

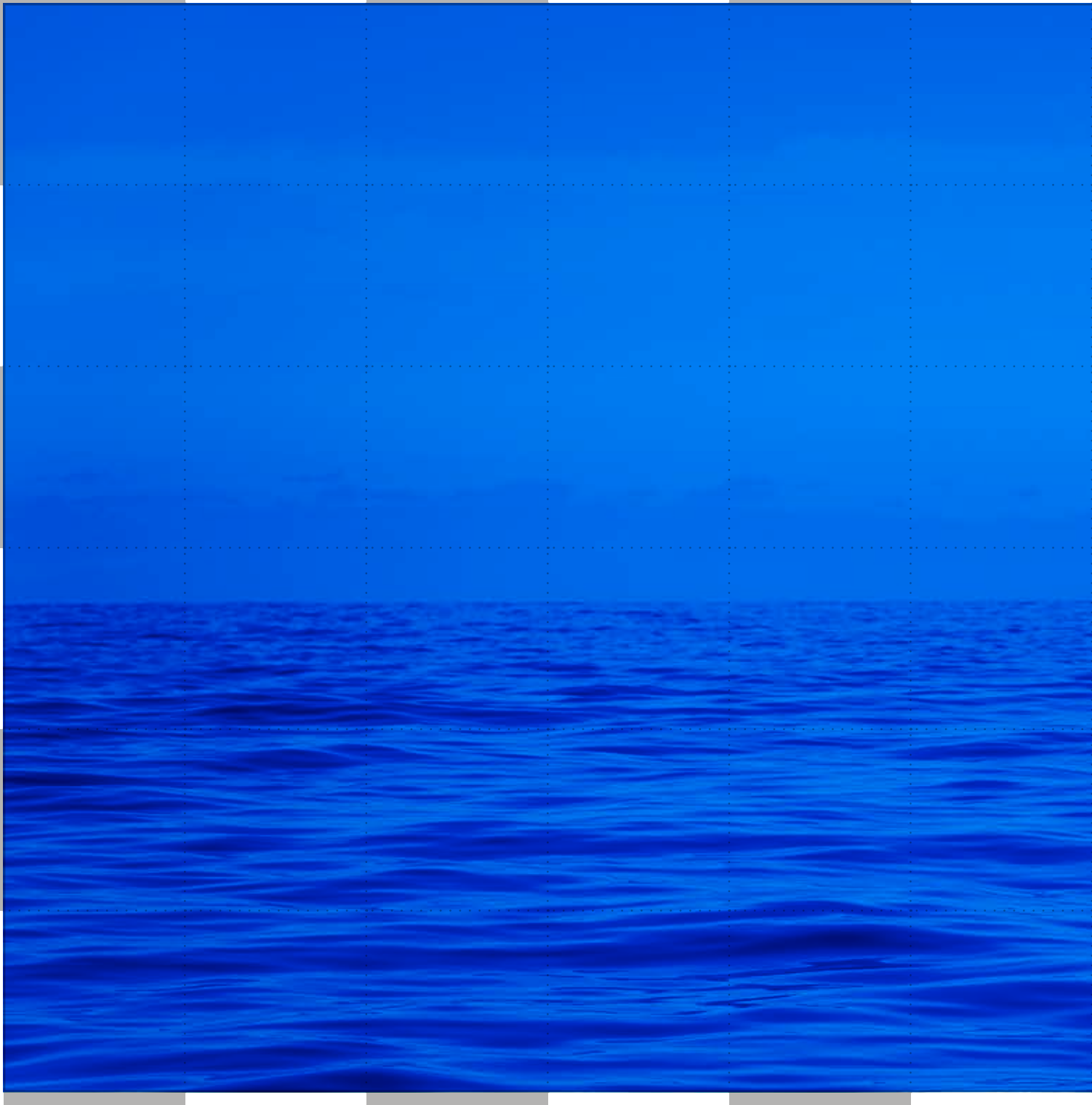
Project Management Institute

Behnam Tabrizi, renowned expert in Transformation



The Brightline Transformation Compass

A comprehensive system
for transformation



“Transformation” refers to an **organization achieving a sustainable quantum-leap improvement in performance while transforming the mindsets of employees and thus the culture of the organization.**

We need to transform the way we transform..

The Facts



#1
risk

A recent survey of directors, CEOs' and senior executives found that **transformation risk is their #1 concern** in 2019

The Wall Street Journal



but
70%

of large-scale **transformations fail** to meet their goals

Harvard Business Review



and
\$900
billion

was **wasted** in digital transformation efforts in 2018

Forbes



with
85%

of employees globally **not engaged** in their work

Gallup

...by putting people at the center of transformation

The Failures

- **Employees not engaged** and do not feel ownership of strategy and transformation
- Armies of **external consultants** driving transformation with little or no buy in, or thought contribution, from employees
- **Why of transformation not clear**, and not aligned to customer needs or broader trends
- Too much infighting and extensive delays driven by **internal silos and hierarchy**
- Failure to **align employees aspirations** to organization's North Star
- Transformation is **too slow**, and runs out of steam
- Too much emphasis on specific methodologies (e.g., agile, six sigma) with **no coherent unifying structure**

The Compass aligns inside-out and outside-in

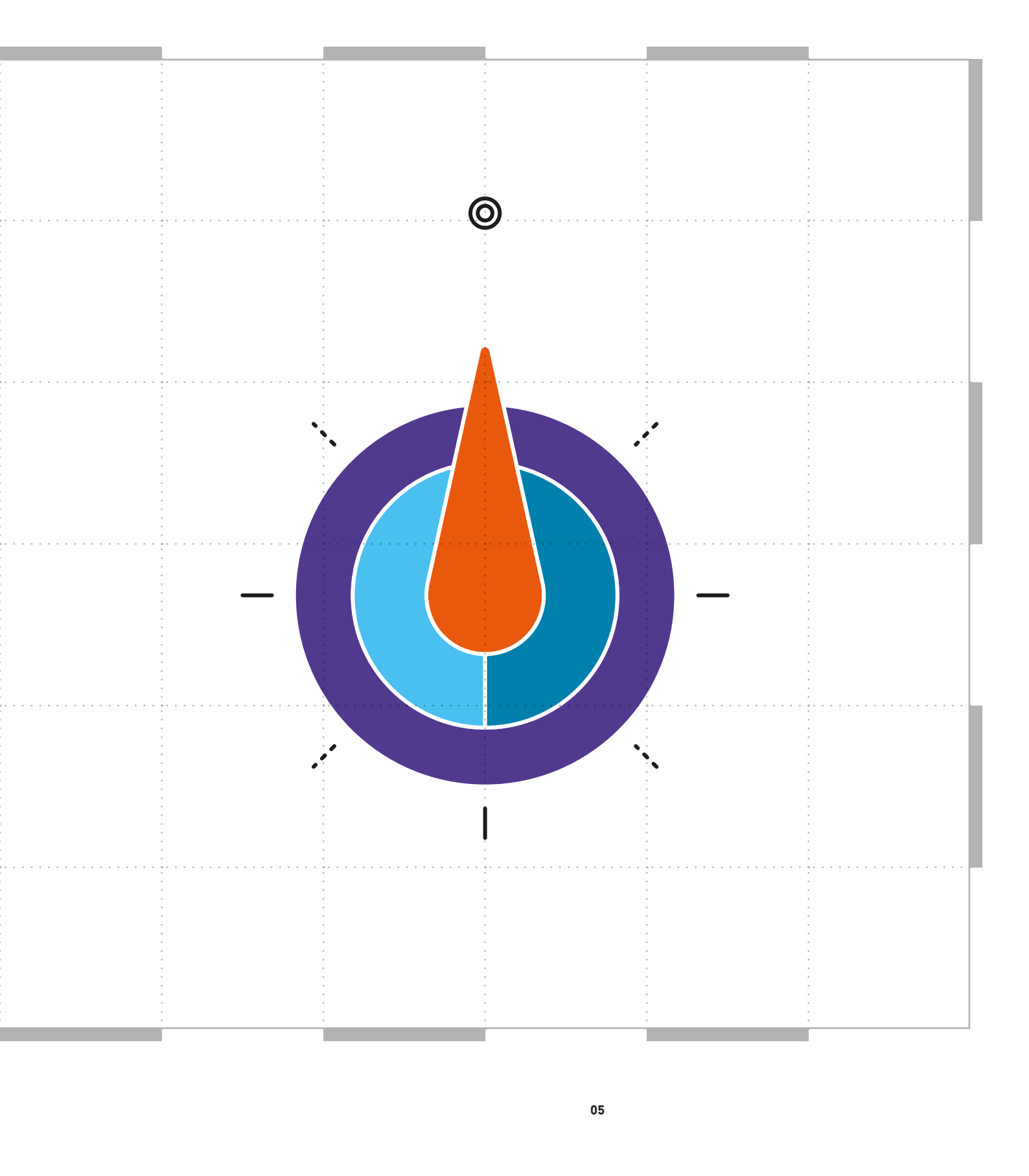
The key to a successful transformation is building a movement that aligns inside-out and outside-in approaches.

A transformation shaped by the Brightline Transformation Compass is **led by committed senior leaders inside your organization**, and **authored and driven by large numbers of your own employees** – the management and front-line team members who have a stake in your success. It is not a cookie-cutter exercise created and executed by armies of consultants.

The approach works because of the **focus on building employee commitment and motivation** by enabling them craft their own transformation journey.

The approach is not insular – it **relies on a deep empathy with customers**, and an **understanding of the megatrends** that shape their behavior.

This **combination of inward and outward focus** is what makes transformations that use the Compass deliver on strategic goals with sustained benefits.



How Transformational is your transformation

Many organizations will already have undergone, or be in the process of, a transformation effort. Very few organizations have put into place all the building blocks we believe are critical to a successful transformation. Very few organizations can answer 'yes' to the following five questions. How many 'yes'es does your transformation score?

yes

no

1. My transformation is authored and driven by my employees

Transformations driven internally, by leaders, managers and your front line, not by consultants are more likely to deliver their targets.

2. My employees will be transformed during the change

To deliver benefits, you must change mindsets and behaviors during the transformation – identify and build your future leaders, and transform other employees.

3. My strategy and vision are crisply articulated

Your transformation cannot deliver strategic targets if the strategy is not clearly defined, and placed in the context of an inspiring vision.

4. My transformation team is agile and flat

The operating model during transformation needs to support rapid, effective and bold decision making without hierarchy or silos.

5. My transformation is shaped by customer needs and trends

A deep understanding of your customer/consumer – and the trends that impact them – should shape every change you undertake, and should be embedded throughout the organization.

Score

(number of 'yes' responses)

____ /5

Contents

Sunil Prashara
PMI CEO's
Introduction

10

Dr. Behnam Tabrizi
Renowned Expert
in Transformation

12

**Brightline
Compass
Transformation
Overview**

14

**Deep Dive:
The Five Building
Blocks for
Transformation**

20

**Step-by-Step
Methodology**

46

**Case
studies**

56

Q&A

62

Sunil Prashara

PMI CEO's Introduction



When PMI set up Brightline in 2017, with a variety of coalition partners, improving organizational success was forefront in our minds, and led to the Brightline vision of bridging the gap between strategy design and strategy delivery. Brightline has made an impressive start on this journey, with the incredibly well-received Guiding Principles, and the People Manifesto already influencing the actions and behaviors of leaders in global organizations. However, after discussions with CXOs from a variety of organizations, as well as our members in PMI and our diverse group of stakeholders, I realized there was more we should and could do – specifically in the area of strategic transformation.

Transformation efforts today are more likely to fail than succeed. Existing PMI members are today working extensively in the transformation context running individual initiatives or, as their careers have progressed, moving on to manage portfolios of projects or entire transformations. They are on the front-line, dealing with the challenges faced in transforming organizations.

At the same time, the project management world has changed significantly as well. We are living in a more project-oriented world, and a variety of

project delivery strategies have grown in parallel with new technologies they are often delivering. But from talking to transformation leaders, there is still a very limited view of how to manage a program that may include facets of all of these, and how to build a cohesive approach regardless of the methodology selected.

This is where I've asked Brightline to step in. I asked the team to create a system that could help guide organizations that either wanted to undergo or are undergoing transformation – something that is simple, effective and self-explanatory and that our members could use themselves without extensive outside support. We have no desire to reinvent the wheel, and I asked them to incorporate the best research and latest views from thought-leaders in the transformation space. I am thankful that Professor Behnam Tabrizi, a world authority in Transformation, agreed to lead the team on this effort.

A best-selling author, and an award-winning teacher and scholar, Professor Tabrizi has served as a faculty of Organizational Transformation at Stanford University for the past 25 years. He has written five books on organizational and leadership transformation, including two recent

bestsellers: Rapid Transformation and Inside-Out Effect, and served as an advisor to thousands of large global companies' CEOs and executives, the U.S. President, and governmental agencies in mobilizing and implementing transformational changes. His March 2019 HBR Article on Digital Transformation was HBR's most popular and most viewed article for months after its publication. Interestingly, Professor Tabrizi's doctoral thesis at Stanford on fast prototyping and agile development vs. waterfall in early 90's laid the foundation behind both design thinking and agile development. In building the Brightline Transformation Compass he has been supported by a team from Brightline with extensive experience in implementing transformations.

This is just the first step in an ongoing effort for the Brightline Transformation Compass. We want to be led by you in determining how to make your transformation initiatives more effective – with new tools, training materials, courses and certifications certainly possible routes we may take. Most of all, we want to work with you to put the system into practice, to incorporate feedback and learnings from your experiences implementing the system.

Dr. Behnam Tabrizi

Renowned Expert
in Transformation



When Brightline approached me to develop a transformation toolkit, I was thrilled by the opportunity to assemble my life's work on transformation and share it with millions of people around the world through the reach and power of PMI. Our partnership aligns well with my calling and north star – to transform 100 million people, who will positively impact billions around the world. Together, we have assembled a step-by-step and leading-edge playbook on transformation called the Brightline Transformation Compass. It is based on my rigorous research of over 1,000 transformations and practical experience of coaching 100s of organizations across wide-ranging industries, nonprofits and governmental institutions across the globe. Over the past twenty years, I have personally seen these transformation principles and methods flip a 70% transformation failure rate to over 85% success. By making these principles and methods in this playbook freely available through the Compass, our joint goal is to empower employees and leaders *inside* organizations to lead and implement transformation.*

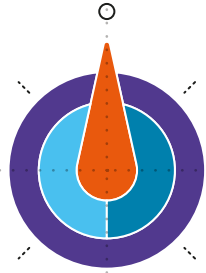
*For more information on the research and content behind the toolkit, please refer to my books *Rapid Transformation* (on organizational transformation), *The Inside-Out Effect* (on personal transformation), and *Accelerating Transformation* (on agile organizations).

In the HBR article, *Digital Transformation is not about Technology* (March 2019), which I co-wrote with three of my recent executive clients (from retail, telecom and government) you will find examples of organizations that have successfully utilized all the principles reflected in the Brightline Transformation Compass to transform employees mindsets and significantly improve the performance of their organizations. The fact that since its publication the article has been featured every single day as the most popular article in HBR, is a testament to the insatiable public yearning for a practical, successful approach to transformation. Inside this booklet, you will find other examples of organizations that have successfully adopted the principles and processes of the Brightline Transformation Compass.

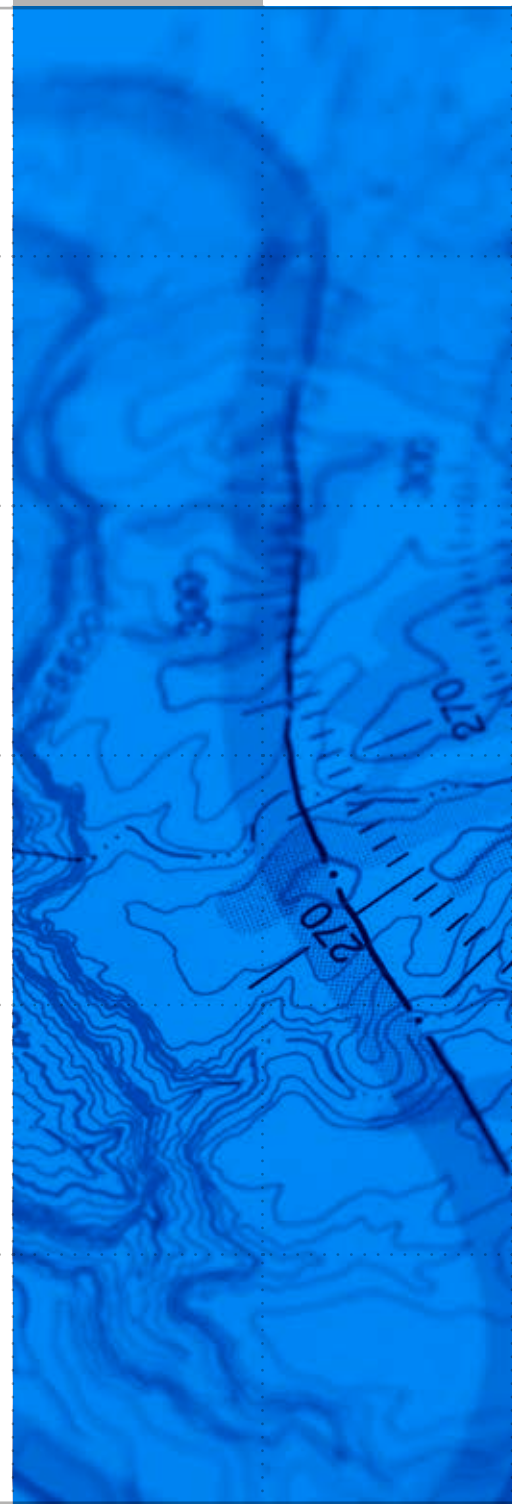
Never before has transformation been more important to business success. Rapid shifts in the external business environment today, and a lack of employee engagement, have made agility and employee engagement key characteristics of successful firms. It is rare for me to speak to an executive or a leader around the globe who doesn't believe their organization needs to transform. In today's world, the

imperative for transformation is often driven by the availability of new "digital" technologies or threats from new digital attackers, but the capabilities required to run an effective transformation are the same regardless of the motivation. Transformation is not a time-bounded project – for most businesses and government entities it is a continuous process that will be the new-normal as they continuously adapt and align to changing market conditions.

I dream of the day when we can exponentially improve the success of all organizational transformations and continue to drastically increase employee engagement. I humbly invite you to consider the Brightline Transformation Compass as a toolkit in leading this movement in your organization and in your future leadership endeavors.

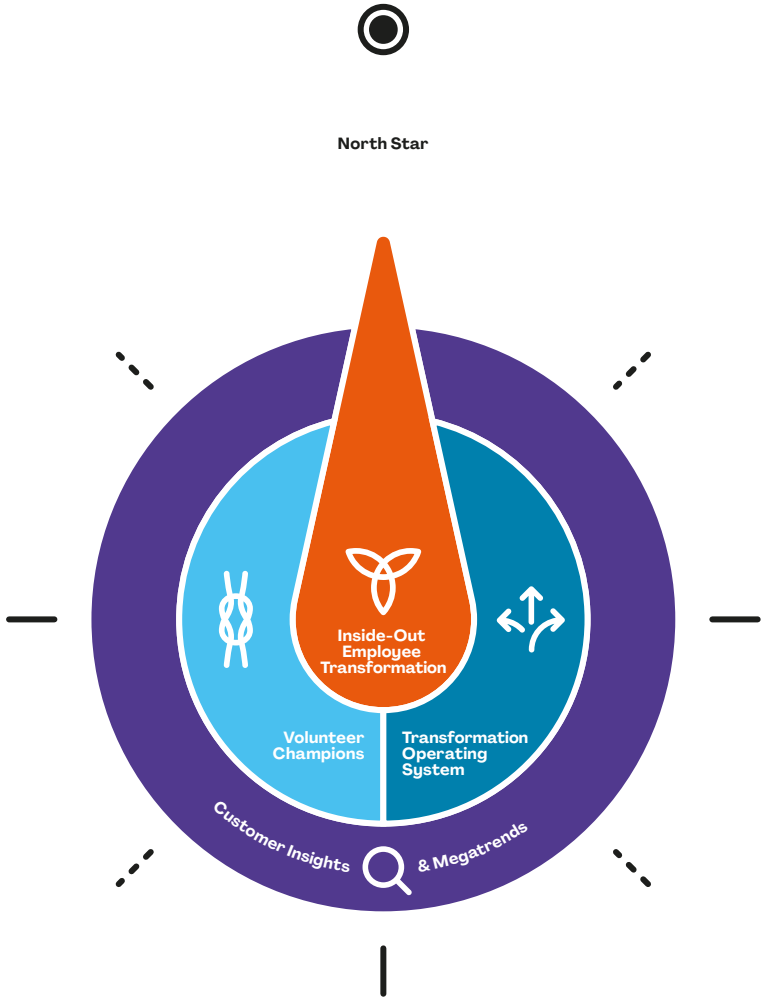


Brightline Transformation Compass Overview





The Compass is built around 5 critical, mutually-reinforcing building blocks for effective transformation:





The North Star

A crisp, inspiring articulation of the vision and strategic objectives for the transformation



Customer Insights & Megatrends

Embedding a deep understanding of the customer in every change you make, and in every employee – the customer you may have today, and the customer you want tomorrow, as well as the “megatrends” affecting them



The Transformation Operating System

A flat, adaptable and cross-functional organizational structure that enables sustainable change



Your Volunteer Champions

A mechanism to harness many thought-leaders from across your organization to drive transformation



Inside-Out Employee Transformation

A set of tools to make the transformation personal for your employees – to connect their aspiration to the North Star and to your customers

These 5 blocks are supported by our **Compass Methodology**, a three step process that will help you rapidly drive the transformation efforts and start seeing tangible results in the most rapid way. The methodology will guide you in **inspiring** your organization for change; in **mobilizing** key elements to drive the change, and in **shifting** the organization to effect transformation.

This approach is independent of the working methodology you may be using or trying to institute within your organization. It will work with organizations that follow principles of Design Thinking, Agile (and its various flavors including Scrum, SAFe, DAD), Waterfall, Lean etc.

We have designed the Compass to be industry-agnostic and size-agnostic. It can be used for any type of transformation.

Transformations fail because we fail to transform our people

The Compass is not a new-age philosophy looking to just improve people's working lives. It does that as one of the means of helping transformations successfully achieve their financial and strategic goals – goals that too often are missed because we underemphasize the human aspects of transformation.

Transformation must start from the inside

In practice transformation is too often the domain of armies of external consultants, rather than being driven by internal talent – led by your organization's leaders, and executed by your leaders, managers and employees.

As a result, employees at all levels lack ownership of the transformation effort, leading to a variety of negative consequences ranging from reduced morale, to hesitance to incorporate and adjust to changed processes, to outright sabotage of change efforts.

The transformation journey needs a compass

With the Compass we have built something different. Our approach is centered on transforming the employees within your organization – putting transformation capabilities in the hands of your people, and empowering them to

find and implement the changes needed to deliver your transformation strategy.

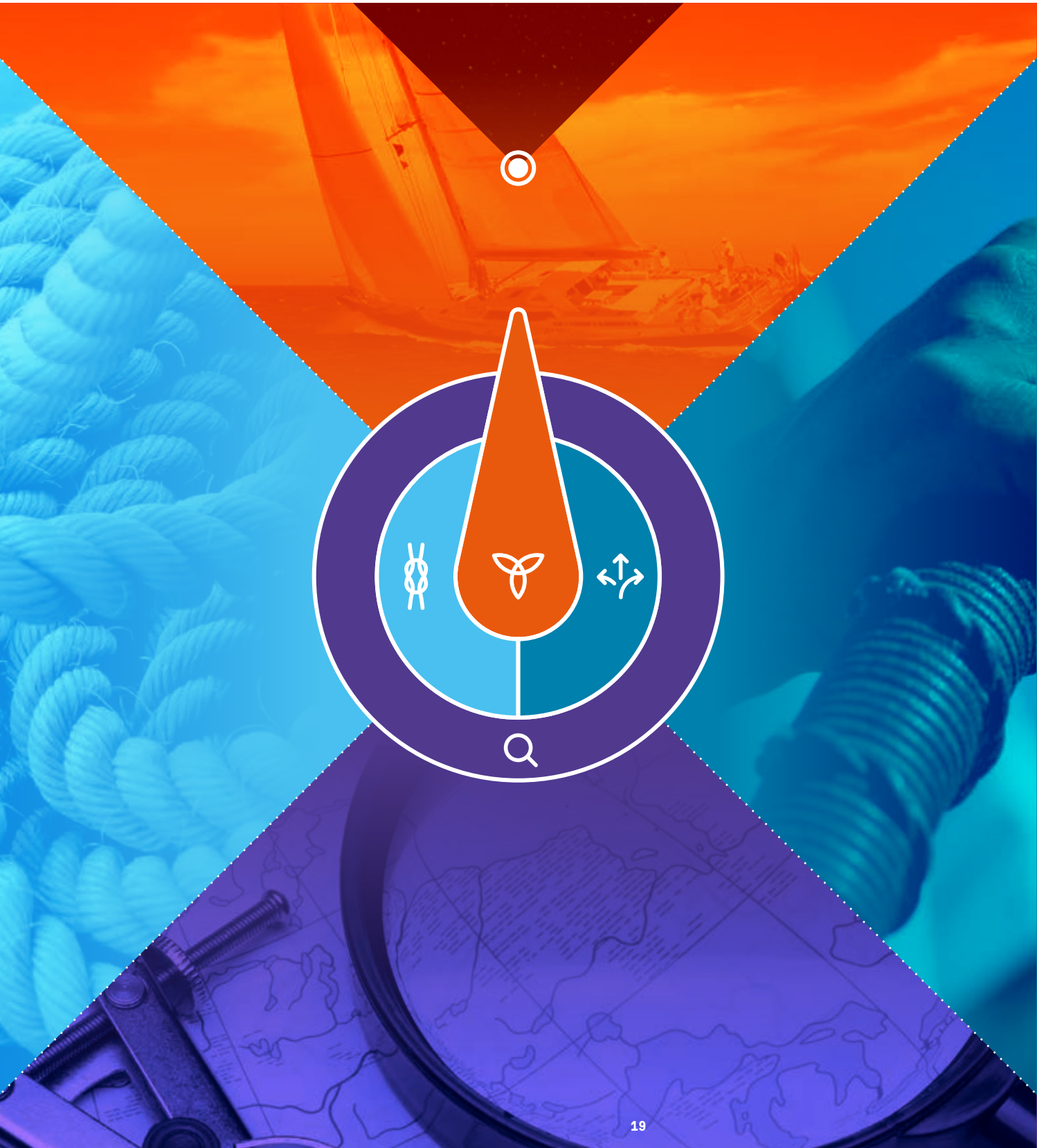
Motivation matters

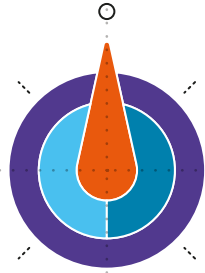
Your employees – from your executives and leaders, to your mid-level managers, to the staff working on the front-line – want their work to matter; they want to make a difference; they want their organization to be successful; they want to do the right thing for their careers and their personal development. The Compass connects this inside-out approach to a deep customer-centric and trend-aware approach that gives you an outside-in view.

Sustainable results and permanent benefits

By applying the Compass correctly you will achieve a sustainable quantum-leap in business performance and agility – improving your top and bottom lines in both the short and long-term. By bringing people together on the transformation journey you will also:

- Develop your talent and identify future leaders of the organization
- Embed a transformation skillset/competence and eliminate your dependency on external 'rescuers'
- Launch a cultural transformation – engaging and shifting the mindset within your workforce across all levels to be more focused on customers and an awareness of the wider ecosystem





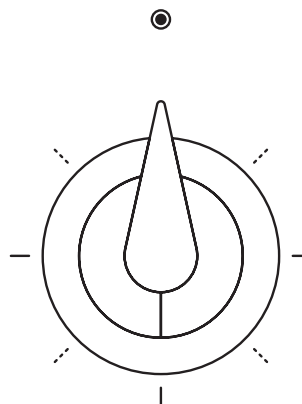
The Five Building Blocks for Transformation





Building Block 1

The North Star



Articulate the transformation vision and crystallize it into actionable goals.

The North Star is the vision for transformation and the long term test for all actions.

☑ **Articulate** the strategic vision for transformation in **a crisp and inspiring** way so that your employees are continuously motivated and excited to work outside the bounds of their day-to-day responsibilities.

★ *For example: recently a global Asian supply-chain leader set their 'Key Objective' to be 'Build a **world-class organization** that **enables long-term sustainable growth** while developing the next generation of leaders'.*

However, with the COMPASS, we take it a step further.

☑ **Crystallize** your strategy in 3-7 bullet points. This will act as your checklist

for the change. These are typically **less inspiring, but more concrete**. This gives your employees a clear direction for where to hunt for opportunities and how to select and prioritize them.

★ *Following our previous example: their strategic goals for transformation were boiled down to*

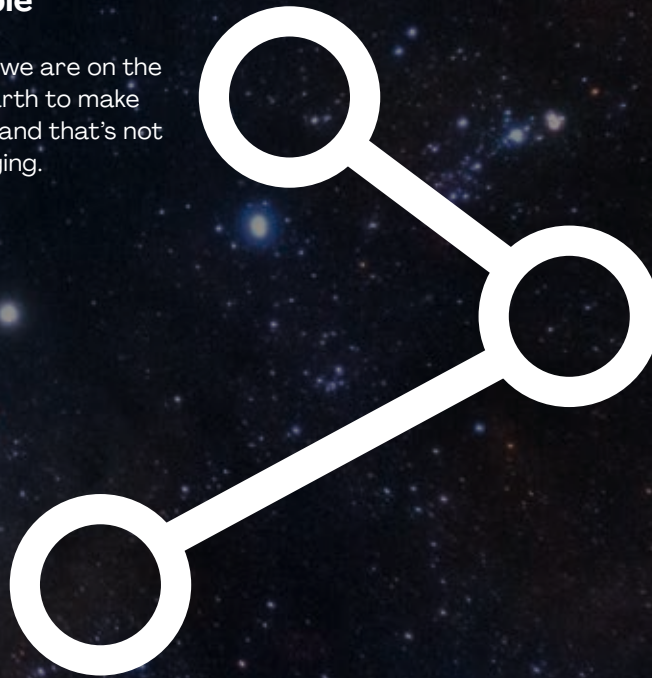
- *Reduce production lead times*
- *Increase speed-to-market*
- *Improve the use of data in its global supply chain*

You will need to adapt to change but a good North Star gives employees **a clear direction** – one where to hunt for opportunities, and which opportunities to pursue (or at least prioritize). As with all aspects of the transformation you may need to adjust as the transformation proceeds – both to respond to external market changes as well as to exploit opportunities that you find internally. But an inspirational North Star and clear strategic focus is a prerequisite to a successful transformation effort.

Examples of successful vision statements

Apple

We believe that we are on the face of the earth to make great products and that's not changing.



Amazon

Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.

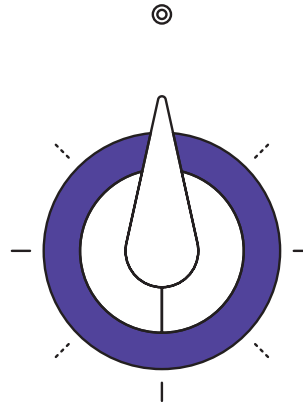
Santa Clara Valley Medical Center

Build a world-class patient flow process that patients & families love and makes staff proud.

Building Block 2

Customer* Insights & Megatrends

Synthesize deep empathy with the customer and an understanding of the megatrends in the ecosystem. Co-create with them.



It is helpful to identify needs you may choose to target, but also to understand how any changes you make are impacted by the broader ecosystem of competitors, new entrants and players upstream and downstream.

★ *For example: in a hospital catering to disadvantaged sections of society, where the Compass was applied, we looked at more than deep knowledge of ‘customer’: we build understanding of shifts in public funding levels; significant increases in the number of patients due to the Affordable Care Act coming into effect; and new venture-funded business models in insurance, diagnosis and healthcare delivery.*

*In referring to customers we also include other relevant stakeholders including regulators, suppliers, consumers, employees, board members etc.

☑ **Understand the context. To enrich the above, understand their needs in the context of the megatrends and their ecosystem.**

1. What are your customers' expectations in your domains and what is driving those expectations? e.g. expecting your services to be as easy as Uber.

2. What are the 'megatrends' in the customer ecosystem and how does this affect their needs, wants and behaviors?

3. What are the 'moments of truth' in their experience with you?

★ *For example: when working with an automotive distributor our customer research uncovered that the test-drive (so often the focus for optimization), actually was not a critical decision point for the majority of car purchasers. Many more made their decision based on the first sight of the car, or on the first review they read.*

☑ **Empathize with customers at transformation-wide level and at every initiative that makes up the program. Ask yourself:**

1. Who is the 'customer' that you are optimizing for? Go beyond traditional definitions of your customer to employees and dream customers.

2. What are their unmet or "latent needs"? Are they understood at the planning and execution levels?

★ *For example: when running this exercise with a Wealth Management firm, the company thought they were meeting the investment needs of their clients in achieving healthy returns, while their 'customer' felt that they were not meeting their need of helping them plan for major life milestones such as marriage, having children, and retirement.*

3. How can you co-create with the customer? It is not enough to understand customers, success is in involving them in every step of the transformation.

Building Block 2

Understanding latent customer needs

Building empathy with customers is not an easy exercise, and very rarely does one approach fit all situations (though experts in each approach will try to convince you otherwise). The pool of techniques you may need to develop includes:

Ethnographic analysis



This involves embedding your researcher into a customer's day-to-day life and observing as they interact with your products or services, those of your competitors, or those in the broader ecosystem. This is invasive, expensive and time-consuming but historically has proven to be one of the most effective ways of uncovering latent needs.



Behavior diaries

A lighter-weight approach to ethnographic analysis, this involves customers keeping a 'diary' of notes while they interact with your product ecosystem. The goal is to elicit their aims when they approached your product, their emotions while using it, their level of satisfaction, and the level to which you met their needs.



Interviews

Bringing in customers and potential customers and asking them questions is fairly easy (though it can prove somewhat expensive). However understanding how to structure and frame your questions to elicit their needs, rather than what you want to hear, requires a new skill set.



Surveys

A well-crafted survey allows you to extract information from a broader pool of customers, and to apply a quantitative approach to your analysis and understanding.



Data analytics

One underused technique for understanding your customers is to ingest behavioral data from the ways they currently interact with you. For example, if you have a mobile application, what times of day do they typically open the application – what context can you infer from that information? How often do they engage with you, and what tasks do they typically do regularly?

Building Block 2

The Sprint approach to co-creation with users

One successful approach we use is the Sprint approach, which breaks down all changes into a five-step process.



4. Test

Put your prototype into the hands of customers – observe as they try to “use” it



1. Empathize

Through tools suggested on previous page



2. Ideate

Come up with potential ideas for improvements – within the transformation team and with your customers



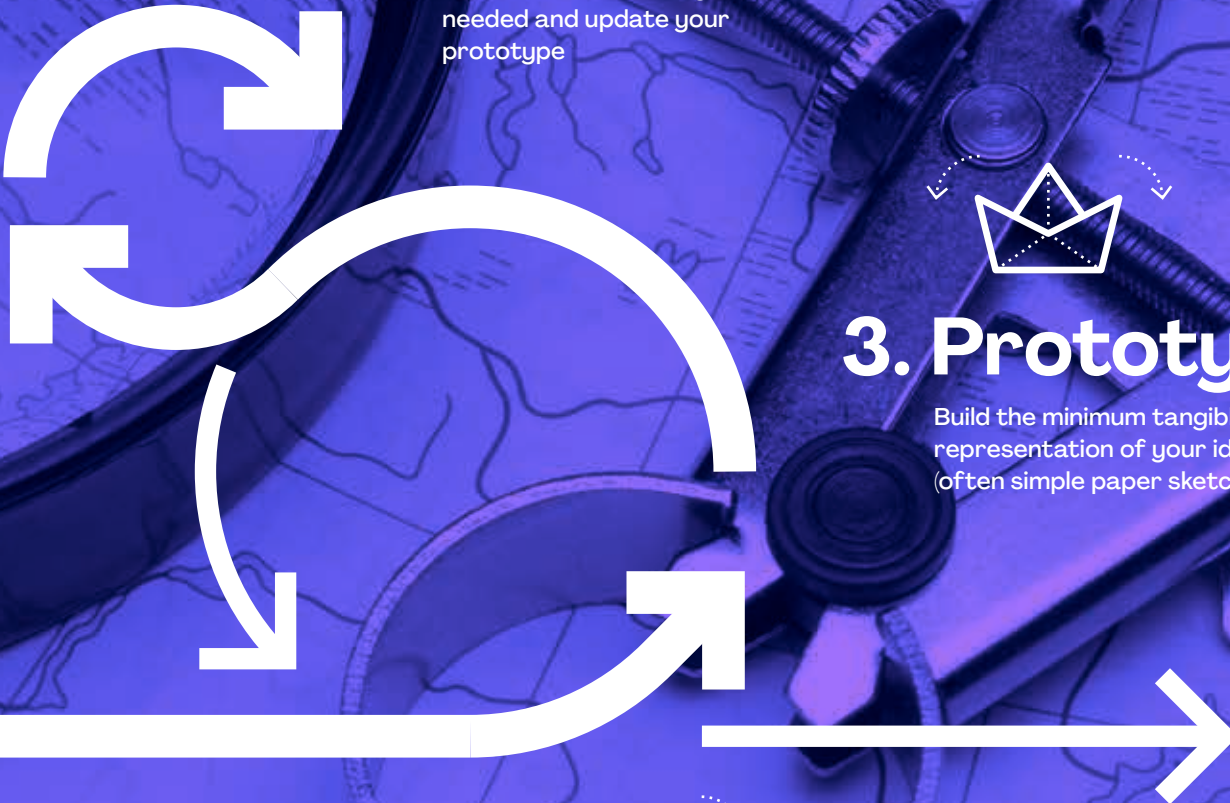
3. Prototype

Build the minimum tangible representation of your idea (often simple paper sketches)



5. Refine

Based on your testing results, determine what changes are needed and update your prototype



Building Block 2

Principles

Throughout the process of understanding your customer there are three principles you should keep in mind:



1. Involve real customers

We have yet to run into an instance where customers do not want to participate in helping shape the products that they use. There are time and availability limitations, but in our experience across a variety of contexts customers have enjoyed being part of the transformation process. There is often much more resistance internally – from account managers or sales executives who feel (incorrectly usually) that they completely understand the user or have to protect them from being exposed to new ideas. In the rare situations where you must use a proxy for a real user, look for external proxies (such as executive assistants), rather than internal proxies.



2. Find leading customers

In every customer base, there will be those that are looking for the next great thing, and those that are happy with following the crowd. You are more likely to find sources of inspiration from the first group than the second.

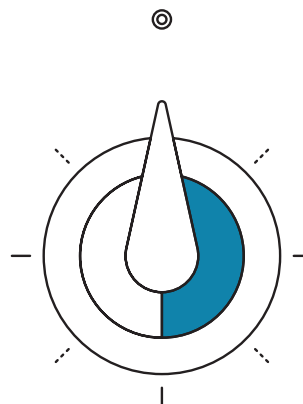


3. Conduct the research yourself

There is a widespread belief that only external design agencies, or your marketing teams should be able to speak to customers. A rule of thumb that we recommend is that at some point during the process, EVERY member of the transformation team should have direct exposure to a real customer.

Building Block 3

Transformation Operating System*



For a transformation to be successful, the way your team operates must fit the pace and targets of the effort. Most organizations are not structured for the rapid and fluid decision-making that will make your transformation a success.

- ☑ **Set up** a new non-hierarchical structure that applies a 'Silicon-Valley culture' of bold, fast, devolved decision-making, experimentation, and continuous testing and learning.
- In the Compass, we build the transformation effort out of flat (non-hierarchical) cross-functional teams, staffed from all areas and levels of your organization. We call these 'Rapid Response Teams'. Each of these teams is led by a 'pilot', and given a domain or area to focus their transformation efforts, and supported

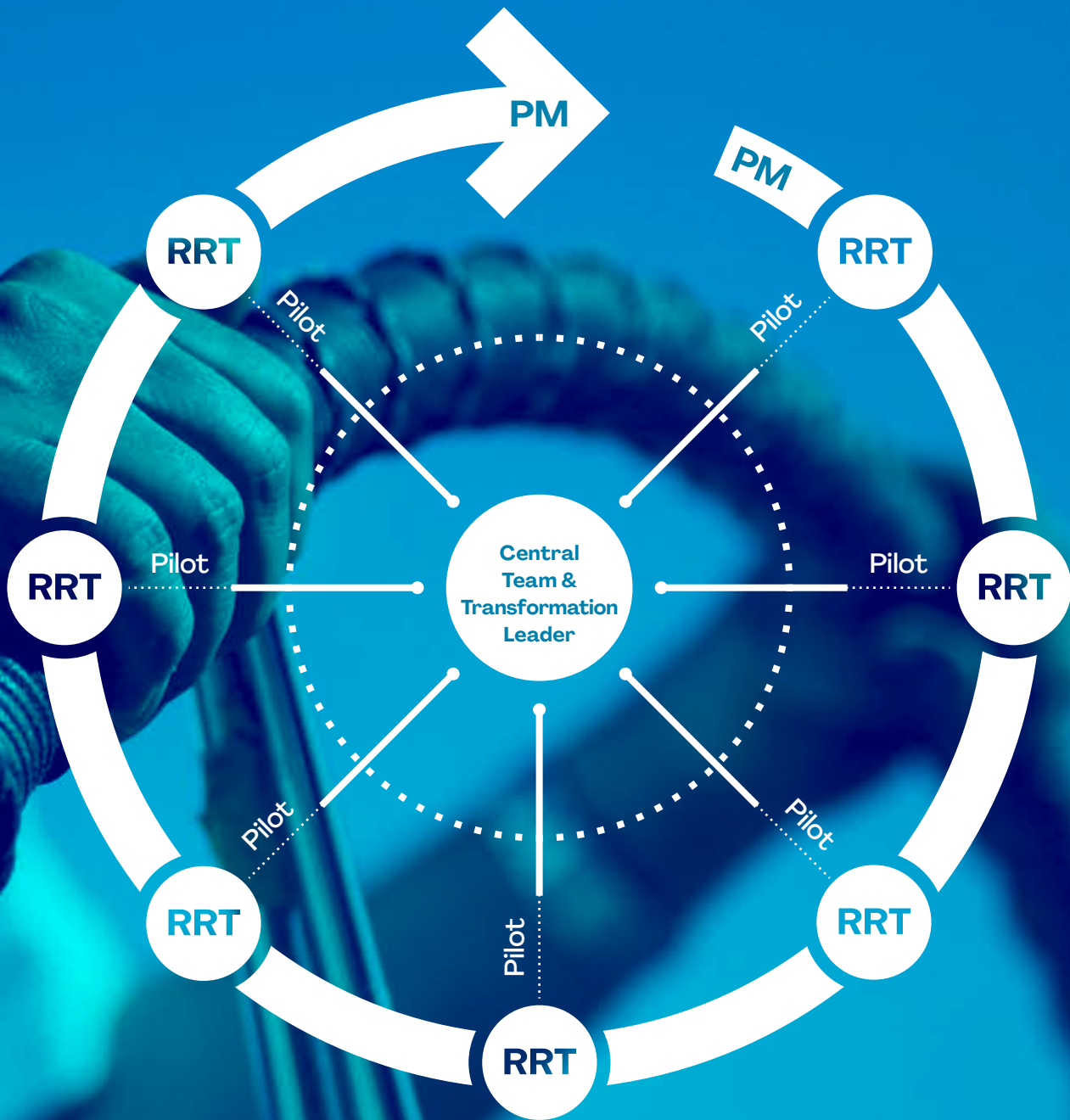
with a lightweight transformation organization.

- The Rapid Response Teams are supported by a Central Team made up of senior executives in the organization, and led by a committed Transformation Leader who is the person responsible for the success of the transformation and the business – typically this is a President, CEO or Divisional General Manager.

These groups are supported by a Program Manager, who acts as the chief orchestrator for the transformation, and helps set and guide the cadence.

At some point, when the RRT's work is complete, leadership may decide to fold the team back into the transformed organization.

*For more details see chapter 3 of *Rapid Transformation* book by Behnam Tabrizi



Building Block 3

The Five Components of a Transformation Operating System

1. Flat, cross-functional 'Rapid Response Teams'

These teams are seeded throughout your existing hierarchy and need both senior and junior members of your staff to operate effectively. Within the teams, however, there is a flat structure for ideation, discussion and (ideally) bold decision-making – encouraging the recent digital-native graduate to contribute on level-terms with the heavily experienced senior manager. Teams will typically have a 'pilot' to lead them (from your leadership or mid-level management ranks), but team members do not report to these pilots. It is important that these teams not be limited to 'line-of-business' or 'front-office' employees, but include a true cross section of capabilities, including members from Human Resources, Finance, IT etc. as full team members.

According to recent HBR/ Brightline research, 80% of 'implementation leaders' follow this model.

2. A lightweight governance & strong program management

Well executed governance is critical in any project setting, however, too often governance ends up as a burden rather than a supporting mechanism.

Key principles of governance:

- **Focus** Your organization's leaders should be focused on two tasks:
 - INSPIRING** the Rapid Response Teams, challenging them to be as visionary as possible in search of a transformation end-state;
 - REMOVING** organizational impediments that are blocking teams from making changes.
- **Minimal reporting** Rapid Response Teams should not be focused on producing mountains of paper and devote resources to designing and executing the transformation, rather than on managing the process.
- **Integrated view** Orchestration between rapid response teams should be conducted by a Program Manager who is responsible for ensuring coordination and taking an integrative view to take advantage of synergies between overlapping initiatives.
- **Decision making** This should be devolved from the center to individual teams wherever possible to increase speed. Recent HBR/Brightline research has shown that 85% of companies that are successful at strategic implementation follow this model.

3. A collaborative and appropriate risk appetite

Transformation requires a different risk tolerance than business-as-usual.

- **Teams:** Must be prepared to take controlled risks, make bold decision, be adaptable and flexible to drive the effort forward when making design and execution changes.
- **Risk processes:** Must be streamlined and focus on the real risks involved in an initiative. In too many organizations today they have devolved into checkbox exercises that generate masses of paper with no real value.
- **Risk management capabilities** (including groups such as risk, legal, compliance and vendor management): Must be embedded within each cross-functional team to be safe and effective. It is critical that these team members recognize and make a commitment to being full members of these teams, rather than acting as gatekeepers or 'support functions'.

4. Well-defined KPIs

Without clear metrics, it is impossible to judge the success of any transformation effort.

- **Accurate baselines:** Every Rapid Response Team and each initiative they launch must operate on accurate, current baselines agreed with the central team.
- **Achievable targets:** Must have quantifiable, measurable targets that are achievable but not easy to attain.

- **Clear levers:** In the interests of coordination and avoiding double-counting of benefits, there must be clarity between the teams and the central organization on the levers each team will 'pull' to achieve their targets.

5. Venture-style investment rounds

Transformation will require investment – whether that be for new tools, training, or resources.

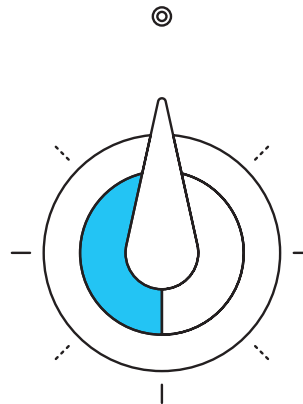
- 👁️ **Insight:** Many transformation approaches have seen massive investments up-front resulting in disappointing and delayed payoffs.
- **No 'business cases'** Rapid Response Teams are not given a blank check for transformation, but they are not required to write the extensive creative-fiction exercises that we currently call 'business cases' either.
- **VC-style approach to investment** Initiatives are given a small amount of money, to meet their next milestones and proof-points along the transformation journey. Those initiatives that are successful at proving their impact (for example using the Prototype-Test-Refine approach) using their 'seed' money will be granted a more significant 'Series A' level of funding. Those that cannot, will be stopped and the RRT can move onto their next initiative – while learning from what has failed.

Building Block 4

Your Volunteer Champions

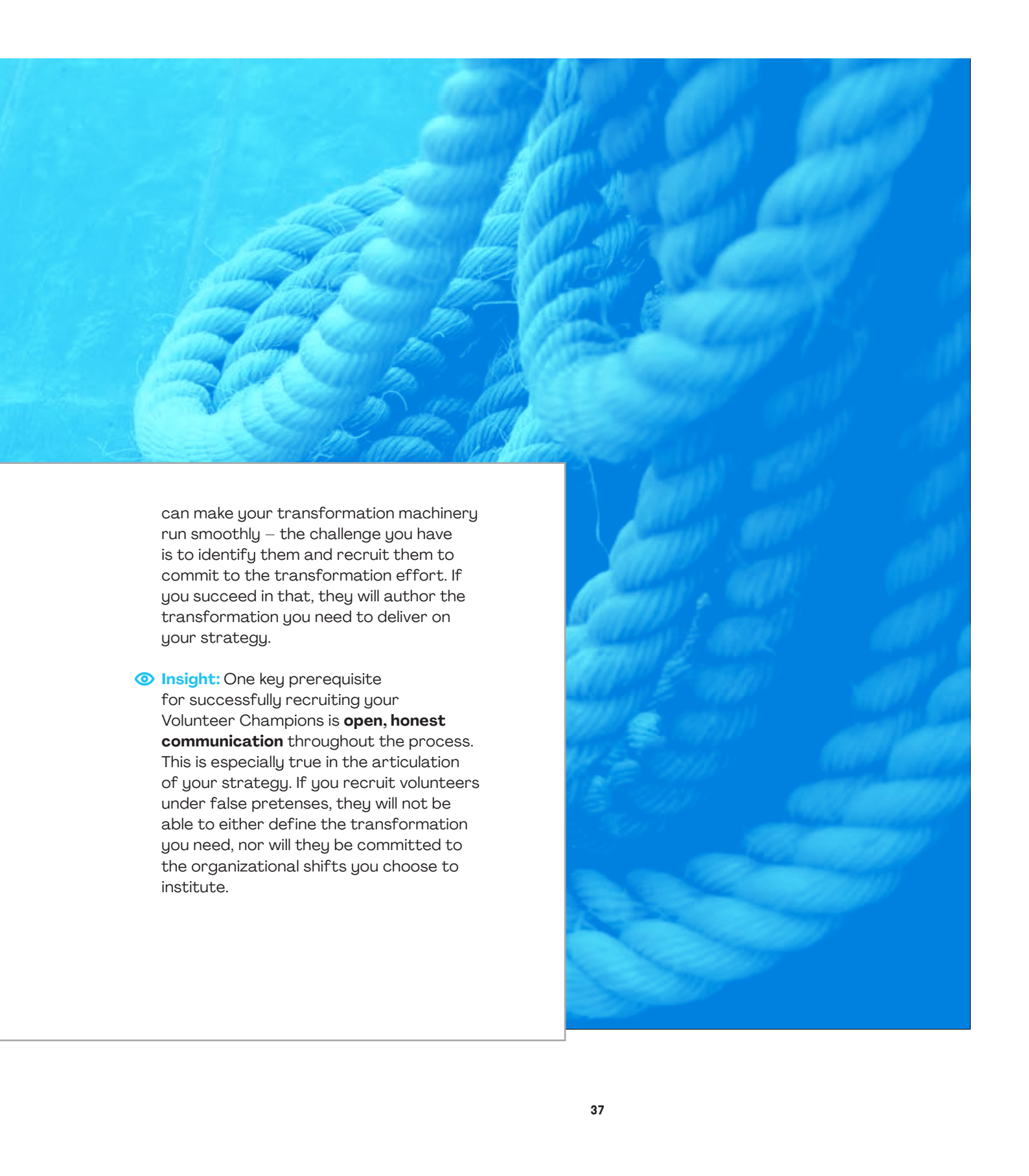
We discussed in the previous section the cross-functional Rapid Response Teams driving your transformation. These teams are made up of your existing employees – from an army of volunteers who are willing (and eager) to drive your strategy forward while continuing to deliver in their day to day jobs. We call these people your **Volunteer Champions**. It is made up from your executives and leaders; from mid-level manager; and from the front-line. We call them “volunteers” because of the need to **motivate them to want to be part of the transformation**.

Building your transformation through volunteer champions gives your employees a sense of ownership over, and a commitment to, the transformation. It prevents the knowledge gaps and misunderstandings so many



transformations face as they move from planning to implementation. Most importantly, it increases the likelihood that your efforts will be transformative, developing your people at the same time as your organization develops.

Insight: Your organization already has **thought-leaders** in every domain you operate in. In many cases, these thought-leaders are part of the group that comprises 85% of all employees that Gallup polls have shown are not engaged in their work – because the organization typically has not valued or empowered them. Identify the people that have good ideas – who are just not happy with the status quo and motivated to make a difference. Find, coach and motivate those people who are really hungry to make a difference. They are the cogs that



can make your transformation machinery run smoothly – the challenge you have is to identify them and recruit them to commit to the transformation effort. If you succeed in that, they will author the transformation you need to deliver on your strategy.

👁 **Insight:** One key prerequisite for successfully recruiting your Volunteer Champions is **open, honest communication** throughout the process. This is especially true in the articulation of your strategy. If you recruit volunteers under false pretenses, they will not be able to either define the transformation you need, nor will they be committed to the organizational shifts you choose to institute.

Building Block 4

Building and Maintaining the Volunteer Champions



1. Identify

There is no simple formula that your HR department can run to source the right people for your Volunteer Champions – you can use performance reviews and manager identification as guidelines. In many cases, the best volunteers self-select based on effective communications on the transformation.



2. Recruit

Recruiting these individuals relies on two legs – the inspirational capability of your North Star, which will have employees interested in the value of shaping the future; and your commitment to Personal Transformation, which will allow you to convince potential volunteers of the benefits on the career and personal growth.



3. Motivate

The Transformation Operating Model should help motivate the right members to join the volunteer champions. From positions where they may not have the authority or access currently, they will be placed into a flat structure, with the ability to make decisions that shape the future of the organization. They will have special attention from, and direct access to senior leaders in your organization. To make the motivation 'sticky', Volunteer Champions make an explicit commitment to the transformation and to their teams – often in the form of a Rapid Response Team Charter.



4. Empower

As the transformation moves into execution, the Volunteer Champions return to the organization. Shifting them into key influencing points within the change will provide them the opportunity to make sure the transformation takes hold. In addition, use formal and informal mechanisms to place them into a position where they can evangelize the transformation.

Your next generation of leaders

While we have discussed the advantages of the Volunteer Champions, there are also challenges from this approach – distributed Rapid Response Teams can find it hard to work together effectively.

- ☑ **Employ** modern digital solutions for collaboration and co-creation to connect distributed teams around tasks and milestones. We work in an age where there are effective tools (such as messaging, file-sharing and modern project management software) for collaboration to help overcome these challenges.
- ☑ **Establish** a formal cadence – especially during the early periods of the transformation – for intra and inter-team coordination.

It is tempting to move members of effective Rapid Response Teams out of their day-to-day jobs in the hopes of accelerating or boosting the transformation. In practice, this does not work.

- ☑ **Retain ‘business-as-usual’ roles to maintain a link** to the daily challenges in day-to-day work, and a better understanding of the commitments within the organization. From an individual perspective, this forces them to **learn balancing and prioritization** skills that will be important as they move into senior management roles. From an organizational perspective, this helps spread the transformation message (and successes) through your hierarchy in an informal manner.

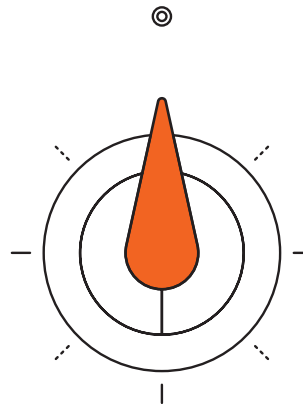
The Volunteer Champions delivers well beyond the strategic scope of your transformation. If selected correctly, in building the group you are also **identifying, retaining and developing the next generation of leaders** within your organization.

Building Block 5

Inside-Out Employee Transformation

Individual transformation of your employees is (at least) as important as your organizational transformation. Without it, the chances of your transformation succeeding are low. Without it, the chances of your organization continuing to evolve and respond to new changes are almost non-existent

Employees tend to view transformations in one of three ways – as a threat, as a burden, or as an opportunity. Too often leaders fail to recognize the fear of being replaced or minimized due to transformation, or actually stoke those fears through opaque or limited communication. To shift to an opportunity mindset, you have to ensure



that the transformation is successful, at a personal level, for the members of the transformation leadership, for your Volunteer Champions, and eventually for employees across the organization.

In the Compass, this is accomplished through an inside-out process. For each employee participating in the transformation, at any level, we ask them to focus on their personal strengths and unique contributions to the organization, and to connect these to the vision of the organization after transformation – helping them to understand how they can contribute to the transformation effort, and how the transformation will help their progression and growth.

In the Compass we provide a set of potential tools that can be leveraged to help employees undergo this self-evaluation exercise.

This is typically a three-step process for each participant:

- ☑ **Define** your **aspiration** of where you want to be – create a Personal Vision Statement that defines where you want to be using the SEE framework (see next page). It is important that this is within the transformation **context** – and defines what you can contribute to the transformation, and what you want to get out of the transformation process
- ☑ **Develop** an **understanding** of themselves. There are multiple tools to choose from – organizations have had some success with personality tests such as Myers-Briggs, Enneagrams or GC Index, or tools such as StrengthsFinder.
- ☑ **Develop** a Personal Transformation Plan, and **share** with your transformation team as a method of making, and getting, a public commitment

In addition to the up-front work, part of the ongoing process of transformation has to be a reflection exercise for each team member. On a regular basis (at least monthly) they should revisit their Personal Transformation Plan – to evaluate whether they are contributing to the transformation in the manner they had committed, and whether they are getting the growth opportunities committed to them. One key aspect of leadership of the transformation is instituting, and responding appropriately to these reflections.

Building Block 5

The SEE Model*

The primary tool we use for Employee Transformation is called the SEE Model. SEE stands for Strengths-Evokes-Elates. The three-part SEE model will help you, your Volunteer Champions, and all your employees define their calling within the context of Transformation.

The aim is to find the intersection between:

- Your **strengths** – the areas of work in the business and the transformation where you are *or are willing* to become good at
- The elements of the transformation that **evoke** personal meaning – the things that give you long-term satisfaction
- Actions that make you feel **elated** – activities and actions that give you immediate joy

Filling out a SEE template is not usually as simple as sitting down and writing – for most people it requires significant self-reflection, and often needs to be updated as you learn more about yourself.

There are a variety of tools that can help you get started – Enneagrams, Myers-Briggs and StrengthsFinder all have supporters. Self exploration is not a uniform science – try multiple tools and find what works for you.

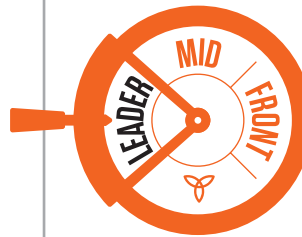
* From Chapter 2 of *The Inside-Out Effect* book by Behnam Tabrizi & Michael Terrell



Building Block 5

Example transformation journey at every level

A successful personal transformation journey may involve a shift in role, but almost always involves a shift in how people, at all levels, operate within their role.



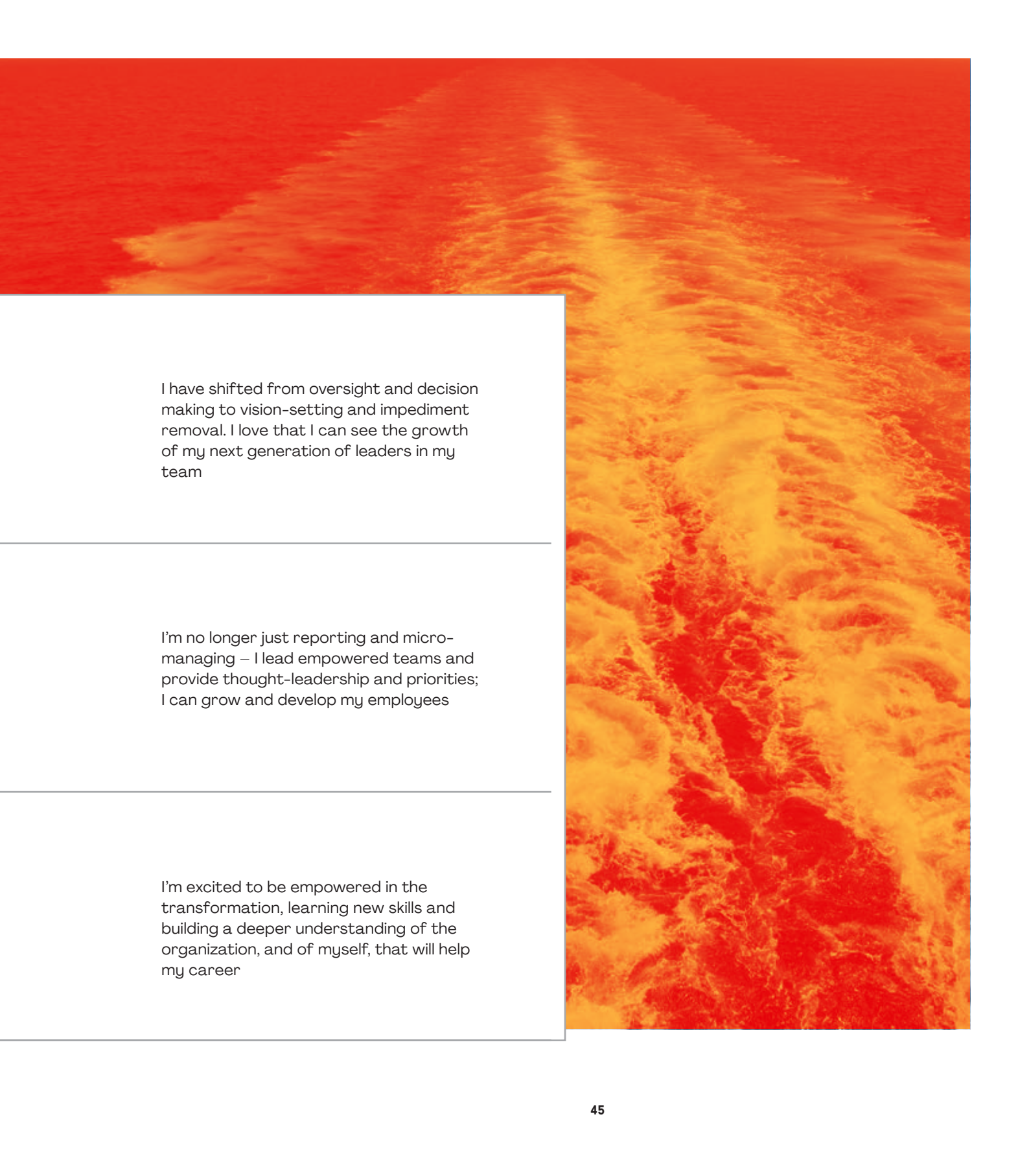
Leader



Mid-Level Manager



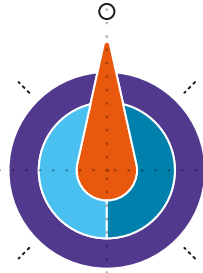
Front-Line Employee



I have shifted from oversight and decision making to vision-setting and impediment removal. I love that I can see the growth of my next generation of leaders in my team

I'm no longer just reporting and micro-managing – I lead empowered teams and provide thought-leadership and priorities; I can grow and develop my employees

I'm excited to be empowered in the transformation, learning new skills and building a deeper understanding of the organization, and of myself, that will help my career



Step-by-Step Methodology





Step-by-Step Methodology

The Three-Stage Methodology for Transformation

Inspire

Mobilize

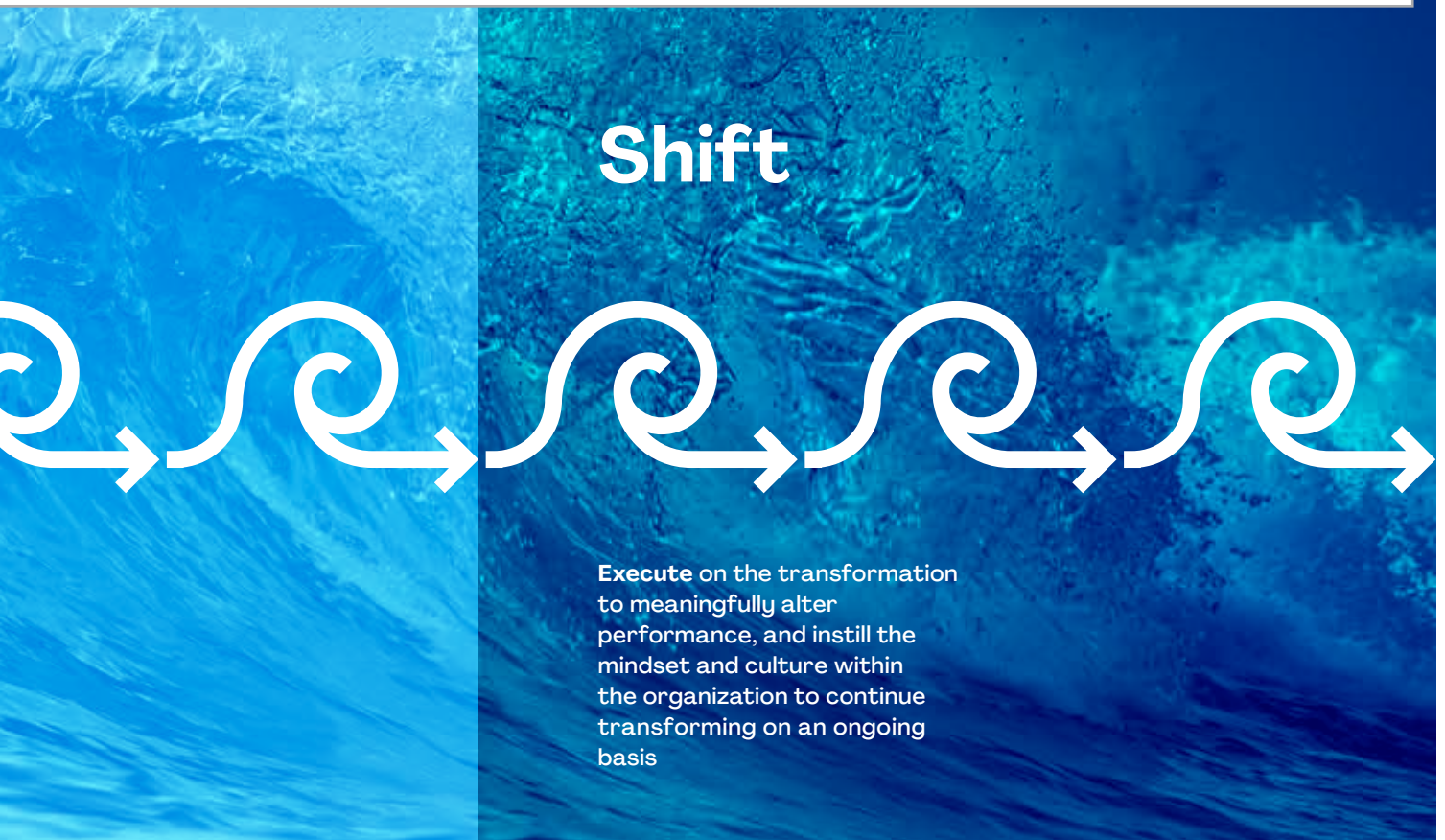


Build your transformation organization, with Rapid Response Teams initiated and ready to start

Define the blueprint for your transformed organization, and build a plan to get there

While the Building Blocks define approaches, behaviors and tools needed to successfully transform, implementing the Compass also requires a detailed roadmap to execute the transformation. The three-phase Inspire-Mobilize-Shift approach provides that.

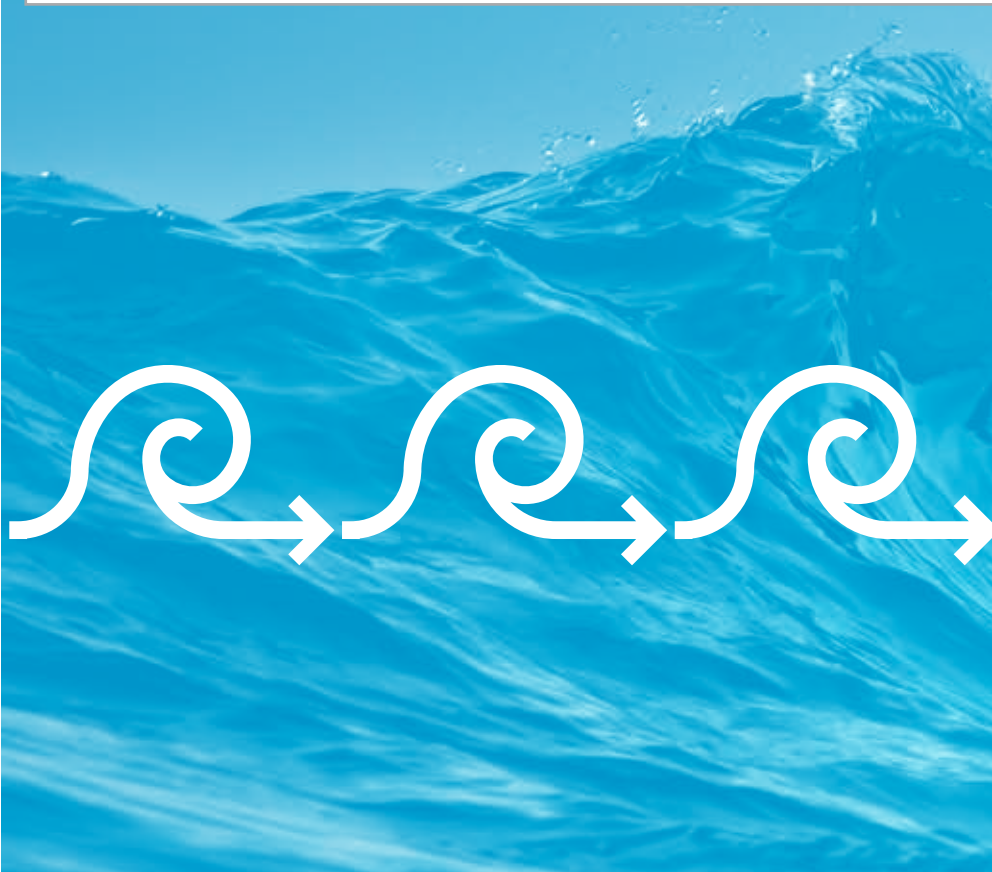
- 👁 **Insight:** This should not be mistaken for a ‘waterfall’ process – through-out each phase you should be applying principles of Design Thinking and working in an Agile fashion, testing and learning with customers and employees to refine and prioritize your endeavors.



Stage 1

Inspire

Step-by-Step Guide*



*For more details see chapters 2 & 3 of *Rapid Transformation* book by Behnam Tabrizi



○ Decide which senior leader is best-placed to be the **Transformation Leader**, and gain her/his commitment to the transformation



○ **Establish the North Star** for the transformation, and establish the strategic goals in 3-7 clear bullet points that can be tied to quantifiable metrics



○ **Create cross-functional Rapid Response teams**, and allocate domains and a pilot to lead each



○ **Recruit** the Volunteer Champions



○ **Establish a central team**, with leadership and governance responsibilities and assign a Program Manager for orchestration



○ **Implement coordination and collaboration** tools needed for transformation



○ **Launch communications** across the organization



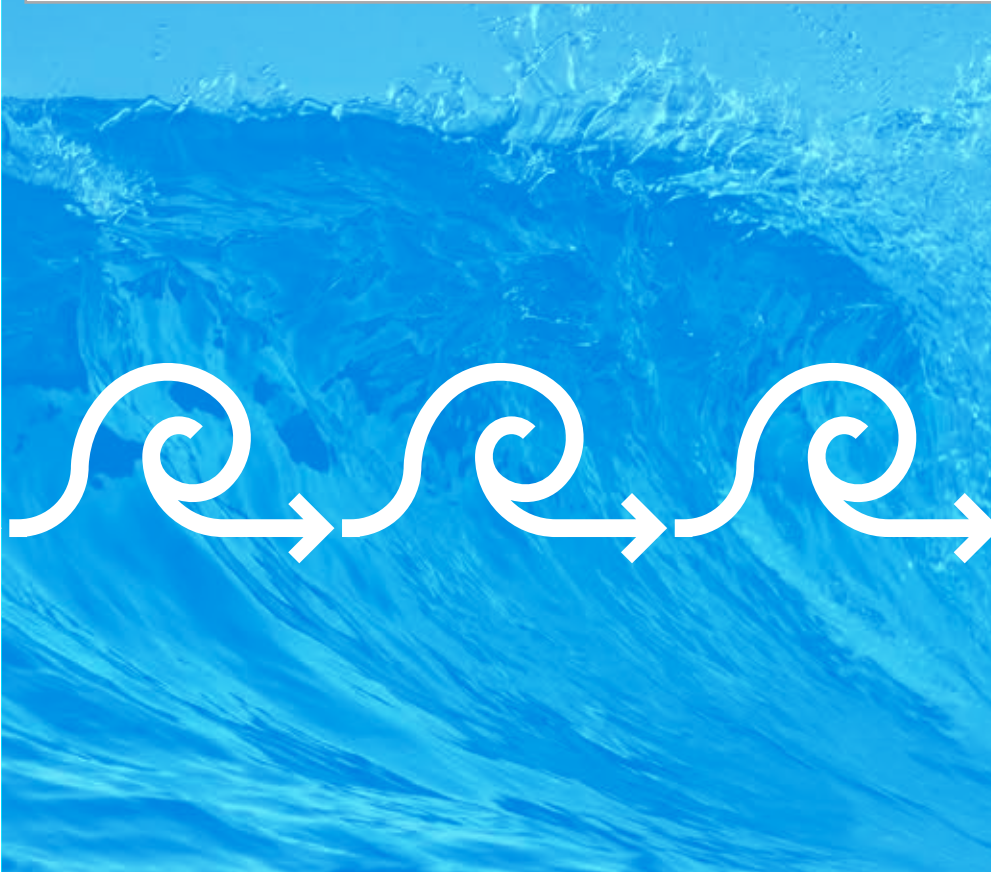
○ Provide tools & training for employees to **build personal vision statements**



○ Hold kick-off sessions for Rapid Response Teams to **define team charters**, ways of working and cadence

Stage 2

Mobilize Step-by-Step Guide*



*For more details see chapters 4, 5 & 6 of *Rapid Transformation* book by Behnam Tabrizi

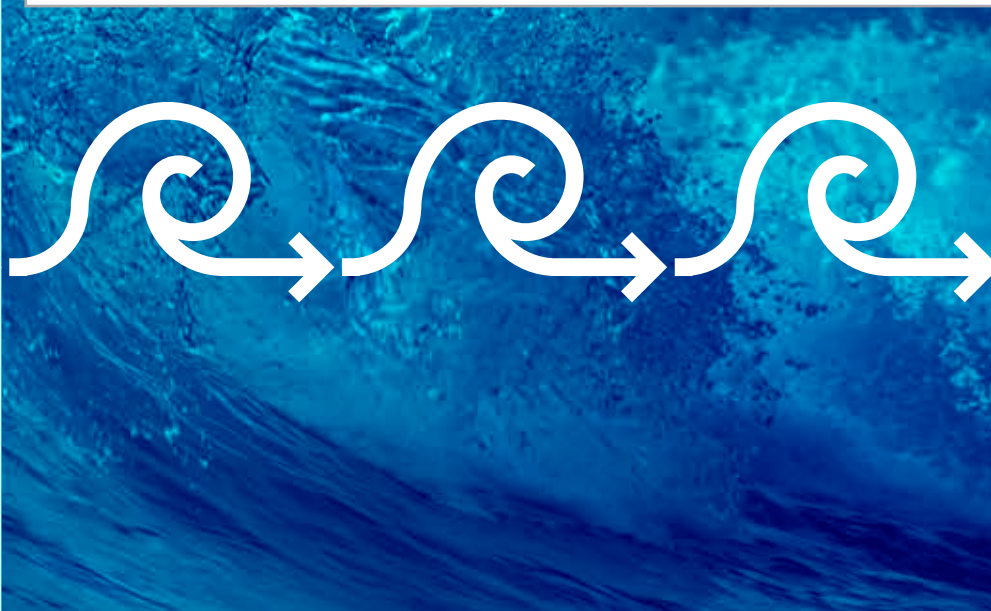
<p>Q</p> <p>Q</p> <p>Q</p>	<ul style="list-style-type: none"> ○ Assess the current state of the organization: <ul style="list-style-type: none"> ○ Acquire organization data to establish baselines (e.g., customer satisfaction scores, headcounts) ○ Identify gaps to best practice/where you want the organization to be by comparing with competitors and market leaders in other domains ○ Select targeted metrics and potential levers ○ Launch customer empathy efforts ○ Immediately implement any identified “quick wins” to start delivering value through the transformation 	<p>Q</p> <p>↕</p>	<ul style="list-style-type: none"> ○ Develop a future state blueprint: <ul style="list-style-type: none"> ○ Conduct Concept Sprints (with both employees and customers) to identify potential initiatives ○ Evaluate, prioritize and estimate initiatives, based on investment, timing, feasibility and potential benefits ○ Develop a future state vision based on selected initiatives ○ Execute on any quick wins identified ○ Plan the approach: <ul style="list-style-type: none"> ○ Create implementation plans – depending on the methodology you choose for execution these could be preliminary backlogs, detailed project plans etc. ○ Conduct training required for any new methodologies that you will implement as part of the transformation ○ Define milestones for each initiative – including expected validation points, estimated investment levels and proposed dates ○ Continue to execute on quick wins
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Stage 3

Shift

Step-by-Step Guide*

Once the mobilize phase has been completed, the Shift phase is primarily about executing the plans that have been created.



*For more details see chapters 7 of *Rapid Transformation* book by Behnam Tabrizi



○ Continuously **ideate, experiment and refine**, involving customers and employees



○ Continuously **track external market changes**, and adjust initiatives prioritization and investment to respond appropriately



○ Push Rapid Response Team members back into the organization to be key change agents for the transformation



○ **Execute on governance** mechanism:

○ **Track progress** of initiatives against milestones (adjusting as needed based on information learned)

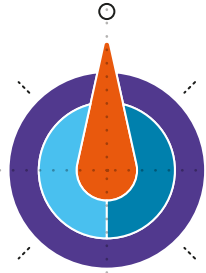
○ **Eliminate or turnaround projects** that don't meet stage gate objectives, do not deliver benefits or become obsolete due to external changes



○ Create mechanisms to **track and reinforce employee growth** within the transformation



○ **Build new Rapid Response Teams** for domains not covered in previous waves of transformation (and follow the same Inspire-Mobilize-Shift methodology)



Case Studies





Case Study 1

Verisign Communications Services

Context: Verisign Telecommunication Services' new EVP Vernon Irvin set a bold goal to become a billion-dollar business (from a base of \$380m). VTS had an impressive customer base and strong brand, but a mature product set and weak innovation pipeline. Morale was low and the organization was silo-ed and dysfunctional. After spending millions with a leading consultancy, they had created a 100-page strategy, but had delivered nothing.

Launching a Compass Transformation: Irvin then looked internally, assembling his leaders to drive the transformation and sprinkling in just a few expert coaches, including Dr. Tabrizi, to provide thought leadership. Within days, the new team created an inspiring vision and came up with a strategy defined in 7 bold bullet points that drove action.

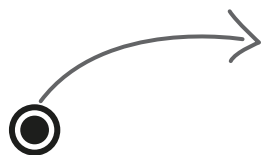
Mobilizing the Organization: After seeding the leadership team with members of the Executive Management Team, they created 15 cross-functional Rapid Response Teams focused on market, product and process. These teams were supported by a Transformation PMO, and new orchestration mechanisms were defined for coordination. Over 10% of the organization was recruited into these teams, but members were told this was in addition to their daily work.

Fast, Comprehensive Introspection: Teams were given just 90 days to plan the transformation. Starting with mapping existing processes, they developed a set of baseline metrics. These included understanding the sales pipeline, product profitability etc. Using benchmarks, they developed a gap analysis – seeing some unexpected results. For example, they found that new products only comprised 5% of revenue. Legacy and mature products were the bulk of revenue.

Bold Ideas for Future Vision: Teams were challenged with developing 'Big Ideas' to address problems, improve processes or create new sources of revenue. Rather than minor improvements, some of the changes included a complete reorganization to a market-segmentation focus, a new portfolio rationalization methodology and significant changes to new product introduction.

Significant, Sustained Outcomes: Verisign achieved the \$1Billion goal even faster than expected. The transformation had a profound effect on the culture. As the Volunteer Champions rejoined the organization, they became evangelists for the change.



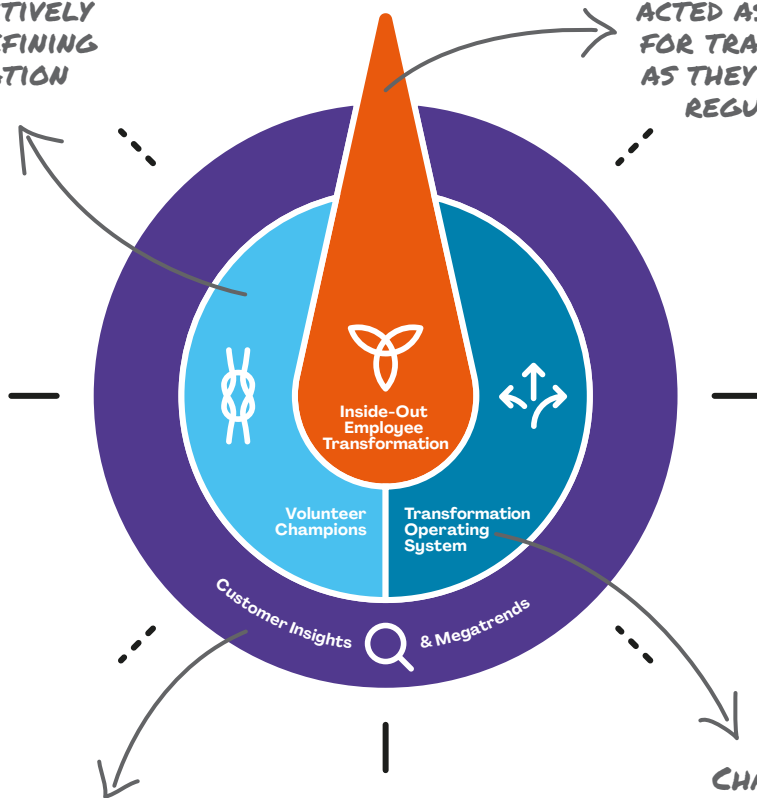


PROGRAM RUN BY DIVISIONAL EVP WITH CLEAR VISION OF BECOMING A \$1BILLION BUSINESS IN 3 YEARS. STRATEGY CRYSTALIZED IN 7 BULLETS

North Star

OVER 10% OF EMPLOYEES ACTIVELY INVOLVED IN DEFINING TRANSFORMATION

VOLUNTEER CHAMPIONS ACTED AS EVANGELISTS FOR TRANSFORMATION AS THEY RETURNED TO REGULAR ROLES



ALL RRT MEMBERS MET WITH LEADING CUSTOMERS TO UNDERSTAND WHERE VTS WAS MISSING THEIR NEEDS. IDENTIFIED KEY MEGATRENDS SHOWING A SHIFT TO WIRELESS OVER WIRELINE, AND REALIGNED ORGANIZATION, BRINGING VTS CLOSER TO CUSTOMERS

CHANGE CREATED BY C.15 CROSS-FUNCTIONAL RAPID RESPONSE TEAMS EMPOWERED TO MAKE TEAM LEVEL DECISIONS. LED BY CROSS-FUNCTIONAL "BILLION DOLLAR TEAM" OF LEADERS

Case Study 2

Santa Clara Valley Medical Center

Context: Santa Clara Valley Medical Center (SCVMC) is one of the largest publicly-funded government hospitals and healthcare systems in the United States, with a \$2.5B budget and nearly 10,000 employees serving the vulnerable populations of Santa Clara County in Silicon Valley. SCVMC was struggling with patient flow (the patient's journey through the hospital, from admission to discharge), while at the same time seeing an increase in the number of patients. A previous attempt to work with an external consultancy resulted in \$20m spent after 15 months of work, with no sustained improvements.

Internal Empowerment in an effective Operating System: SCVMC, working with Dr. Tabrizi, decided to look inwards for solutions. By empowering their middle-management ranks, they transformed from the inside-out. Diverse cross-functional teams were created from many departments and skillsets, including administration, nursing, social workers and physicians. The transformation team, numbering over 80, maintained a flat hierarchy with all members having an equal voice. Leaders from medical, nursing and administration groups steered the program under the leadership of Drs. Sanjay Kurani and Clifford Wang.

Involving Customers: Patients who were leaving the hospital were interviewed or surveyed to understand their experiences. The transformation team conducted 'mystery shopping' exercises. This led to some unexpected insights and needs – often delays in leaving were caused by patients with no ride or no place to go. As part of the transformation, the team found new sources of housing for these patients.

Clear baselining and experimentation approach: Cross-functional teams were allocated domains that covered portions of the customer journey, and first mapped out the current processes to find opportunities for improvement. Real-world data was used to prioritize and drive objective decisions. Teams experimented with various approaches to make changes, rather than developing long-range plans.

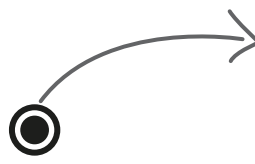
Capturing quick wins: Simple measures that made meaningful differences were rapidly implemented. For example, a small weekly prize was awarded to the physician team with the best times. These changes could not deliver the entire value needed, but they showed quick progress to maintain the momentum of the program.

Targeted Initiatives combining Inside knowledge with External Insight: Used insights from air traffic control, applied in the context of the hospital, to develop a central Logistics Center that tracks patients throughout their journeys. One key intervention is a 'Flow Accelerator' that prioritizes tasks to move patients through the hospital. Insights from the hotel industry changed the model for when beds were ready.

Tangible, Sustained Outcomes: Shifted from a 5-day to a 7-day hospital model. Thrived despite a 70+% drop in public subsidies (from \$250m). Over 3 years, a 50% reduction in ambulances turned away despite a 15% increase in hospital volumes. Avoidable days in hospital decreased by 15%; Percentage of discharges before noon increased from 15% to 40%; Time from bed request to assignment decreased by 30%; The transformation team is now called up across Santa Clara County to guide transformations.



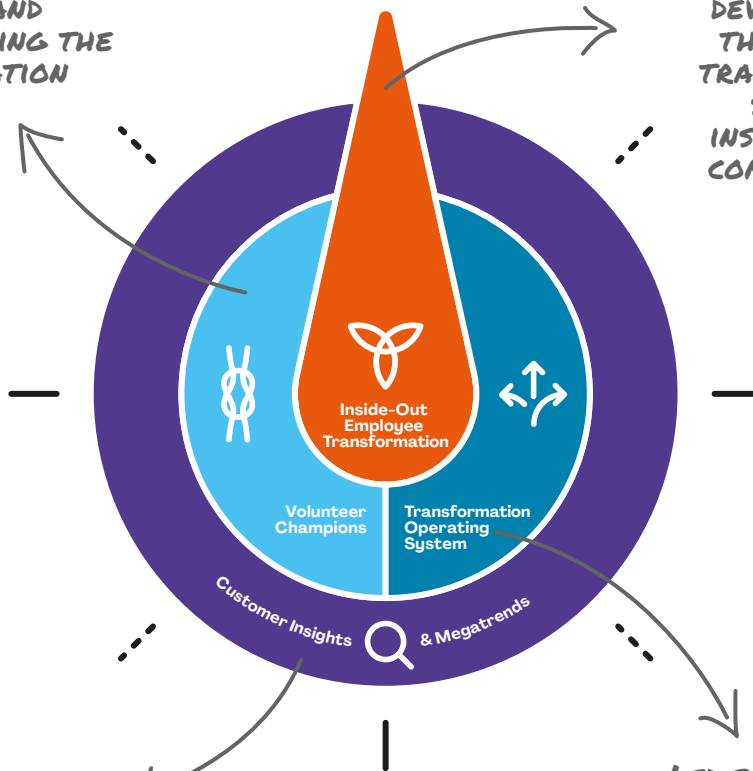
CLEAR VISION TO "BUILD A WORLD-CLASS PATIENT FLOW PROCESS THAT PATIENTS + FAMILIES LOVE AND MAKES STAFF PROUD"



North Star

COACHING SESSIONS HELD WITH EVERY RRT TEAM MEMBER AND LEADER TO DEVELOP AND COMMIT TO THEIR CONTRIBUTION TO TRANSFORMATION HELPING SHAPE IT FROM THE INSIDE OUT. CLEAR, OPEN COMMUNICATIONS TO ALL EMPLOYEES

80 STAFF FROM ACROSS ADMINISTRATION, NURSING, SOCIAL WORKERS AND PHYSICIANS DRIVING THE TRANSFORMATION



LED BY HEADS OF HOSPITAL, DOCTORS + NURSING; CROSS-FUNCTIONAL RAPID RESPONSE TEAMS WITH FLAT HIERARCHIES EACH RESPONSIBLE FOR DIFFERENT STAGES OF THE PATIENT JOURNEY

EXTENSIVE INTERVIEWING AND SURVEYING OF CUSTOMERS, ALONG WITH "MYSTERY SHOPPING" THROUGHOUT TRANSFORMATION

Questions & Answers on the Compass

I'm not a member of the executive team. How do I get my organization to transform this way?

How do I get started with the Compass?

The first step to using the Compass is to review these materials, and develop a thorough understanding of the Building Blocks, how they work together to deliver a successful transformation, and the relationship between the Compass and the process you execute. As an executive, act as an evangelist for the principles as well as the process – socialize within your organization's executive team. Identify the right potential leader, and share the approach with them, getting their commitment. Be open about the internal and external challenges that your organization is facing. If you already have a transformation underway, review the materials to juxtapose key steps with how you are currently working. If you are starting the process of transformation, work with the transformation leader to define your North Star and bringing thought-leaders into your Volunteer Champions.

In every organization we have seen, Senior Executives are looking for change agents within the organization – individuals who are motivated and can deliver change, and help with the recipe for transformation. Finding these individuals is a huge pain point for most executives.

Build up a good knowledge of your organization's context – spend the time to understand the ecosystem challenges the organization is going through, and get to know internal challenges.

Learn and internalize the model. Go through the SEE exercise to understand how you can commit to the transformation.

Then make the bold step – find that senior executive, and have a discussion with them on the approach, and why it is right for your organization. By showing them that you understand it, and can guide others on the journey you are helping them and helping yourself. If you can handle the challenge of getting out of your comfort zone, you are likely to play a key role in the Volunteer Champions that drives the transformation.

Can I use specific building blocks and ignore others?

The Compass is a holistic solution. There is an interdependence between the elements that is key to achieving a successful transformation. If you don't engage the hearts and minds of your employees, you are unlikely to achieve sustainable improvements. If you don't look outward to your customers and trends, your changes will miss the mark. Without an effective operating system your team will not be able to deliver the change they design. 70% of transformations today fail – the reason is that most approaches miss one or more of these significant building blocks.

My transformation is already underway – how does the Compass help me?

This is a situation where you cannot have an impact alone – even if you are the leader of the current transformation program. An approach we have seen work is to assemble the leaders and key people involved in your transformation. Create a 'safe place' for discussion – and then facilitate an open and honest review of what is going well, what is not. Often the challenges are from missing one of the building blocks. Discuss how you as a group can redirect the transformation using the missing blocks. This only works if the discussion is not held back by individuals acting defensive. One important tool to accomplish

this is to work through the SEE Method beforehand. Share your personal commitment to the organization and the transformation with the group as part of the facilitation.

My employees are not capable of change – can I use a consultancy to apply the Compass?

However you undertake transformation, this mindset – that employees are incapable of change – is a recipe for failure. We have never seen an organization that does not have untapped potential. Often a lack of engagement in employees is taken as a lack of capabilities. Having said that, consultants can play a critical role. Particularly in organizations that have low morale or a history of rigid hierarchies, external consultants brought in as coaches can add significant value to the effort – helping you to identify the capable employees and to motivate them. But they cannot be the drivers or the authors of the change – that must come from within.

Can I apply this to just my division or just my geography?

Yes. The Brightline Transformation Compass is applicable to organizations of every size and type, from non-profit to government to Corporation to Divisions within those. Typically the right approach in these situations is for the Division Lead, or Country Manager to be the transformation leader. Apply the same principles at this level and make sure the division/ geography is committed. However you cannot accomplish the transformation in a vacuum. Make sure other elements of the organization that work with you are aware and have bought-in to your transformation – at their leadership level and for the people that interact with your team on a daily basis. They should feel empowered and willing to be part of this transformation – and have to be part of the solution.

What's Next for the Compass

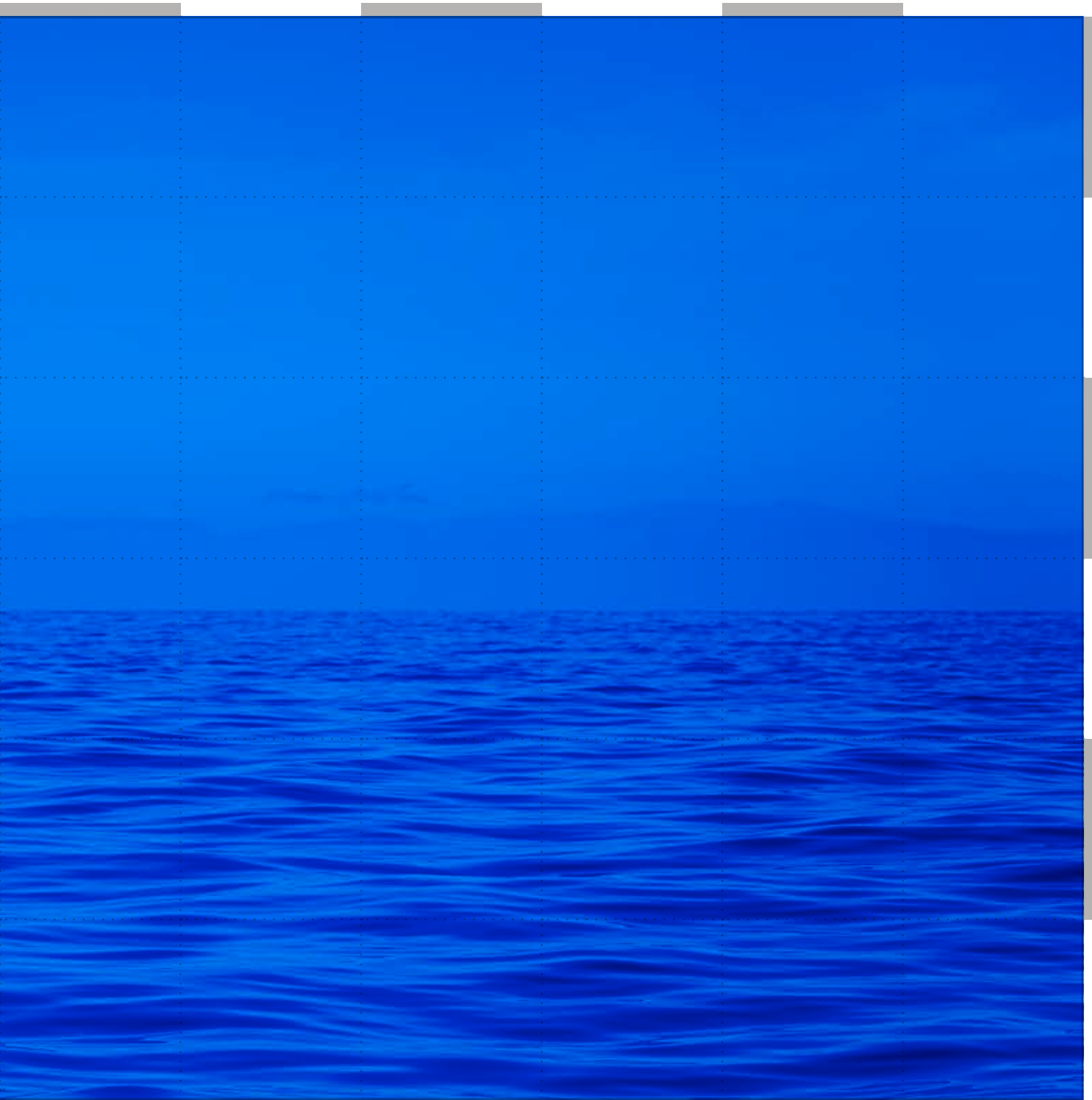
PMI, Brightline, and Professor Tabrizi and the team are committed to helping organizations transform successfully using the Compass. This public release of the system is just the first step – our plan is to augment this overview document with online courses, training materials and tools that can help you along the journey. For this, we need your help – feedback from you will help guide our roadmap as we expand the Compass further. Please reach out to compass@brightline.org to share your thoughts.

Acknowledgements

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Akshay Rangnekar





brightline.org

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