Five

Implementation: Producing Change

Prime Responsibility #5: Leaders must work with others to maintain momentum during plan implementation and to monitor progress in order to discover and correct weaknesses in the plan.

Having formulated a plan, it's time to implement it. You might think that, as leader of the organization, implementation would be your biggest and most challenging job. You'd be wrong.

The Great Irony of leadership is that during the time that change actually is being implemented, you, the leader, have to step back and leave it to everyone else. If the plan was properly done, they'll know what to do.

Like so many leaders, you probably will find that stepping back isn't easy. But the reasons for doing so are compelling: You can't allow yourself to get caught up in the details of implementation because you have to keep the big picture in mind. You can't get involved in the details because you'll be tempted to get your fingers into everything, particularly when something appears to be going wrong. Everyone has enough to do without having to deal with your meddling.

You won't be idle. You'll have two huge jobs to do to make implementation work. First, you have to act as cheerleader. Second, you have to oversee efforts to monitor the progress of the implementation and, when progress is lacking, work with others to get things back on track.

Cheerleading

Cheerleading is perhaps too whimsical a word for what is, after all, a very important job; you're free to choose something more dignified. Whatever it's called, the point is that you, as leader, have to continually rally everyone to the cause so that momentum isn't lost as the hard work of implementation proceeds. People are going to get tired, be stressed by change, and lose track of the big picture. It's your job to keep reminding them. They'll see the required changes in their jobs as trivial, unreasonable or even silly, forgetting that implementation consists of countless little changes that add up to big changes. It's your job to keep reminding them. They'll be unable to see overall progress because their portion is so small. It's your job to keep reminding them. In every case, your reminders must help them understand that every little detail of what they're doing is important to making implementation a success.

Cheerleading is a tough job. It begins early on to prepare everyone for the eventuality of change, continues as the plan is introduced, and intensifies as implementation unfolds. It takes enormous amounts of time: You spend your days talking, talking, talking. You have to carry the message to every part of the organization, as well as to the organization's external constituencies. You put in long days, eat lots of tepid chicken dinners, and grow weary of your own voice as you give speech after speech urging people on. You're always the key spokesperson for your organization, but cheerleading is even more intense. People must be kept abreast of what is going on throughout the organization during this stressful time as experiments are attempted and new systems and procedures are installed and tested, as old jobs wither in importance and new ones come into being, and as people get moved around in the organization and have to adjust to new coworkers and responsibilities. Yours must be the calming voice of reason, reassuring everyone that all the work and seeming chaos are worthwhile, that you're on top of things and confident of success.

Cheerleading should be done with an eye to the future. Aside from informing, motivating, and reassuring people, cheerleading establishes the foundation for subsequent institutionalization of the changes that are being made. As we will see in Chapter 6, institutionalization means that the changes in structure, procedures, and culture that are made during implementation endure until they need to be changed again. By stressing successes during implementation, cheerleading puts the best possible light on the changes that brought them about, thus legitimizing them and beginning their integration into the new "normal" for the organization.

Monitoring

You cannot cheerlead convincingly if you have no facts; you must be right about the pace of progress, about successes, and about setbacks. To be right, you must have accurate and timely updates about what is going on. The necessary information is obtained by orderly monitoring of implementation. Even more important than ensuring accurate cheerleading, monitoring serves to tell you where the plan is flawed, allowing for corrective action.

Just as you have no role in the minute details of implementation, you have no role in the minute details of monitoring. Your job as leader is to oversee both of them. Someone with experience in gathering and analyzing data should be appointed as monitor and given staff support. The monitor's job is to organize information as it comes in from functional managers, supervisors, and support staff throughout the organization. Then the monitor (with his or her helpers) digests the information and provides periodic summaries to you and the members of your leadership team, as well as to the implementation committee.

There are three reasons why you should delegate monitoring to someone else. First, you probably don't have the training to do it. Second, you certainly won't have the time to do it if you meet your cheerleading responsibilities. Third, even though variance in data is to be expected, you're likely to react to each random rise or fall as though it were truth itself. The resulting emotional swings will interfere with everything else you have to do. Avoid this wear and tear on yourself, and on those around you, by turning monitoring over to someone else.

What Is Monitored?

One might think that implementation progress should be monitored by measuring how well the organization is coming to cope with the threats and opportunities in its external and internal environments. We will call this *strategic monitoring.* The problem is that results at this level are unlikely to occur very quickly and may not occur at all until implemented changes have been completed and had time to have an effect. Ultimately, of course, this is the measure of the success of the entire change initiative.

In the short run, monitoring focuses on how well implementation itself is progressing, the timeliness of change completion, and the way in which those changes intermesh to create the new ways of doing things prescribed by the plan. We will call this *implementation monitoring.* If the changes interfere with each other, produce unwanted outcomes, or simply do not work, remedies must be applied. Of course, problems will arise simply because everything is new and things will iron themselves out over time. But some problems are signals that things are not going well. Monitoring serves to identify both kinds of problems, but it focuses on those that are real and likely to persist if they are not addressed.

Implementation Monitoring

Implementation monitoring is the general name for evaluation of implementation progress by managers and supervisors throughout the organization, communication of their evaluations to the monitor, and the process of compiling the information and issuing reports to the organization's leaders and the planning group.

The best way to help managers and supervisors do their task is to make them partners in the implementation. This sometimes is done by forming teams at the managerial and the supervisory levels of the organization and making these teams the focal point of implementation monitoring. The number of teams at each level depends on the size and structure of the organization. The purpose of the teams is to support their members (the managers or supervisors) as they make their evaluations and reports. The teams also facilitate communication between the front line, where implementation actually is occurring, and the monitor, and, subsequently, with you and your leadership team.

Supervisors have far more complicated responsibilities than is generally appreciated. Bissell (1992) has dissected their jobs into administrator (reporting, record keeping, oversight, supplies, scheduling, dissemination of changes in policy and procedures), teacher (teaching skills and assessing improvement), parent (modeling work values and attitudes, disciplining, encouraging, protecting, and supporting), counselor (listening, resolving conflicts), and peer (socializing, friendliness). Midlevel managers also have complex jobs: liaison with upper management, conduits for and disseminators of information, and spokespeople for their units. On top of all of this, implementation requires both supervisors and managers to become part of the monitoring process. The teams are meant to help them with this new duty and to reduce the added load by allowing them to share insights about how to go about performing it.

Recall that construction of the plan involved people from every level of the organization. In addition to encouraging buy-in, involvement provides everyone with at least a general idea about the changes that the plan requires in their jobs and the jobs of those who report to them. A general idea is insufficient, however, when it comes time to implement change and monitor progress. Both require more specificity than usually exists in the plan. This is where the implementation teams come in: They can help each supervisor or each manager create a framework for evaluation of implementation progress in their respective units. By asking questions and helping individual supervisors or managers clarify their answers to those questions, they can help create the framework:

1. What are the specific changes that are required?
2. What is the timeline for executing the changes?
3. How do you decide when timelines have slipped so much that implementation is compromised?
4. What are the indicators of success or failure of an implemented change?
5. How do you compare obtained outcomes with those indicators?
6. How much misalignment between indicators and outcomes is allowed before a change is regarded as failing?
7. How do you decide whether failure is due to the change or to the people who are charged with implementing the change?
8. If failure is a people problem, what do you do?
9. If failure is due to a flaw in the change itself, are there backup plans for dealing with it? If not, can remedies be instigated on the local level, or must they come from higher in the organization?
10. What do you include in reports to the monitor, and what do you exclude?

The answers to these questions will be unique for each supervisor and each manager, but if everyone on the team is helping everyone else address them, there will be a fair amount of uniformity in how they approach monitoring. Of course, the final say is up to the monitor because he or she knows what kind of information is needed to create an overall picture of implementation progress.

We have been talking about change in the broadest possible terms, "generic" change. In reality, of course, change is very specific and highly unique to the individual and unit. Recall from Chapter 4 that the overall plan contains three different levels: strategic, operating, and task. Monitoring corresponds to these levels: Strategic monitoring corresponds to the strategic level and is the responsibility of top management and the organization's leadership. Implementation monitoring corresponds to the operating level and task levels, with middle management responsible for the operating level and supervisors responsible for the task level. For example, part of the strategic level plan may call for increasing sales of add-on products and provision of custom designs for existing customers in order to reduce their defection to competitors. To make this happen, the operating level plan would specify required changes in resource allocations, organizational structure, products, marketing, distribution, sales, communications channels, and the like. The task level plan would specify what is required to make the operating level plan work: staffing, job design, and task procedures. The task level is where the rubber meets the road, where the small changes that add up to the big changes are made to happen, and where their effectiveness must be closely watched. This is the domain of supervisors and the frontline employees they supervise, and in many ways this is the heart of the implementation effort. Consequently, monitoring is especially crucial at this level.

Implementation monitoring by supervisors consists of evaluating the timing and accomplishment of the elemental changes that contribute to task accomplishment, as well as evaluation of how well they work once they are in place. Implementation monitoring by managers consists of evaluating the timing and accomplishment of the operating level goals and how this supports and meshes with what is happening at the task level, based on information from the supervisors. Implementation monitoring by the monitor, and by leadership and the planning committee, consists of evaluating timing and accomplishment of the operating level goals in terms of how they support accomplishment of the strategic goals and, hence, the overall plan.

Supervisors often have difficulties evaluating task level change because they cannot tell whether apparent failure is due to the way the change is designed (including flaws in the operating level changes that are needed to support the task level change) or whether it is due to the inability of the person responsible for the change to make the change or make it work. They tend to attribute failures to people rather than to the change itself or to the situation. This often leads to censure of the individual when, in fact, he or she is blameless.

One reason that individuals are blamed for change failure is that it often is their behavior that signals that something is wrong. That is, individuals usually can tell that the change for which they are responsible is not working out. Rather than reporting the failure, they either plug away in vain or simply stop trying. In either case, the outcome is failure to produce results, missed deadlines, complaining, apparent uncooperativeness, absenteeism, and complaints from coworkers about their inability to depend on the individual or on the timeliness of the individual's output. Of course, these symptoms may reflect either flaws in the design of the change or a loss of motivation or both. The supervisor must figure out what is wrong and attempt to fix it.

The best way of discriminating is to examine the individual at work. If he or she is sincerely trying but is doing things wrong, training is in order. If he or she is sincerely trying, and is doing things that ought to work but do not, then the change probably is poorly designed or the operating structure does not support the change; the individual is not at fault. If the individual is not trying, however, or has simply given up without reporting the difficulty to the supervisor, something must be done.

Failure to exert effort while expecting to be paid, or expecting to share in the reward the unit will get if it succeeds in spite of his or her failure to contribute, is called "free-riding." It may be unintentional: The individual is so frustrated by problems resulting from the change that he or she simply gives up. Or it may be intentional: The individual simply is unmotivated to work. Because supervisors tend to attribute poor results to the individual rather than the situation, their first impulse is to assume free-riding is intentional and to deal with it through coercion, special incentives (bribes), or by prompting coworkers to exert social pressure. Coercion, usually the threat of being demoted or fired, is the most common response. Unfortunately, none of these responses works very well. If the individual is an intentional free-rider, coercion, incentives and social pressure work only so long as they are applied; stop them and free-riding will reappear. If the individual is an unintentional free-rider, he or she cannot improve performance because of a lack of skills or because the change simply does not work. No amount of coercion, incentive, or social pressure will change the person's behavior. The change must itself be redesigned or the structure surrounding it must be revised to support it.

The reason for discussing free-riding is that the organization has to recognize it as a problem and help supervisors deal with it. Coercion, bribery, and social pressure are not long-term solutions. Supervisors and managers must be helped to avoid jumping to conclusions about the person being at fault before looking for situational causes. If it is concluded that the individual is in fact voluntarily free-riding, the problem should be turned over to the human resources department. If it is concluded that the free-riding is involuntary, then training, structural, or task issues must be addressed.

Investing in implementation monitoring. Monitoring is expensive because adding it to their other tasks spreads supervisors and managers very thin. Because of this, you must work with the monitor to decide how much of their overall effort can be diverted to monitoring without detracting from their performance of their other tasks. Once this level of effort is determined, you must decide how to use it most effectively. *Effectiveness* can be described in terms of the thoroughness and frequency with which monitoring is done for a given level of investment of supervisor and manager effort.

Thoroughness means that the status of more than just the most salient changes is evaluated. Thoroughness requires the supervisor or manager to step back from the details of the implementation and to put things in perspective. Are we moving in the right direction? Are things working smoothly? Will tasks that are difficult now eventually become routine so they are less work? If we have problems, where are they? Can we solve them ourselves, or are they indicative of support or design flaws that should be addressed at a higher level?

The answers to these and similar questions must then be sifted so that the report to the monitor is succinct and useful. Gathering this information requires each manager or supervisor to consult with the various people in his or her unit and take the time to compose a report. It also requires honesty and willingness to report problems, which seldom comes easily when it may make the unit or the reporting person look bad.

All in all, this is a big job; it cannot be done on the run, and it cannot be done superficially. It requires that the supervisor or manager to expend time, energy, and brainpower if it is to be done properly. Most supervisors and managers are used to making reports to their superiors, but this kind of report requires an unusual degree of honesty and willingness to risk looking bad if it is to be useful in monitoring the progress of plan implementation.

Frequency means how often evaluations and reports are made. Consider the swimmer who must occasionally interrupt the routine of swimming to look up and take bearings to gage progress toward the finish line. Increased frequency of checking progress assures greater accuracy because it permits timely correction of deviations from the most efficient path, but it exacts the price of interrupting the flow of swimming (implementation).

Effort means the amount of overall supervisory and managerial time and work withdrawn from other tasks and diverted to monitoring. There probably is no limit to the amount of effort that could be put into monitoring. There is always a better, faster, more accurate way to update information about progress. There has to be a limit, however, to how much will be invested, or monitoring will consume everything, bleeding resources from implementation and everything else. Theoretically, the point at which the cost of any more monitoring would start to undercut implementation is the level of effort that is appropriate for that particular implementation. Practically, the amount of available resources determines the level of effort that actually is devoted to monitoring.

Tradeoff means that thoroughness and frequency of monitoring can be differentially emphasized as implementation progresses. This is because infrequent but thorough monitoring can detect small or obscure signs of impending difficulties, permitting corrective steps to be taken before anything dire occurs. On the other hand, frequent but less thorough monitoring can detect glaring difficulties almost as soon as they arise and can trigger remedial action. Therefore, although there are obviously exceptions at the margin, as a general rule thoroughness and frequency can be traded off for any given level of effort you are willing to invest.

The relative amounts of thoroughness and frequency of monitoring for any level of effort is determined by the nature of the plan that is being implemented. Plans vary in their complexity, their clarity, and their pleasantness. A *complex* plan has many goals, and many changes are required to achieve those goals. Complexity also includes the need for coordination of changes across tasks and units and the need for some changes having been made prior to other changes being made. Complexity necessarily increases the need for interunit and intraunit communications in addition to more complex reporting to the monitor.

A *clear* plan may or may not be complex. If the relationships between tasks can be clearly defined and if people can comprehend their roles in the overall scheme, even a complex plan can be clear. On the other hand, if people are tentative about what is required of them, about the person to whom they report, or about how to do the tasks that they perceive to be assigned to them, even a very straightforward plan can be unclear.

A plan is *unpleasant* when its implementation is stressful and demanding, although it promises generous rewards in the future. Thus, if the plan requires employees to make great changes in what they do, to learn new skills, to move to new units, or to put in longer hours, it may be unpleasant. Most of all, a plan that is not wholly compatible with the culture is unpleasant; people are uncomfortable with it and consequently are under stress.

Because the amount of effort allocated to monitoring tends to be fixed, it seldom is possible to invest in both very frequent and very thorough monitoring. The question is what combination of the two is best, given the circumstances. The general rule is that the more complex, less clear, and more unpleasant the plan is, the *greater* the need for frequent monitoring, which requires diversion of effort from thorough monitoring. Conversely, when the plan is simple, clear, and pleasant, less frequent but more thorough monitoring is in order. The task is to select the mix to fit the circumstances.

Of course, contingencies are seldom at either extreme. More lenient contingencies permit less extreme mixes of thoroughness and frequency. Also, the mix seldom remains the same throughout the implementation of a plan; different phases of the plan require different mixes. On the other hand, when problems are encountered or particularly sensitive phases of implementation are undertaken, it is common to increase the resource (effort) allocation so both frequency and thoroughness can be increased.

Strategic Monitoring

Strategic monitoring relies on three kinds of information. The first is provided by the monitor, who reports about implementation progress. The second is provided by the mechanism you have in place for ongoing assessment of the organization's external and internal environments. The third is provided by measures of the organization's performance. Often the latter are the same measures the organization has traditionally gathered for its annual reports and other summaries of its overall performance.

It is leadership team's job to reconcile these three kinds of information. As implementation proceeds, the organization should begin to move toward coping with its threats and opportunities, imperceptibly at first, but more rapidly as implemented changes take hold. This means that performance measures should begin to reflect those changes as performance addresses the threats and opportunities (which, you recall, are moving targets). It takes insight and clear thinking to judge whether performance is effectively addressing threats and opportunities because there is no one-to-one correspondence between the way in which threats are measured and the way in which performance is measured. This is largely a judgment call and, as such, is subject to wishful thinking. This is the time for clear-eyed, critical thinking and total honesty. If things are going well, fine. If not, something must be done: appropriate midcourse changes in the various levels of the plan and renewed effort at timely implementation.

In large part, strategic monitoring relies on milestones that are imbedded in the plan (Chapter 4). Milestones are levels of performance that the designers of the plan decided would indicate appropriate strategic progress. For businesses, milestones are usually expressed in terms of sales, profits, cash flow, market share, stock price, and similar measures of profitability and value relative to the specific threats and opportunities in their environments. For other organizations, milestones are expressed in terms of amounts raised through fund drives or successful grant applications, number of clients served, increases in membership, expressed satisfaction on the part of constituents, and so on.

Selection of appropriate measure is very difficult. Unfortunately, numeric measures often are selected for their convenience rather than for their real value as indicators of progress toward goals. Thus, schools are sometimes evaluated on the basis of their students' achievement test scores, although any thoughtful person would concede that such scores do not give a complete picture of a school's success. Welfare agencies sometimes are evaluated in terms of how many clients they serve, not in terms of how well they serve them. Colleges sometimes are evaluated by how many of their students get jobs immediately after graduation, not by the quality of the students' lives as a result of receiving an education. In short, there is a strong tendency to use easily quantified evaluations as milestones, even when they do not provide a useful picture of what is going on.

Some organizations have tried to add "soft," or qualitative, measures of progress to the "hard," or quantitative, measures that they customarily use. For example, surveys of client, customer, or employee satisfaction often are used. The problem with these measures is that they require more care than hard measures do; people approach questionnaires from many different viewpoints and, unless the questions are very carefully selected, the information obtained may be more misleading than not. Satisfaction is a particularly difficult variable because people tend to give such extreme answers. That is, they are either very satisfied or very unsatisfied, and the middle ground does not show up as often as one might expect. When it does, the responses may merely indicate indifference.

Knowing When to Stop

Closely tied to strategic monitoring is the question of knowing when to stop the implementation of a plan. The simple answer, of course, is that one should stop when one reaches the strategic goals or when it is clear that things are hopeless and it is time to consider a completely different strategy for survival. There are, however, two difficulties. First, many plans never attain their strategic goals because the goals change so much over time that what was sought at the beginning is not what is sought later on (threats and opportunities are moving targets). In this case, it may be time to stop implementing the existing plan and move on either to evolutionary change that keeps abreast of the moving targets or to another round of revolutionary change. Second, when a plan fails to attain its goals, people hesitate to walk away and sacrifice the resources that they already have spent on it; they keep hoping that by trying a little harder and spending a little more, they eventually can succeed.

Changing Goals

Goals, and plans, may change so much over time that the organization never really reaches them. As opportunities and threats arise, goals become outmoded and new ones take their place, often without any real recognition that the vision is being modified. Indeed, the process is often so subtle that everyone is surprised when they go back and realize where they have been and where they find themselves going. In some cases, the old goals came and went without fanfare, and one could even argue that they were reached, but by the time it happened, they were not of much interest anymore. In other cases, the old goals simply faded away and were replaced by more pressing goals. The process simply evolved. And, of course, in some cases, there were recognizable changes, even revolutions, and old goals were deliberately tossed out and replaced by new ones.

Sunk Costs

It seldom is apparent that a plan is failing early in its implementation. Rather, problems tend to arise along the way, often so small at first that nobody really notices, intent as they are on getting the job done. By the time it becomes clear that things are not going well, large amounts of money and work have been expended (called "sunk costs"), and the leaders face a huge dilemma: "Should we shut down the plan and prevent further losses, or should we pour in more resources in an effort to make this thing work?"

One might think that as the situation becomes more hopeless and is increasingly recognized as such, that the plan would be dropped and another adopted in its place. Too often, exactly the opposite happens. Even when they know that the plan is faulty, organizations' leaders and members often continue with it, pouring more and more resources into it in an attempt to snatch victory from the jaws of defeat. Their rationale is that they do not want to "waste" the resources that already have been sunk into the plan. The idea is that perhaps investment of just a little more, and then a little more, and then a little more, will do the trick. An economist would urge them to look to the future rather than the past, to regard spent resources as gone and to focus on what they can expect to gain by proper use of future resources. But organizations, particularly their leaders, have difficulty abandoning the resources they have sunk into the implementation and tend to divert resources from elsewhere in order to continue with the plan—this is called "escalation of commitment" (Staw & Ross, 1987). After it becomes clear that there are more downs than ups and that the trend is downward, stalling action is taken: Expenses are cut; people are laid off; and other activities are cut back in order to provide resources for continued implementation of the plan. Sometimes these actions have a positive effect, but often they do not. If the plan is fundamentally flawed, the problem lies in persisting with it; giving it more resources will not provide a remedy.

Hope and fear. Hope and fear are the dark side of persistence: hope that persisting will lead to success and fear that failing to persist will result in even greater, unknown difficulties. In pressing either for staying with the plan or abandoning it, hope and fear tend to distort perception and blunt the impact of information. Hope promotes wishful thinking. Fear promotes "catastrophizing" (seeing the threat of failure in everything). Neither contributes to the clear thinking that good monitoring requires.

Barriers to Stopping

It is interesting that leaders who come into an organization that is implementing a failing plan seldom have difficulty stopping it and adopting a new vision and plan. Apparently, because they are not responsible for the "bad investment," they feel less bound to carry through. This observation provides a clue as to why the other leaders, those who are responsible for the sunk costs, are less inclined to forsake things. Leaders are rewarded for persistence and for overcoming obstacles, and the failure of a plan is seen by them (and by others) as a personal failure of leadership. This can result in penalties, even removal from leadership, and the accompanying loss of money, prestige, and self-esteem. Examples of leaders who persisted in the face of adversity, Winston Churchill in World War II or Lee Iacocca in the auto industry, argue for perseverance. Failure is a leader's greatest enemy, although logic indicates that it sometimes must happen.

Leadership is not always at fault. Large organizations have an inertia that keeps their activities moving on courses that leaders may want to change but that are difficult to turn around. The analogy is often made between turning a large organization and turning a large ship in a stormy sea—there is a long time between the decision and the final result. Moreover, the politics of organizations often gets in the way. Even if a plan is not meeting the goals of the organization as a whole, it may well be meeting the goals of some units within the organization or of coalitions of organization members. If a group is fighting for power, failure of the plan may well be exactly what they need to bring down the present leaders and assert their right to take over.

The organization's culture also may present a barrier to stopping implementation of a failing plan. If quitting is scorned, or if some aspect of the plan is particularly congruent with the culture, it is difficult to give it up. For example, when steel manufacturers hit hard times, they debated about whether to move out of the steel business and into more promising businesses. Such a move was unthinkable to many "steel men" because steel was the only business they knew. It always had been the heart of the business and was central to the culture.

A Test

How then is a leader to distinguish "right-minded" persistence from "wrong-minded" escalation of commitment to a losing plan? Staw and Ross (1987) suggest five tests:

1. Is it difficult to define what constitutes failure? If so, it is easy to slip into misplaced hope and escalation of commitment.
2. Would I think less of myself if the plan failed? A symptom is that I fear the effects of failure on my career and self-esteem more than I fear the effects of failure on the organization.
3. Do I have difficulty interpreting feedback about the plan, particularly negative feedback? One symptom is that I think less of people who voice doubts about success and more of people who tell me what I hope is true.
4. Do I tend to favor the plan and its success over everything else in the organization? A symptom is that I look at the impacts of proposals and events on the plan before I look at their impacts on other activities?
5. Do I sometimes feel that if this project ends, there is nothing to look forward to?

In short, you, the leader, must ask yourself whether you would recognize failure if it occurred, because if you cannot recognize it, you never will know when to stop. You must ask how ego-involved you are in the success of the plan and whether you will take its failure so personally that failure is unthinkable. You must ask yourself if you are distorting information and whether you tend to "shoot messenger" who brings bad news. You must ask whether the plan looms so high in your thinking that it overshadows other aspects of the organization's functioning. Perhaps it should be given first priority, but this should be a conscious decision, and the implications of that decision must be thought through. Finally, if you see the plan as the be-all and end-all, as the sole way in which the organization can move, alternatives are automatically ruled out. This means that there is no course other than complete commitment to the plan. Complete commitment implies provision of resources until the well runs dry. Of course, the well may, in fact, run dry, damaging the entire organization.

What do you do if you fail the test? First, of course, you should start talking to both your allies and your critics to obtain their views about the plan's progress and whether escalation of commitment already has begun. That is, opinions must be sought outside the tight circle of one's friends and advisors. They probably have as much to lose as you do by stopping implementation, so they are not objective observers. Your critics may be harsh, but they may be helpful.

If things look bad, there is little to do but bite the bullet. Admitting that things are not going well before someone else publicly makes the point gives you the advantage, but this works best if the admission can be accompanied by an alternative plan. There are many examples of leaders being able to step back, see that a new direction is needed, and then propose one. Often, however, before this happens, other forces such as the organization's members or the firm's shareholders have taken steps, usually resulting in the leader's removal, so his or her proposals are never given a chance.

Sometimes, however, graceful admission of failure and proposal of new directions can save your career. But this must be merely a prelude to serious work—a reexamination of the vision and the plan and judicious selection of new goals and new ways of reaching them. In short, this requires setting the organization in a new direction. This is hard work, even harder than it would be for a new leader who had not helped design the old vision and the old plan, who had not put work and time into the failed implementation, and who does not have to regain credibility and respect. It is, however, work that must be done, and unwillingness to do it constitutes a greater fault than unwillingness to stop implementation of the failing plan.

Success

Knowing when to stop is sometimes difficult when the plan succeeds, but less so than when it fails. Success means that the organization is in the position to keep abreast of threats and opportunities; it has the resources and mechanisms for thwarting the former and exploiting the latter. You might think your job is done, but of course it is not. You now must turn to making sure the organization does not backslide, does not regress toward its earlier state. This requires you to undertake making the changes permanent, the new "normal." In Chapter 6, we will see how this is done.

Steller Again

Before moving on, let us revisit our fictionalized company, Steller Art Frames, and its leader, The Mighty Carson. Recall that the vision and plan adopted by Steller was to increase production and profits by expanding production and reaching new markets. Specifically, the idea was to use Steller's experienced supervisors as trainers for a new workforce in Mexico and in a local enterprise zone, to expand the product line to include art deco and art nouveau frames for the American market, and to link with a

European distributor to market mission-style frames in Germany, Austria, and Scandinavia. In addition, Steller would expand its business to include licensing of its patented fastening system.

Carson took the lead in the implementation, although details were in the hands of the implementation committee. Her first problem before selling Steller's building was to borrow enough money to see Steller through the first phase of its transition, which was difficult because the company already was in financial trouble. Banks were unwilling to help, so she turned to her European marketing partner, finally borrowing enough to get started and obtaining a promise of more if things looked promising.

The borrowed money was used to lease and remodel facilities in Mexico (a section of a building formerly housing a chainsaw assembly plant) and purchase the necessary equipment. Recruitment of Mexican workers went poorly at first because the implementation committee insisted that only cabinetmakers would have the necessary qualifications to make high-quality mission-style frames. It turned out that Steller could not pay competitive wages for cabinetmakers, so they had to settle for workers with carpentry experience, which turned out just fine. An initial group of 30 eager new workers was brought to Steller's home offices for training. Meanwhile, a consultant had been working with Steller's frame makers to design a formal training program and teach them training techniques. Although production continued during all of this, it sometimes seemed to Carson that the company was bleeding money.

After the Mexican plant was up and running, Carson sold Steller's building and used the proceeds to move the company to remodeled space in an old warehouse in the enterprise zone and to purchase state-of-the-art equipment for making picture frames. Recruitment from among the zone's targeted pool of unemployed young people began even before the new equipment was fully installed. The bright spot in all of this was the ease with which the art deco and art nouveau frames were put into production. This was because Jimmy, the would-be designer, went to the local library and checked out books from which he compiled the most common deco and nouveau design elements. Then he adapted Steller's copyrighted mission-style designs, using his new collection of design elements. The result was truly brilliant; the adaptations were both handsome and easy to set up for production, even with a workforce less skilled than Steller was used to having. Carson was so impressed that she gave Jimmy a bonus and put him in charge of all of Steller's design work.

Things continued to improve when Carson found a way for the gilding machine purchased by Poor Wayne to pay for itself. Although it was of lower quality than the gilding being done by hand in Mexico, the gold and silver made the deco and nouveau frames distinctive and very classy. So Carson decided to put the machine's high productivity to use making lengths of gold and silver stock for sale to framing shops, a market that Steller had never served before.

After securing its patent rights, Carson made it known that Steller was interested in licensing its fastener system. Within days, she had entered into negotiation with a very large furniture manufacturing company that offered even better terms than she had anticipated. They quickly concluded a nonexclusive arrangement that allowed Steller to license to other manufacturing companies outside the furniture industry. Before long a second arrangement was made with a window frame manufacturer, and then a third was made with a maker of prefabricated bathroom and kitchen cupboards.

Steller's implementation followed the guidelines outlined in this chapter, adapted to its unique needs. One unanticipated benefit was that Carson's secretary (now called an administrative assistant) undertook the review of 80 years' worth of documents that had been stored in boxes in the basement of the old building. From these, she pieced together both a history of the Steller company and a set of workable documents that were appropriate for the new way the company was going to work.

On the other hand, nearly every timeline was missed. The Mexican facilities and the move to the enterprise zone both took longer than anticipated. This was in large part because personnel cuts by Carson's predecessor left too little slack to allow the administrative staff to keep up with their jobs while implementing the plan. This meant that Carson had to use some of her dwindling funds to hire temporary workers. Even at that, stress remained high, and Carson found herself resolving conflicts and calming flared tempers.

Overall, however, everyone knew that once implementation had begun, there was no going back. This was a life or death battle. So they pitched in, although a few people resisted having to leave longtime coworkers when they found themselves moved to new divisions. And six people quit, two of whom were immediately hired by a local company that made "rustic" furniture. It turned out that "rustic" was code for "poorly made" and, disgusted, the two employees returned to Steller. The other four vacancies were filled by people that Carson's predecessor had laid off.

After the Mexican facility was ready, Carson took all the U.S. employees to the opening ceremony and a reception afterwards with the local Mexican officials. Later, when the implementation committee felt that things were pretty well in place for the company as a whole, Carson brought the Mexican employees in for a huge companywide celebration. It cost a bundle (dinner and dancing at a country club), but it served to signal that Steller was over the hump in implementing its plan. Now it was a matter of working hard and waiting to see how things turned out.

Summary

To aid in mastery of this material, summarize it for yourself by filling in this topic outline:

Implementation: Producing Change

I. Cheerleading

II. Monitoring
   A. What is monitored?
   B. Implementation monitoring
      1. Investing in implementation monitoring
   C. Strategic monitoring

III. Knowing when to stop
   A. Changing goals
   B. Sunk costs
      1. Hope and fear
   C. Barriers to stopping
   D. A test
   E. Success

Exercises

1. Once again, interview your current or retired organization leader, this time asking questions about plan implementation. To what degree, and in what ways, did the plan change between its inception and its completion? What were the problems that arose, and how they were addressed? Were there difficulties with free-riders, and if so, what was done about them? How was monitoring accomplished? Was the plan fully implemented? If not, why not?

2. Ask similar questions of your other interviewees with an eye to how their views differ from those of the leader.

3. Write an essay on implementation that outlines your viewpoint and add it to your notebook.

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