Dealing with disruption



The golden triangle: vision-leadership-culture. Why behavioural change is so difficult and what you can do about it.

About digitalisation, innovation and transformation

VILVOORDE — 13 JUNE 2019
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Director MCR, Spin-off KULeuven
Visiting Professor University of Leuven





Black White



MCR is a spin-off company of the University of Leuven (Belgium)

Creating Commitment For Results

Strategy, Transformation, Leadership & Learning

DISCOVER OUR SERVICES

- Model for strategy implementation, business transformation, leadership and learning
- Working across organisations and country cultures: 300 organisations worldwide
- Profit sector, semi government, government



Just naming a few organisations we work with

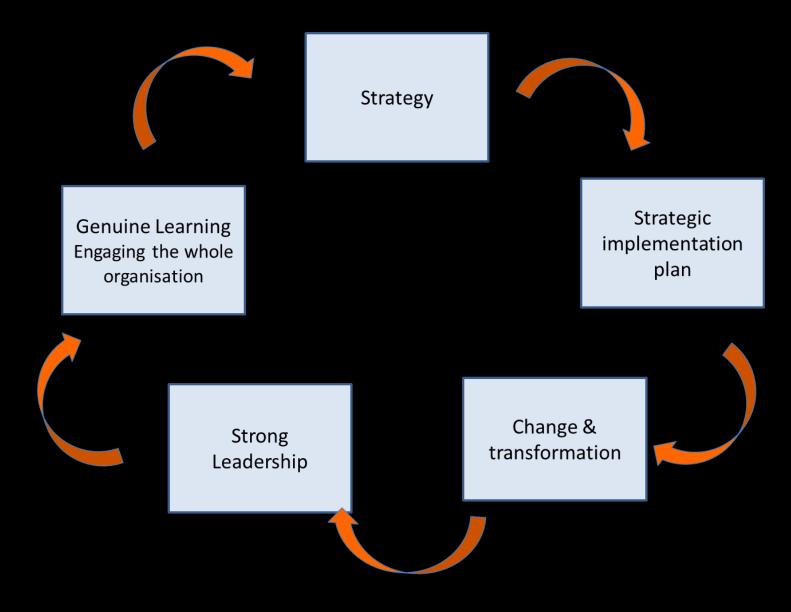
INTERNATIONAL

- British American Tobacco (in 65 countries)
- Mozambique Leaf Tobacco Company /Universal Leaf
- University of the Free State , South Africa
- Pick'nPay, South Africa
- William Grant & Sons, UK (Glenfiddich and Hendrick's Gin)
- Solar Coca Cola, Brazil
- JCC, Brazil (building and managing shopping malls)
- Nationale Nederlanden Poland and The Netherlands
- Izico, The Netherlands (inventors of the Bicky Burger)
- Boehringer-Ingelheim (Pharma) Taiwan
- General Mills UK (Pastries)
- EMC^{2 (}(ICT hardware & software)
- Lion Brewery Sri Lanka
- Sodexo Europe
- Mead Johnson Nutrition Europe
- Ipsen Pharma France
- Merck. Canada

BELGIUM

- COMPASS GROUP
- Dataflow (Ausy Belux)
- STACI Belgium
- Tobania IT consultants
- Mydibel
- KBC Bank ING Bank BNP Parisbas Fortis
- AEXIS Financial consultants
- Umicore
- Promoplan
- (University) Hospitals of Ghent, Brussels, Vilvoorde, Geel
- University College Leuven Limburg (UCLL), VIVES, HOWEST
- Instituut voor de Overheid (KULeuven)
- CEVORA/CEFORA
- FAMIFED
- City of Geel, City of Beringen, City of Turnhout, City of Ternat, City of Knokke-Heist
- Home care center Woonzorgnet Dijleland
- Fonds for professional diseases (FOD) now FEDRIS
- Fonds for accidents at work (FOD) now FEDRIS
- Psychiatric centre O.L.V. Brugge
- Ministry of Foreign Affaires
- Province of Vlaams-Brabant, West-Vlaanderen & Oost-Vlaanderen

A holistic and hence cross-functional approach



IN SUMMARY



Adapted from The Jacksons – Blame it on the Boogie

TO HELP YOU REMEMBER

Don't blame it on your strategy

Don't blame it on your processes/systems

Don't blame it on your culture

Blame it on your leadership

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Blame it on your leadership

Leadership at all levels!



Politics and politicians = Hospitals and doctors = Schools and teachers. (Family businesses)

Adapted from The Jacksons – Blame it on the Boogie

The golden triangle: vision-leadership-culture.
Why behavioural change is so difficult and what you can do about it.

- The world we live
- Macro level: Societal level
- Meso Level: Organisational level
- Micro level: Leadership



Customer Journey and the effect on our people

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Customer Journey and the effect on our people

The world we live in

The 4th industrial revolution

(Industry 4.0)



Genuine Learning - Agility - innovation

The world we live in



Sociological-Societal (R)evolution

Peer-to-Peer Society

Collaboration Co-creation Horizontal approach

Democratisation





Knowlegde and expertise

Knowledge and expertise



The (R)evolution of technology





Opportunities

Social

MOBILE

ANALYTICS

CLOUD

FANG technologies

76%

of business are
using
social media
for
business
objectives
and to increase
ROI
this year.

72%

of enterprises cited improved productivity as a driving factor in adoption of smart mobile devices. **75%**

of executives at large companies said they are working to increase their company's use of analytics. 92%

of businesses are completely satisfied with their cloud based services and planning to increase their usage in 2016.

Key Concepts of/Conditions for digitalization.



Key Concepts of/Conditions for Digitalization

- Customer Experience
- Digital technology
- Connectivity
- Big data
- An agile organisation
- Customer/partner/employee co-creation
- New business model(s)

Digitalisering – technological definition

Nearly instant, free, and flawless ability to connect people, devices, and physical objects anywhere.

Digitalization

In general:

"In an efficient way making use of the technology available to increase customer <u>convenience</u> and customer <u>experience</u>."

In organisations:

"In an efficient way making use of the technology available to <u>transform your organisation</u> in such a way that it increases customer convenience/experience."

Rational

Digitalization

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"In an efficient way making use of the technology available to increase customer <u>convenience</u> and customer <u>experience</u>."

In organisations:

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Relational

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Relational



Strategy, bold moves and a holistic and hence cross-functional approach

Digitalisation - Industry 4.0

Where do you situate your organisation?

Strategy!

Degree of change

Live in two worlds

These companies need to prepare themselves for big changes but cannot lose focus on their existing businesses in the short term.

Make low-risk moves

These companies can cherrypick simple plays but are relatively unaffected.

Take bold steps

These companies (eg, those in media, retail) are faced with severe—and perhaps fatal—disruption unless they make big moves.

Build agility

These companies need to make rapid moves but cannot let the scope of these changes overshadow existing businesses.

Pace of change

Strategy, bold moves and a holistic and hence cross-functional approach

Digitalisation - Industry 4.0

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Pace of change

Impact on vision, leadership and culture

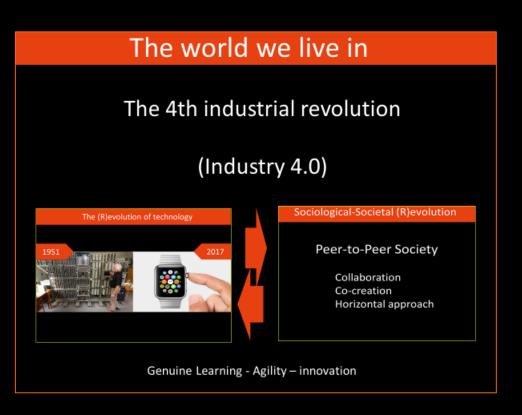


customer Journey thinking



Employee profile

World we live in to bring bang in Power shift

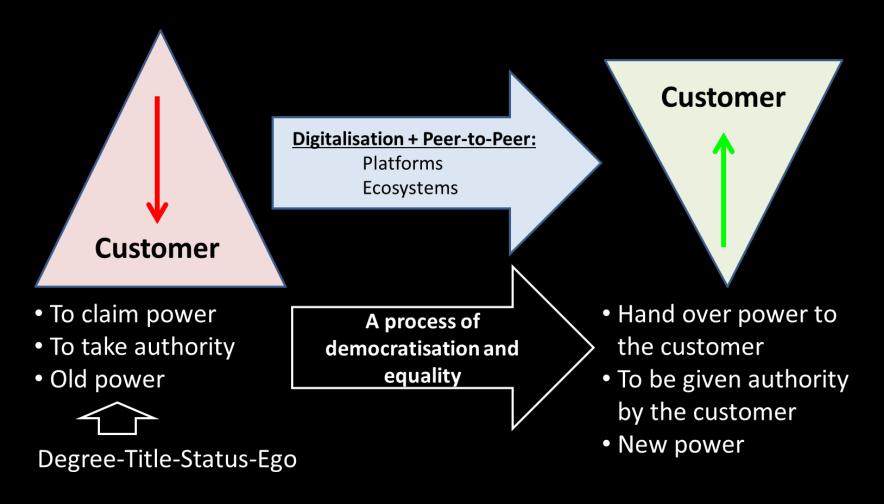




An unprecedented shift in power

Point of view of the customer vs expertise

An unprecedented shift in power



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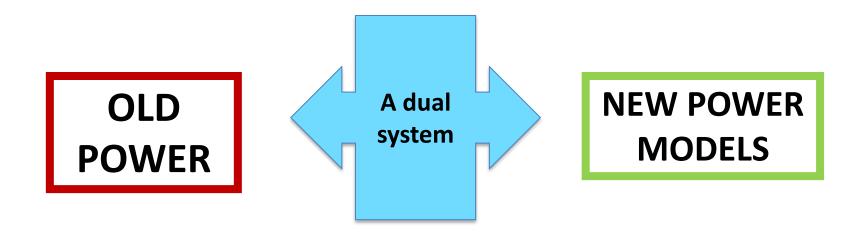
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Customer Journey and the effect on our people



Old and new power models



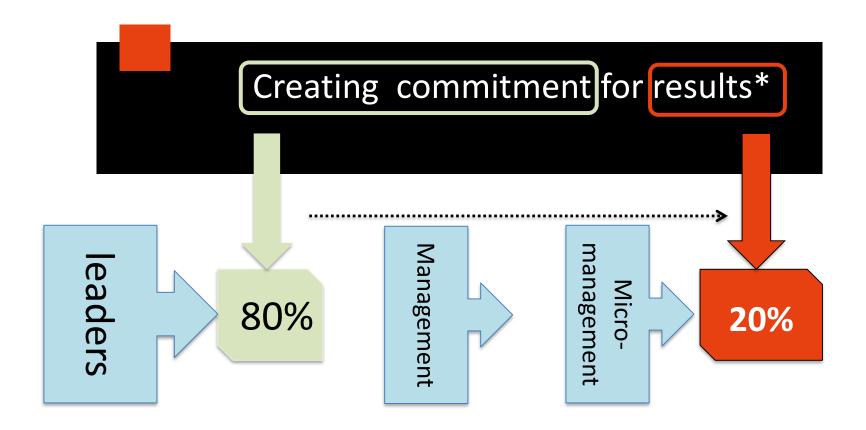
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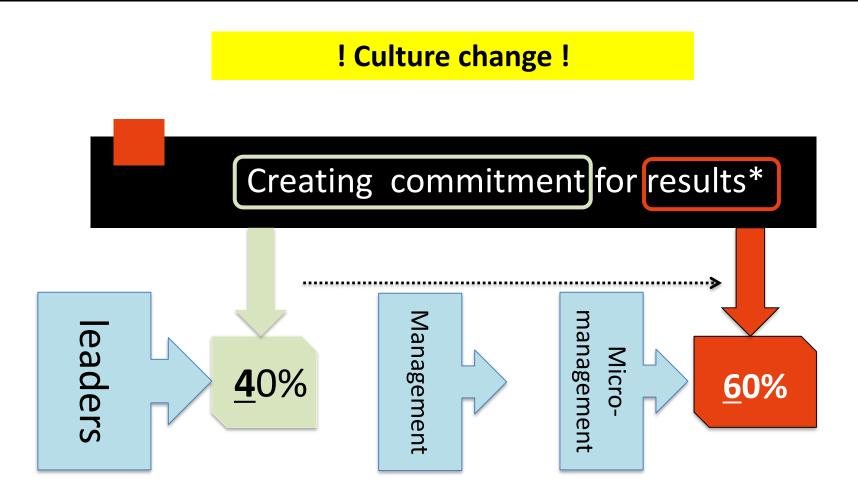
Customer Journey and the effect on our people

Main objective of any organisation...



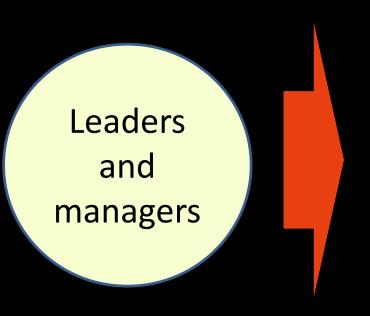
^{*}shareholder value is the consequence of this.

Main objective of any organisation...



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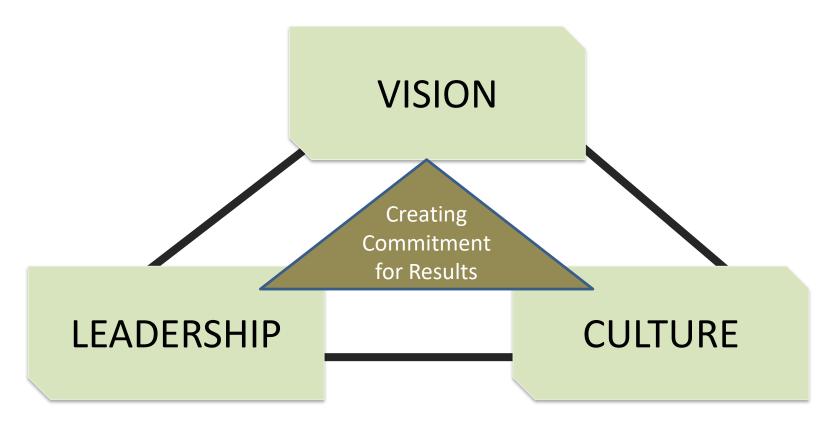
Creating commitment for results



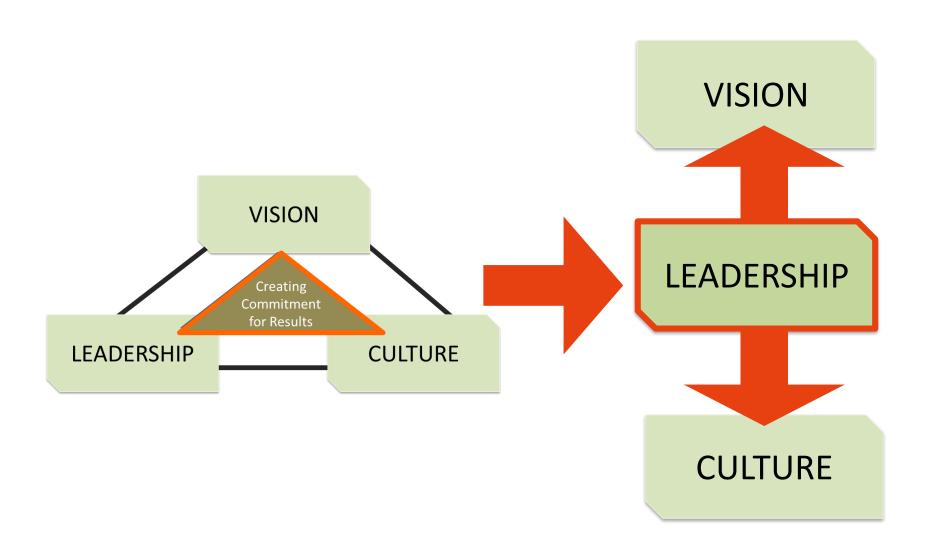
- 1. Inform
- 2. Engage
- 3. Empower
- 4. Change (behaviour)

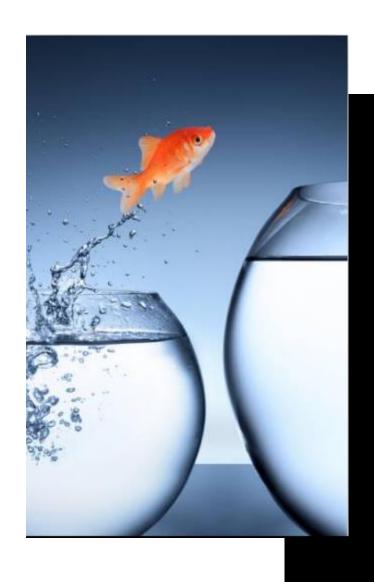


What really matters



What really matters

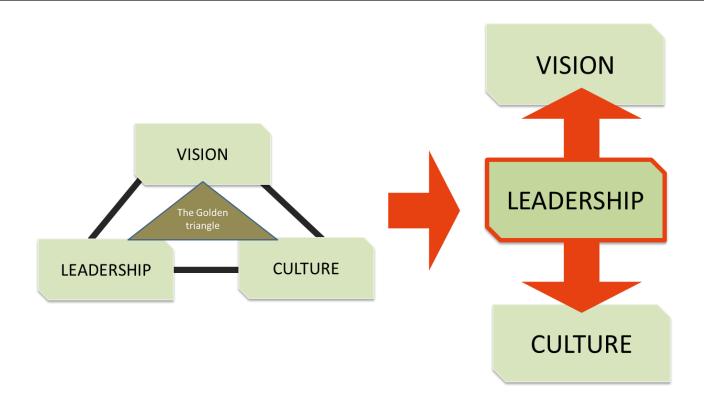




70% of change and transformation efforst fail.

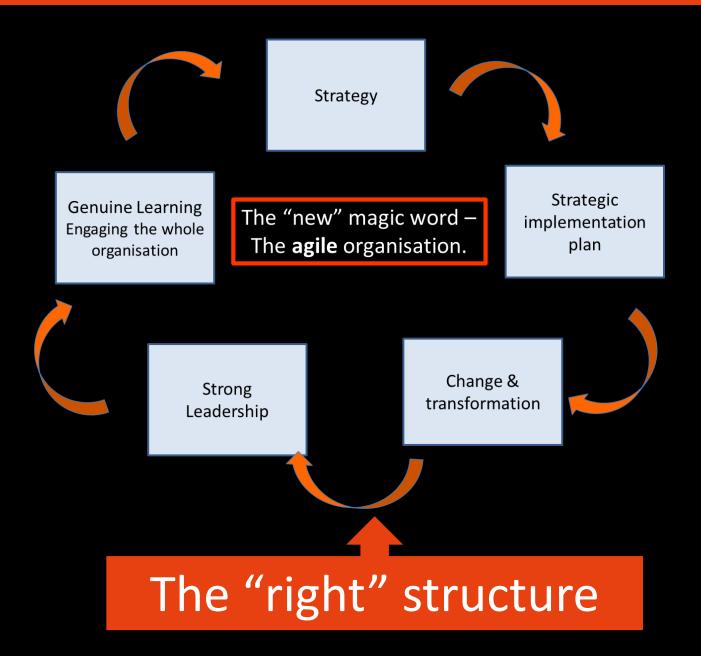
Why is this and and how to tackle the issues?

What really matters



The "right" structure

A holistic and hence cross-functional approach



Digitalization, innovation, Customer experience: people and organisational structure

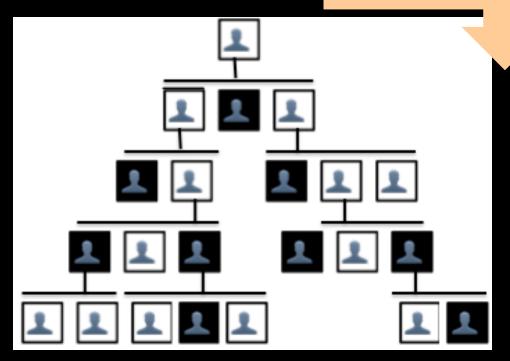
"The extend to which people have control over the situation, determines their well-being and hence their willingness and ability to **innovate** and **change**."



How to structure our organisations for engagement?

(Digital) innovation, people and organisational structure

A DUAL MODEL



Hierarchical operating model



Network operating model

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Customer Journey and the effect on our people

Strong leadership

Courageous Leadership

Creating trust horizontally & vertically

Ignite the passion for learning

Leadership for innovation CREATING COMMITMENT FOR RESULTS



Leadership for innovation

CREATING COMMITMENT FOR RESULTS

'Negotiation of meaning'

Rational process

Make an informed business decision

Understand



Agree



Commit



Act

Relational process

To get to know the other so that trust is created and commitment to act is guaranteed

Leadership for innovation

CREATING COMMITMENT FOR RESULTS

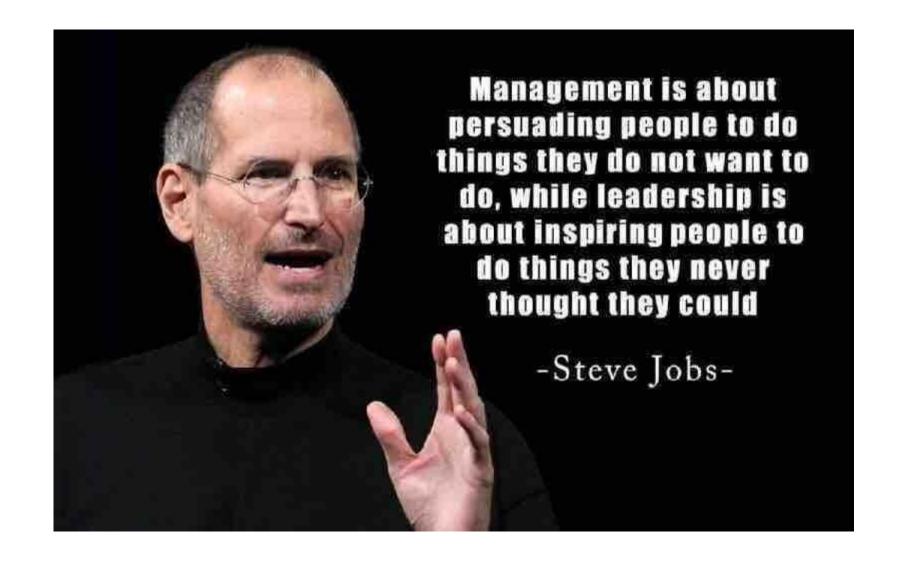


3 basic needs of every human being

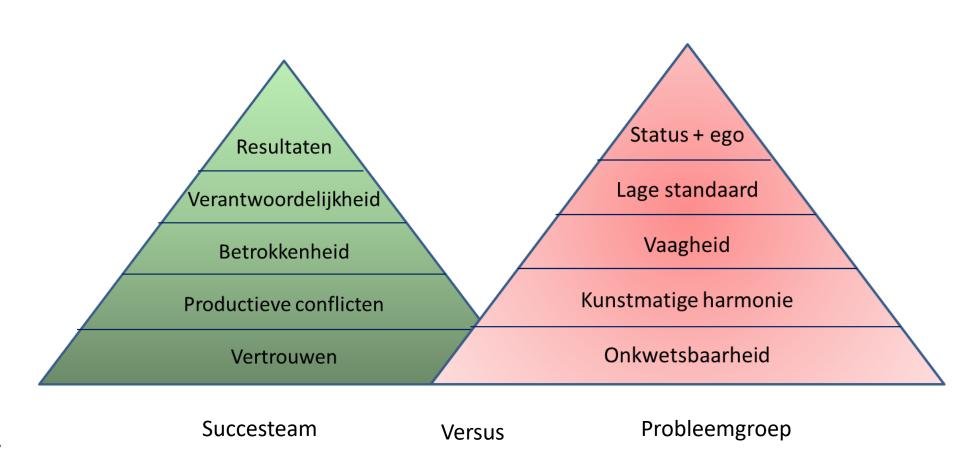
- Feeling of competence
- Feeling of autonomy
- Feeling of relatedness

Deci & Ryan, 1988, 2001

LEADERSHIP MANAGING CHANGE OR TRANSFORMATION



Teamwork and leadership



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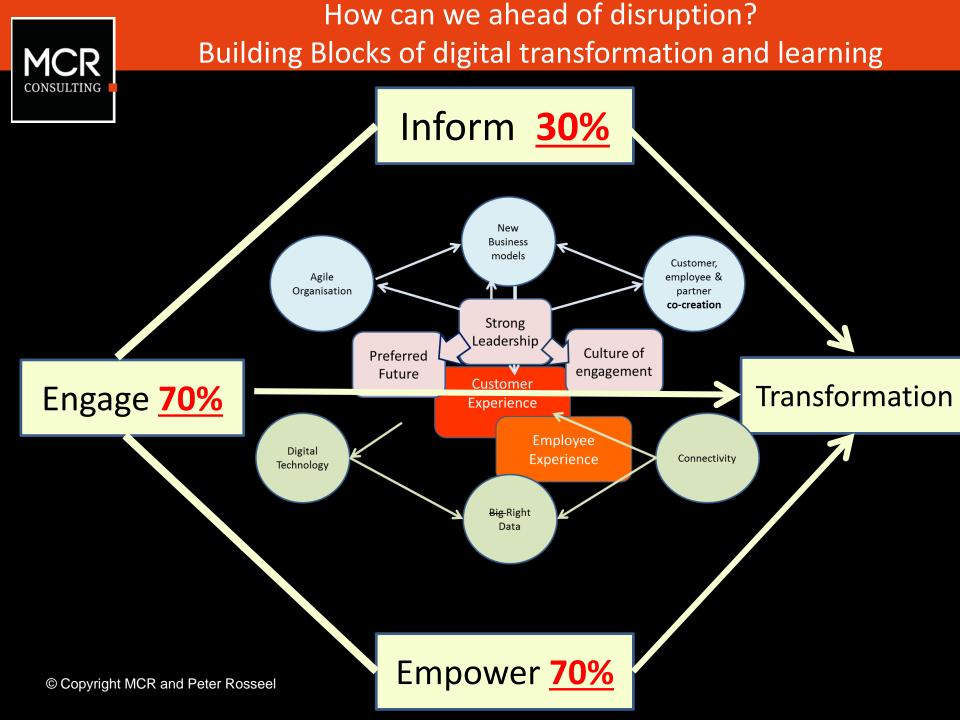


Customer Journey and the effect on our people



Point of view of the [care] customer





Thank you for your attention



