doing this, is lost out of sight in lieu of day to day routines. Breaking the routines isn't done too often and typically approached on an ad hoc basis. A team is formed with experts and managers, that come up with a set of improvements to implement. The team works to develop supporting tooling, reports, governance, training etc. This can be an arduous exercise with a lot of waste. It's not uncommon for process maturation to take up to a year, even more. But time is scarce. Big companies fail because it takes too long to translate strategy into action. They should build up a capability to quickly create buy-in to adapt process flows, supporting tooling, reporting, governance structures and training of staff.

3. Foster a culture of collaboration and transparency

Culture can be a great driver for the success of your process ecosystem. It's important to implement light weight processes in a collaborative and forgiving atmosphere. When guaranteed that a flawed design can be just as easily scrapped it will lower the barrier of adapting new ways of working. Try fast, fail fast. For this, an environment that encourages collaboration and transparency is crucial. It can provide both an inspiration for innovation and a source of competitive advantage. Any organisation that is able to master the process ecosystem based on a culture of collaboration and transparency will pave the way to become good at change.



About the Author

Michiel Hasselo Smits MSc BSc is an entrepreneur, IT service manager, and Lean black belt certificate holder. In his work Michiel focusses on organisations in transition. He has a passion for continuous improvement and operational excellence. Michiel, married to Monique, has a son and daughter (10 and 8 years old) graduated from the University of Amsterdam (M.A. Economics) and has been working in the IT industry since 1998.

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