

## CHAPTER TWO

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# Leading and Selling the Change

## OVERVIEW

Far too many well-meaning initiatives fail because we have not understood the psychology behind getting change to work. This chapter explores the work of Steve Saffron and Dave Logan in *The Three Laws of Performance* and John Kotter's *Leading Change*. It covers the importance of Harry Mill's "self-persuasion", sets out an eight-stage process that will help you implement the practices in this book and offers guidance on delivering persuasive presentations.

**B**efore we venture on to the process of implementation, we need first to address selling the change within our organization. Finance teams around the world have wanted to embrace lean practices but are weary because many initiatives both inside the finance team and in other teams fail far too often.

As we will know from past experiences, this sales process is not easy and can be prone to failure. I would argue that more than half the initiatives that are declined, at the concept stage, were undersold. In other words, given the right approach, the initiative would have gone ahead.

If you are not prepared to learn the skills to cover the common deficiencies in a *selling change* process, I would argue that you are resigning yourself to providing the same service level for years to come. Selling change requires a special set of skills and we all can, and should, get better at it.

Three books have opened up the way for us to rethink change and to apply techniques that will get change over the line.

## STEVE SAFFRON AND DAVE LOGAN

Steve Saffron and Dave Logan have written a compelling book, *The Three Laws of Performance*,<sup>1</sup> that explains why so many change initiatives have failed. The first law is “How people perform correlates to how situations occur to them.” The writers point out that the organization’s “default future,” which, we as individuals just know in our bones, will happen—will be made to happen. Thus, in an organization, with a systemic problem, the organization’s staff will be driven to make initiatives fail, so that the default future prevails.

They went on to say that is why the more you change the more you stay the same. The key to change is to recreate, in the organization’s staff minds, a new vision of the future—let’s call it an *invented future*.

Zaffron and Logan signal the importance of language (the second law), without language we would not have a past or a future. It is the ability to use language that enables us to categorize thoughts as either the past or the future. Without language we would be like the cat on the mat, sunning itself for yet another afternoon, thinking about the next meal but without the ability to process complex thought.

They then say in order to make change, we need to use a future-based language (the third law). It is interesting; if you listen to the outstanding orators of the past such as Sir Winston Churchill, you will hear future-based language at work. These great speakers knew, intuitively, about the power of future-based language.

“We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender.”

## HARRY MILLS

Harry Mills, a multiple business book author, has written extensively about persuasion.<sup>2</sup> In his recent work *The Aha! Advantage*,<sup>3</sup> he talks about the significance of self-persuasion.

“Self-persuasion is fundamentally more powerful than direct persuasion essentially because of the way it reduces resistance.”

Mills talks about the four faces of the Aha! moment, as shown in Exhibit 2.1, the point when your audience gets the message, and now persuades themselves to adopt the message as if it was their own.

Mills’ work is very consistent with Zaffron & Logan. We need to get the staff in the organization to have, for themselves that Aha! moment, that “Hell, no!” we do not want the default future. When the staff come to this point, change is inevitable.

### The Anatomy of an Aha! Moment

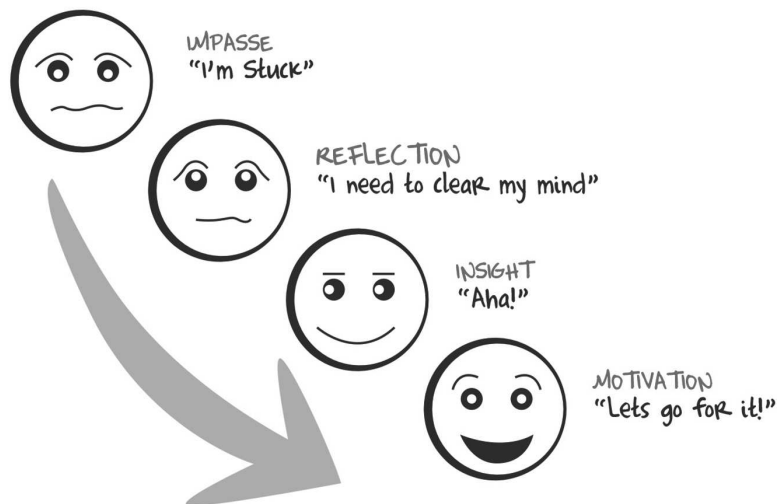


EXHIBIT 2.1 The Four Faces of the Aha! Moment Source: The Mills Group

This means we need to structure our workshops so there is more involvement, more chance for staff to have that Aha! moment, and less dogmatic rhetoric about the facts.

## JOHN KOTTER

In 1996, John Kotter published *Leading Change*,<sup>4</sup> which quickly became the seminal work in the field of change management. He pointed out that effecting change—real, transformative change—is hard. Kotter proposed an eight-stage process for creating major change, a clear map to follow when persuading an organization to move. I will discuss each Kotter stage while at the same time embedding Saffron & Logan and Harry Mills' thinking. If you follow these stages, you will increase the chances of change projects many fold.

**Establish a sense of urgency**—Here we need to appeal both to the intellectual and the emotional sides of the executive team. There are two stages. First, ambush the CEO with a compelling elevator pitch so you get to stage two. Second, deliver a masterful sales presentation, of around 15 to 20 minutes, aimed at obtaining permission to run a focus group to assess, validate, and scope the proposed initiative.

**Create a guiding coalition**—In every organization you have oracles; those individuals everyone refers you to when you need something answered (e.g., “You need to talk to Pat”). These oracles exist right across the organization and might hold seemingly unimportant positions. Do not be fooled.

An investment at this stage is paramount. In one case study, an organization held three, two-week workshops that were designed to progress their planning tool implementation. Yes, that is six weeks of workshops. The CEO was present for part of each of the workshops and the wisdom from the oracles was channeled, by an expert facilitator, into a successful blueprint for the project.

No project will ever succeed without a guiding coalition of oracles behind it. In *The Three Laws of Performance*, Zaffron and Logan point out that when you present the “burning platform” you are aiming for an overwhelming “Hell, no!” response upon asking the question, “Do you want the default future?” The oracles want the alternative future, which you have also articulated.

However, Mills has warned us to be patient, give time for the staff to discuss, think and mull over the content. In most cases a two day workshop will be more beneficial in giving staff time to let self-persuasion work.

**Develop a vision and strategy**—In order for the journey to be seen and resources made available, we must master future-based language that is compelling and motivational. As mentioned Zaffron and Logan have signified the importance of language (the second law) and that it is crucial that you talk using a future-based language (the third law).

**Communicate the change vision**—Kotter emphasized that it's not likely that you will under-communicate a little bit; you will probably under-communicate a lot, by a factor of 10 to 100 times. This will undermine your initiative, no matter how well planned. During a project, the project leader needs to obtain permission from the CEO to gate crash any gathering in the organization and have a 10-minute slot to outline the project and progress to date. One surefire way to failure is to believe that staff will read your project newsletters and emails.

**Empower broad-based action**—Early on the need for change and the right to change must be handed over to teams within the organization. Zaffron and Logan concur with this view. Once the invented future is set in the minds of the organization's staff, the staff will march toward this future. All the great writers have emphasized that some chaos is good so let teams embrace the project in their own way.

**Generate quick wins**—Obvious to us all but frequently missed. Always remember that senior management is, on occasion, afflicted by attention deficit disorder. Progress in a methodical and introverted way at your peril. We need easy wins, celebrated extrovertly, and we need to ensure we set up the CEO to score the easy goals.

**Consolidate gains and produce more change**—This is the flywheel affect so well put by Jim Collins in his books *Built to Last*<sup>5</sup> and *Good to Great*.<sup>6</sup> When the staff are working in unison the flywheel of change will turn quicker and quicker. This was very evident in the planning tool implementation case study.

**Anchor new approaches in the culture**—Make heroes of the change agents, make sure their values are embedded in the corporate values and now ensure you weed out those in management who have not embraced the change and who, over time, will be dowsing the fire at night when nobody is looking.

## SELLING TO THE SENIOR MANAGEMENT TEAM

The process of getting the senior management team (SMT) on board requires an understanding of the need to sell through the buyer's emotional drivers, a well-prepared elevator pitch, and a masterful sales presentation. The object of the sales pitch is to obtain permission to run a focus group to assess, validate, and scope the proposed initiative.

### Learn to Sell by Using the Emotional Drivers of the Buyer

It is through your audience's emotional drivers, and not through logic, that a story is sold. Failure to appreciate this has undermined many an accountant's pitch to the board.

All major projects need a public relations machine behind them. No presentation, email, memo, or paper related to a major change should go out unless it has been vetted by your PR expert. Do not get offended when they rewrite most of your content. Just admire their genius and claim the credit when the PR process works—that's what everybody else does.

## SELLING BY EMOTIONAL DRIVERS: HOW A CAR SALE IS MADE

Three customers arrive on the same day to look at a car that has been featured in the local newspaper. The first person is a young IT professional, generation Y, and wearing latest designer clothing. The salesperson slowly walks up and assesses the emotional drivers of this potential buyer. Having ascertained that the young man is an IT guru, working for a major search engine organization, the salesperson says, "I hope you have some track racing experience. You need to be a Lewis Hamilton to handle this beast. This car has 320 BHP, a twin turbo, and corners like it's on railway tracks. Only a top driver can handle this beast. It's a real driver's car." SOLD.

The second person could be me, with my gray hair visible. The salesperson might say, "This car is five-star rated for safety, with eight air bags, enough power to get you out of trouble, unbelievable braking when you have to avoid the idiots on the road, and tires that will never fail you." SOLD.



The third person is wearing stylish clothing and is impeccably well groomed. The opening sales line might be, "This car has won many awards for its design. Sit in the driver's seat and see the quality of the finish. Everything is in the right place. You look a million dollars in that outfit you are wearing and every time you drive this car you will feel like a million dollars!" SOLD.

### The Elevator Speech

Having now understood why prior initiatives have failed through poor selling let us now look at how we get the SMT motivated. The key is to have a 20-second elevator speech that is designed to capture their attention. It must be ready so that when we next bump into the decision makers, we are practiced and ready.

The 20-second elevator speech is designed to capture their attention. The term came about in management books describing how you need to be able to get a point across in an elevator ride, as sometimes this is the only chance you may have to have a one on one with the decision maker. The aim is, as they walk away, that they ask you to come to their office in the next few days to discuss this further.

An elevator interaction might go like this.

In answer to the question, "How are you?" you might say. "I am troubled." "Why is that?" being the natural response from the CEO. To which you reply, "I have just been looking at \_\_\_\_\_ and I have estimated that over the next 10 years, we will be spending \$\_\_M and \$\_\_M on this if we do nothing. I have been researching a new approach, tried and tested elsewhere, that would save much of this cost. I just need 15 minutes of your time to explain this."

The key is to fine-tune the elevator speech so that it is compelling. I recommend you practice your elevator speech at least 10 times so that it is focused and no longer than 20 seconds. As Kotter, says we need to create a sense of urgency and connect both intellectually and emotionally.

### Deliver a Compelling Burning Platform Presentation

Assuming the elevator speech has given us an audience, we need to prepare and deliver a presentation that will get the senior management team to agree to holding a focus group workshop with the organization's "oracles."

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A sales pitch to the senior management team and the board should go as follows:

- Make sure you have a good proposal and one with a sound focus on the emotional drivers that will matter to your audience.
- Focus on selling to the thought leader on the senior management team and board before presenting your proposal. This may take weeks of informal meetings, sending copies of articles, telling better practice stories, and so on, to awaken interest. Remember that the thought leader may not be the CEO or board chairperson.
- Make sure you prime the thought leader to speak first after your presentation has been delivered. This gives your proposal the best chance of a positive vote.
- Go for an easy next step, the running of a one day focus group with the organization's oracles<sup>7</sup>. You state, "If I can convince the oracles that this project will work, and get their involvement in the project plan, I will be able to present to you a project that has a greater chance of success."

It's important to get this presentation right, because you will probably not get a second chance. Thus one needs to embrace the better practices around delivering "killer" presentations. I have recently read "*The Presentation Secrets of Steve Jobs: How to Be Insanely Great in Front of Any Audience*" by Carmine Gallo<sup>8</sup>. It is a compelling read. I have incorporated his work along with the work of Nancy Duarte's "*Slide:ology: The Art and Science of Creating Great Presentations*"<sup>9</sup> and Garr Reynolds' "*Presentation Zen: Simple Ideas on Presentation Design and Delivery*"<sup>10</sup> in creating a list of the top tips to deliver compelling presentations. This checklist is included in the attached electronic media to this book.

### THE POWER OF THE FOCUS GROUP

I have found holding a one-day focus group meeting is a superb way to get a coalition of oracles behind the project. This focus group meeting would be attended by a cross section of 15 to 30 experienced staff, covering the business units, teams, area offices, and head office, and covering the different roles from administrators to senior management team members.

This focus group meeting should discuss the existing issues with performance measures, expose the attendees to the new thinking, outline the intended approach and seek their advice to decide if the project is viable and if so what lessons could be learned from past projects.



The aim of this workshop is to get the green light and secure the full support of the attendees. The next step is to develop a robust blueprint that sets out the direction and the requirements, using some of the oracles who have attended the focus group workshop.

In rescheduling month-end reporting, annual planning, and the annual accounts I have prepared agendas for the focus group workshops, you may wish to run. These are available in the PDF download.

## PDF DOWNLOAD



To assist the finance team on the journey templates, checklists, and book reviews have been provided. The reader can access, free of charge, a PDF of the following material from [davidparmenter.com/TheFinancialControllersandCFOsToolkit](http://davidparmenter.com/TheFinancialControllersandCFOsToolkit).

The PDF download for this chapter includes:

- A Book Review of *The Three Laws of Performance*
- A Book Review of *Leading Change*
- The *Top Tips to Deliver Compelling Presentations* checklist
- Selling pitch PowerPoint presentations

## NOTES

1. Steve Saffron and Dave Logan, *The Three Laws of Performance* (San Francisco: Jossey-Bass, 2011).
2. Harry Mills, *Artful Persuasion: How to Command Attention, Change Minds, and Influence People* (New York: AMACOM, 2000).
3. Harry Mills, *The Aha! Advantage* (The Mills Group, 2015).

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4. John Kotter, "Leading Change," *Harvard Business Review Press* (2012).
5. Jim Collins, Jerry Porras *Built to Last: Successful Habits of Visionary Companies* (New York: Harper Business Essentials, 2004).
6. Jim Collins, *Good to Great: Why Some Companies Make the Leap ... And Others Don't* (New York: HarperBusiness, 2001).
7. The organization's "oracles" being those "go to" individuals everyone refers you to when you need to get something done.
8. Carmine Gallo, *The Presentation Secrets of Steve Jobs: How to Be Insanely Great in Front of Any Audience* (New York: McGraw-Hill Education, 2009).
9. Nancy Duarte, *Slide:ology: The Art and Science of Creating Great Presentations* (Sabastopol, CA: O'Reilly Media, 2008).
10. Garr Reynolds, *Presentation Zen: Simple Ideas on Presentation Design and Delivery* (Berkeley, CA: New Riders; 2nd ed., 2011).

