

Why is Accelerated Corporate Transformation Necessary?

From time to time, most executive leaders will find themselves confronted by one of the fundamental challenges of corporate transformation:

- Some companies that have enjoyed a long and rewarding period of success become confronted by a business environment that is shifting fundamentally. Leaders challenged by this situation need to rapidly **reposition** the company so that it may continue to be successful in the new environment before their current reserves and goodwill begin to deplete.
- Other companies have experienced a sustained period of performance shortfall. As a result, investors have become disinterested, customers have shifted their loyalty elsewhere, and employee commitment has seriously eroded. Leaders facing this transformation challenge need to rapidly **revitalize** their company to return it to a sustainable period of competitive success and cultural renewal.
- Still other companies have merged with other entities. Leaders confronted by such a transformation challenge must rapidly **integrate** often very different businesses, systems and cultures to achieve expected synergies and realize promised shareholder value.

CLIENT NEED:

A senior executive recognizes or is given the mandate to significantly change the performance of a company and prepare it for a new future. This can take the form of correcting a significant downturn in the corporate performance, repositioning a company for a new uncertain competitive environment, or integrating merged businesses and cultures.

For all of these corporate transformation challenges, a **proven, streamlined corporate-wide approach** is needed to transform the business and culture of the company into a highly competitive, successful performer without risking the business.

Accelerated Corporate Transformation (ACT) Value Proposition

Accelerated Corporate Transformation (ACT) is designed to **help a new CEO or senior executive “take charge.”** Its accelerated format enables the new executive leader to quickly assess the situation, identify the most important gaps, and focus the organization on the most critical business and organizational initiatives.

ACT also enables the new executive leader to quickly get every employee on board by relying on a high-engagement cascade methodology to create a clear line-of-sight accountability from top to bottom in the organization.

Finally, ACT enables the executive leader to keep a tight reign on progress in achieving quantum change on the key business, organizational and cultural initiatives during the performance year that follows the taking charge process.

BENEFITS TO THE CLIENT:

- RAPID IMPROVEMENT IN CORPORATE PERFORMANCE
- ALIGNED ORGANIZATION SYSTEMS AND CULTURE
- ENGAGED, MOTIVATED AND ACCOUNTABLE EMPLOYEES
- DEVELOPMENT OF NEW COMPETITIVE CAPABILITIES
- STRONGER STRATEGIC / GENERAL MANAGEMENT CAPABILITIES AT ALL LEVELS
- AN EMBEDDED CONTINUOUS CHANGE CAPABILITY

Accelerated Corporate Transformation (ACT)

ACT is a proven methodology that supports the senior executive in orchestrating quantum improvement in corporate performance and organizational culture over an accelerated time frame. The process quickly moves the organization through a **four-phase process**:

ASSESS — A high-level strategic and organizational assessment quickly identifies the most critical gaps between where a company currently is compared to where it needs to be.

FOCUS — Sharpens the strategic plan and creates 3–5 Transformation Initiatives, each with well-defined stretch goals that will drive quantum improvement in the most important strategic and organizational areas.

ALIGN — A rapid high engagement cascade process aligns management, subunits and every individual in the corporation to the new strategic vision and business model and defines how they individually can support the implementation of the Transformation Initiatives. It embeds these commitments into the annual performance management process and creates a clear line of sight accountability from top to bottom.

EXECUTE — A disciplined implementation process ensures effective implementation of the Transformation Initiatives. This includes quarterly measurement and reporting with the leadership team, a more thorough mid-year assessment, and a replanning process for the next year. During each quarterly meeting, there is an assessment of each initiative, and ways to accelerate its implementation are created and implemented by all parts of the organization during the next quarter.

This **disciplined, orchestrated approach** ensures immediate and dramatic improvement in organizational effectiveness and bottom-line business performance.

Essential ACT Elements

(Chart Graphic)

Successful accelerated transformations depend on the articulation of a concise and compelling vision that is grounded in a rigorous business success model. Such transformations also require an agreed upon set of core values that guide decision-making and behavior in the new organization. Finally, the gaps separating the new organization from what currently exists must be translated into a balanced set of transformation initiatives that are targeted for quantum improvement in a short period of time and that are supported by well-understood stretch goals and metrics.

Leadership “Balancing Act”

(Chart Graphic)

Successful leadership of corporate transformations requires a balanced emphasis on quantum improvements in both business performance and organizational capability and culture. ACT quickly establishes organization-wide commitment to stretch goals that simultaneously focus everyone’s attention on its achievement of business results and organizational capability enhancements.

Rapidly Engaging the Whole Organization

(Chart Graphic)

Successful corporate transformations are dramatically launched using the Accelerated Corporate Transformation (ACT) methodology by rapidly creating a clear line of sight accountability for the major corporate Transformation Initiatives from top to bottom in the organization. ACT accomplishes this with its unique high-engagement, all-employee cascade.

Key Leadership Meetings

(Chart Graphic)

Leaders use ACT to quickly move through a process of confronting reality, developing a new strategic vision and business success model, and focusing the company on a new set transformation initiatives, before quickly aligning all subunits and rapidly cascading these new expectations to all employees. This compressed format enables the company to comprehensively move into a bold execution mode after only three to four months following the initiation of the ACT process.

High-Engagement Employee Interventions

Sometimes a comprehensive corporate transformation is not what is required. Instead, executive leaders simply need a quick-acting, powerful way to get everyone in their organization excited about and aligned with a major new initiative or set of initiatives.

The **all-employee, high-engagement cascade process**, a core element of the Accelerated Corporate Transformation methodology, rapidly engages all employees to create a clear line-of-sight accountability for a new set of transformation initiatives from top to bottom in the organization. Managers and employees at all levels learn about the new initiatives and why they are necessary, have an opportunity to explore their meaning in depth with peers, translate the new initiatives for immediate action in their own work areas, and identify and prioritize obstacles that must be removed to ensure success.

Such high-engagement processes may be rolled out through the entire work force in a matter of days and weeks, as opposed to traditional methods that often take many months, sometimes years to reach everyone.

Representative ACT Client List

Corporate Transformation Resources has effected fundamental transformation in numerous Fortune 500 companies. The representative list below attests to the wide range of sectors in which companies have benefitted from ACT.

(Chart Graphic)

Quantifiable Performance Results

The proven **Accelerated Corporate Transformation** or **ACT** methodology succeeds because in each case, it adapts to the company's transformation challenges, supports leaders at all levels in the organization, creates specific transformation initiatives, aligns all subunits and engages all employees, and quickly brings about measurable results.

Sample results:

OFFICE DEPOT	Shareholder Value: From "worst ten" to "number two" among S&P 500 firms in first year of ACT. Employee Retention: 72% increase in first year. Customer Service: 50% reduction in customer complaints in first year.
SYMANTEC	Growth: 24% increase in revenue growth in first year. Profitability: 290% increase in EPS in first year and a half. Retention: 41% decrease in voluntary employee turnover in first year.
SOUTHERN COMPANY	Cost: Cost reduction of \$400 million in first two years. Grievance Rate: System-wide union grievances decreased by 73% in first two years. Culture Change: Average 14% increase in culture change employee survey in first year. Largest one-year gains occurred in innovation (21%) and work environment (20%).
NATIONAL SEMICONDUCTOR	Profitability: 840% increase in first two years and 1660% increase in first three years in net profits. 27% increase in ROE during first three years. Revenue per Employee: 88% in revenue per employee in first two and a half years. Revenue per Unit: 34% increase in revenue per wafer in first three years.

Robert H. Miles, Ph.D.

Robert H. Miles, President of Corporate Transformation Resources, is a thought and practice leader in the fields of corporate transformation and executive leadership. Over the past two decades, he has pioneered an **Accelerated Corporate Transformation (ACT)** methodology at such leading companies as General Electric, IBM Global Services, National Semiconductor, Office Depot, PricewaterhouseCoopers, Rockwell International, Southern Company and Symantec, as well as a number of emerging high-tech companies.

Miles frequently helps new CEOs take charge, a process that involves launching or re-energizing a corporate transformation. He often serves as a coach to executive teams as they plan, launch and refocus corporate transformation efforts. At least half of his practice focuses on what happens after the initial planning is done. A hallmark of his approach has been the intensive, all-employee cascade. The high-engagement methodology quickly focuses everyone in the enterprise on a shared set of business, organizational and cultural stretch goals for quantum improvement.

For many years Miles was a member of the Yale School of Management and the Harvard Business School faculties, where he taught in the MBA, doctoral and residential executive programs. At Harvard he also was Faculty Chairman of the intensive Managing Organizational Effectiveness executive program, which helped CEOs, business presidents and their teams plan major transformation efforts. He was Dean of the Faculty and Isaac Stiles Hopkins Professor at the Goizueta Business School of Emory University during its recent period of fundamental transformation, and he has frequently served as a member of the Stanford Executive Institute faculty at Stanford University.

MILES IS THE AUTHOR OF MANY BOOKS ON CORPORATE TRANSFORMATION AND ORGANIZATIONAL EFFECTIVENESS, INCLUDING MOST RECENTLY:

Leading Corporate Transformation: A Blueprint for Business Renewal.