

Manage Core Processes *and* Change

SMB Committee
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According to business magazines, this is the age of the controller. Are you tasked with, say, implementing Six Sigma on the one hand and boosting innovation on the other? This calls for ambidexterity. When a company grows, it often loses the innovative and competitive qualities that once initiated its growth. Gone is the entrepreneurial spirit, the can-do attitude; replaced with alignment, measurements, controlling. These are appropriate tools, but they call for a completely different HR model and culture. And they form a root cause of the pathologies so many organizations experience today as they become comfortable through their success. The result? Inertia, complacency, arrogance as well as a focus on process – looking solely inward at incremental improvements rather than preparing for the future and a world that has substantially changed.

A company can be very busy with tightening alignment, introducing more and better controlling systems and IT infrastructure, outsourcing, and, of course, concentrating

on core competencies. Here, the controlling and legal departments, core processes and competencies, alignment and control become key, while innovation, entrepreneurial behavior, new products for new markets, novel ways of doing things, venturing and inventing die out, even if they secure a company's future.

By their very nature, control, TQM, Six Sigma and alignment all drive variation from the system and foster a very low tolerance for risk. The culture of innovation is completely different: It sets out for uncharted, uncertain territory. You now need to be able to handle both; you need change champions able to live in both worlds. Managers struggle when launching both, but they are increasingly forced to do so. Many managers have difficulty letting go of control and would rather accept salary cuts.

Being able to deal with change has therefore become a key success factor for

managers to survive. As strategies and business models change more and more rapidly, firms will need to be able to both simultaneously improve core processes and grow innovation. To survive for the long term, managers must learn how to create such an organizational environment.

Do this before critical issues become problems, form disturbances or lead to a crisis. Analyze your culture and the role innovation plays. Identify the root causes of

the pathologies hindering innovation, collaboration and flexibility. Create a sense of purpose – “Meaning Inc.” Do this while also increasing alignment; many organizations are still not fully aligned to their strategies.

Welcome to the world of the ambidextrous organization, a world where managers must be able to use both hands and both mind-sets – that is, juggle stability and change at the same time – to secure both short- and long-term goals.

**Don't hand
over the future
of your
company to
controlling**



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