



Business Transformation
takes knowledge, analytics,
a roadmap and courage



By **John R Childress**
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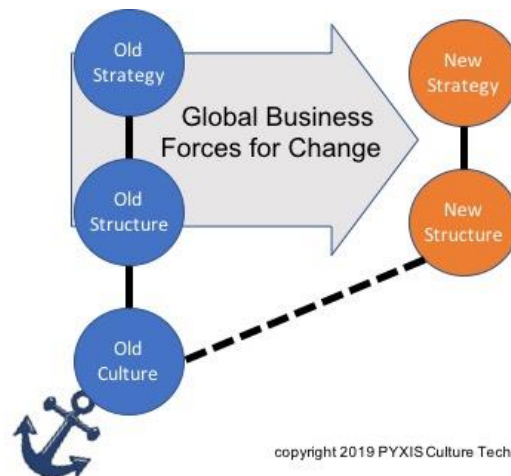
Managing Your Business Transformation takes knowledge, analytics, a roadmap and courage

*If you don't understand your culture,
you can't transform your business.*

We see a lot in the business press these days about corporate culture. And for good reason; culture impacts business results, positively or negatively. There is no such thing as a neutral or benign corporate culture. It is either enabling or blocking your strategic business objectives. If you want to increase the odds of successful transformation, make certain your culture is aligned with your business strategy.

An old culture that is out of alignment with your new business strategy acts as an anchor, slowing down execution and transformation. And in today's fast-moving world of technological change and an ever-increasing number of new competitors from all corners of the globe, you can't afford a cultural anchor.

Culture should be agile and able to evolve in step with your strategy and organization structure changes. Culture agility is achievable, but it takes knowledge, the right tools, and courage.



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Requirements for Successful Business Transformation

The current focus on improving culture through employee engagement is missing the mark. It is not that employee engagement is not important; there is ample evidence that engaged employees are more productive and innovative. However, employee engagement is not the culture, it is an outcome of the culture.



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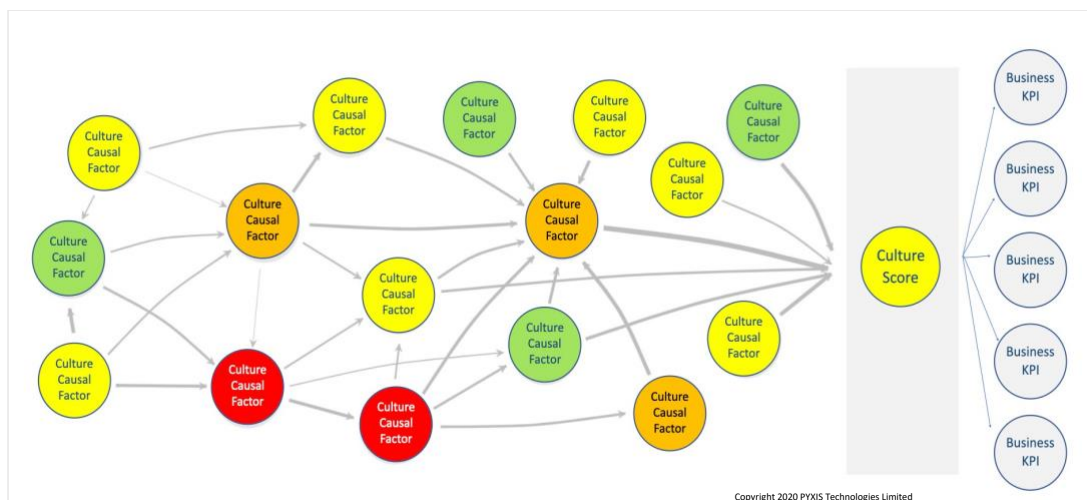
There is much more to creating a high-performance organization than having engaged employees. The analogy I often use is akin to looking at a landscape through a straw. You may see clearly, but you don't see the whole picture. Successful culture transformation is a combination of multiple ingredients, in the right proportions and right sequence, with a healthy dose of "leadership courage" thrown in.

Ingredient 1: Understand and Measure Your Culture

An investment in knowledge
pays the highest dividend.
~ Benjamin Franklin

To fully understand the strengths and risks inherent in your current organization, a systemic, enterprise approach to culture is required. Cultural influences and subcultures reside in every corner of your business. It is important to visually map this "culture ecosystem" to fully understand how multiple culture elements influence the day to day behavior of employees at all levels, and ultimately business results. Measurement is also critical when understanding culture. Culture analytics and measures give us clear insight into which parts of the culture are strong and which are potential risks. And trends in culture metrics over time allow leaders to understand the ROI of business transformation.

With the use of systems modelling tools and new approaches to collecting culture data, along with special algorithms and modern AI tools, it is possible, in a short time frame, to build a culture ecosystem map. Such a visual map helps identify which factors in your current culture are aligned with your business strategy, and which are acting as barriers and business risks.



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This new approach goes far beyond traditional employee surveys to include data and information from company policies, work processes, compensation formulas, hiring profiles, peer pressure, meetings, training, leadership focus and many other culture causal factors. These factors interact with each other, forming a culture ecosystem that influences how employees at all levels behave towards work, each other, customers and suppliers. As system engineers know, to change the outcomes, you must change the causal factors.

Ingredient 2: Define Your Required Culture

*If you don't know where you are going,
any road will get you there.
~ Lewis Carroll*

Once you have a clear understanding of your current culture, its strengths and weaknesses, plus how culture impacts business performance, it is time to define the required culture. By “required culture”, we mean the cultural elements that together will best support and enable your business strategy and transformation agenda. If your culture is out of alignment with your transformation agenda, it won't matter how happy and engaged employees are, you will struggle to deliver a successful business transformation.

Each element of the new culture must answer one simple question: how (specifically) does this element of the culture support our business and strategic objectives? For example, if one culture factor is **performance reviews**, the review process should be designed to focus employees on the behaviors, skills and work practices that will best enable realization of your transformation. The same with the **new employee on-boarding** process. Is it just a tick the box administration process, or has it been designed to help all new employees fully understand the behaviors, attitudes and work practices required for the company to deliver on its business strategy? Every element of the new culture should be defined and designed with the end goal in mind.

We strongly recommend that a number of diverse working groups, made up of all levels, be given the task of helping to define the required culture. Leaving it to the HR experts or senior executives is a “design to fail”. Those closest to the customer and day to day operations is where the real culture resides, so get them engaged in defining the culture required for them to have a productive and engaging work experience and at the same time deliver on the transformation agenda.



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Ingredient 3: Transformation Roadmap

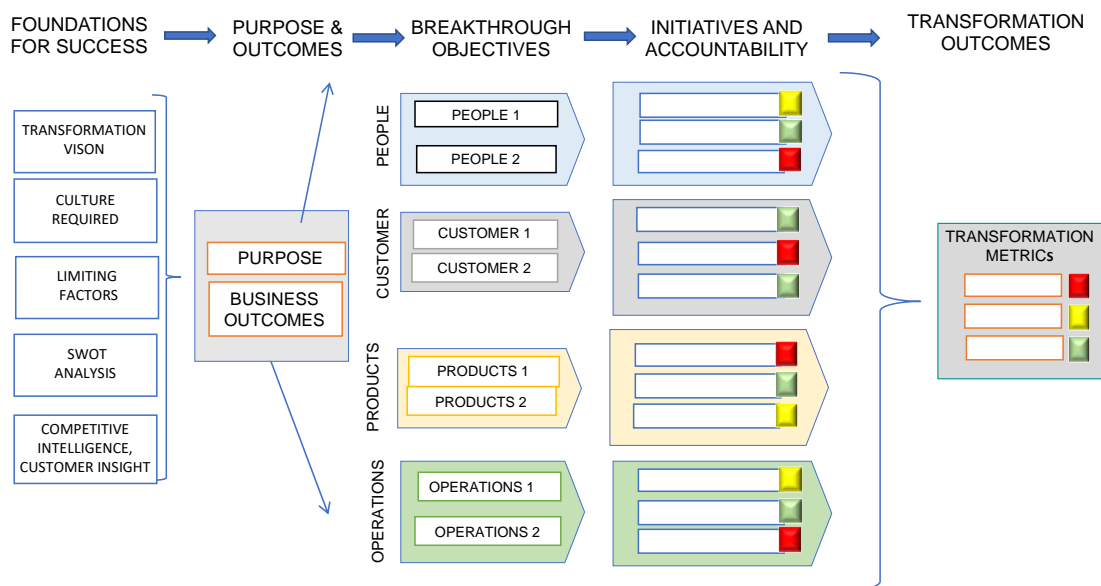
All you need is the plan, the road map, and the courage to press on to your destination. ~ Earl Nightingale

Many transformation efforts fail to deliver because they are long on goals and objectives, and short on how to get there. Every transformation objective needs detailed answers to:

- Why is this objective important to our business and our people?
- Who is accountable for successful delivery?
- What help is needed from other functions?
- How much resource and manpower is required?
- What are the milestones and delivery steps along the way?
- How often do we review our progress?

The most effective transformation roadmap is a simple visual map showing the main elements of the plan linked together, and a traffic light system for quickly locating barriers or roadblocks. In the business book, [FASTBREAK: The CEO's Guide to Strategy Execution](#), the author presents a roadmap that is essentially a "Plan-on-a-Page", which has been used by numerous companies to guide their successful transformation.

"Plan-on-a-Page" Transformation Roadmap and Dashboard



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Ingredient 4: Leadership Courage

*There is no transformation without execution,
and there is no execution without leadership!*

Leadership courage is the transformation “secret sauce”. Leaders behaving as role models of the new culture is an important element in the transformation process, but even more important is the courage and will to change any policy, work practice, or cultural element that is blocking alignment with the transformation objectives.

A good example comes from the turnaround of Ford Motor Company under the leadership of Alan Mullaly. As an outsider, Mullaly quickly realized that the traditional Ford budgeting process and senior leadership compensation policies were acting as significant barriers to putting Ford back on track. As a result of these policies and practices, the leadership culture was one of strong, independent fiefdoms focused mostly on delivering their budgeted items, with little sharing of information, resources or best practices with other functions. There was even a not-so-secret delight at the failure of other departments.

Mullaly had the courage to tackle the previously taboo subject of senior teamwork, compensation and the budgeting process. He put all members of the senior leadership team on the same compensation plan that was tied not to their areas of responsibility, but to the overall delivery of the new Ford turnaround strategy. The only way to get their bonus was to work together and deliver on the turnaround. Win together or fail together.

In most companies desiring a transformation, acts of leadership courage and hard decisions have to be made. To change the results, you must change those elements in the organization that slow down or block the ability of people to make changes. When we act as advisors on culture transformation, one of the first discussions we have with the leadership team is “are you willing to change any policy, process or work practice that is not aligned with your transformation objectives?” If not, don’t start. Talking about transformation without making real change is the quickest way to destroy employee trust in management and drive away your best people.

*The road to transformation
is paved with courage.*



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Ingredient 5: An Experienced Advisor

While culture change is an important topic for companies seeking competitive advantage, the sad fact is that most culture transformation programs fail to deliver sustainable culture change or lasting business improvements. For the past 30 years, studies have shown that between 60-70% of culture change programs fail.

*Would you consider elective surgery
with a success rate of only 30%?*

Several years ago, I opted for laser eye surgery to correct my poor eyesight. But which doctor and what procedure? So, I talked to several of my doctor friends who had previously had the procedure for themselves. I asked them, “Who is the best in the business? Who do other doctors go to for their laser eye surgery?” And in short order one name kept coming up. This particular surgeon had performed over 10,000 laser eye surgeries! The advice I kept getting from everyone was go to the person with the most experience! And the surgery for me was perfect, life changing in fact. The same is true for culture transformation.

Culture transformation is not easy, as the record shows, so choose an advisor who has deep experience in the subject. And not just academic knowledge, but practical, on the ground, in the trenches, culture transformation experience, preferably in multiple industries over a period of years. And more importantly, work directly with the expert, not an army of juniors!

*Experience isn't the best teacher,
It is the only teacher.
~ Albert Schweitzer*

About PYXIS Culture Technologies

PYXIS differs from traditional consulting firms in two important areas. We combine over 40 years of experience in how culture impacts performance with deep operational experience in technology management, digital transformation, cyber security, and business turnarounds.

At PYXIS Culture Technologies we have pioneered an ecosystem modelling approach for understanding, measuring, and managing culture and risk to improve business performance. Using systems analytics and proprietary algorithms along with internal company data, we can identify and map the causal factors inside your organization that have a significant impact on your business transformation agenda.





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