



TenStep Supplemental Paper

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The Principles of Change

Companies need to change, but not recklessly. The overall change should be broken down into small elements and carried out at a manageable pace. It should maintain the dynamic stability of the organization and should not disrupt its functioning.

Companies go to extremes in an effort to maximize growth as quickly as possible. With the way change is generally planned, people receive it with a lot of resentment. It makes them weary, and they stop being receptive to any change initiatives. To maintain dynamic stability, a change process should be sustainable over the short-term as well as the long-term.

The idea behind dynamic stability is to bring about small changes that revamp current business practices instead of creating new ones. It also requires that the changes be implemented at the right intervals.

To implement change successfully, companies need to use four operating principles.

Adapt what already exists to your current business environment. Imitation should be intelligent and creative, not blind. Re-invention is wasteful and should be used only as a last resort.

Appoint chief memory officers. Remembering the past is very important to keep from repeating past mistakes. Long-tenured employees are best suited for this purpose and should review past projects before the launch of any new product.

Try to bring the changes internally first. It's easier to maintain dynamic stability when the changes are within the existing boundaries of the organization. Sometimes going to external agencies cannot be avoided. In such cases, the company should be very clear which organizations it can and cannot acquire.

Hire generalists. Generalists are better equipped to combine dissimilar ideas, techniques and processes. Specialists tend to get too narrow in their focus, whereas generalists are more open to new ideas.

Alternating between big and small changes helps an organization maintain its dynamic stability.