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The Transformation Journey
Advances in Project Management
by Jonathan Whelan

Advances in Project Management Series [1]

The Transformation Journey [2]

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There seems to be no shortage of *transformation* programmes these days. They come in various shapes and sizes – usually big, often very big – and they are known by various names, most commonly *business transformation* or *digital transformation*. Their intention is typically the same: to bring about a fundamental change for the betterment of the organisation, which usually translates to improving efficiency and agility, and ultimately positioning the organisation to being in a better place to deal with an ever-changing operating landscape. There are other common factors too: they take a long time, they cost a lot of money, and the extent to which they are successful is debatable – few people seem keen to look back to assess expectation vs benefit.

The problem with large-scale transformations is getting everyone on the same page. They invariably involve a significant number of people, each with their own view of what the current problems are, what the transformation will do, and what the landscape will look like after the transformation. And, importantly, what it means to them. Take *digital transformation* for example, what does that actually mean to most people? The wall-to-wall adoption of cloud technologies perhaps, or greater use of the web for customer interactions, cultural change to adapt people's mindsets to exploiting technology, or even, more fundamentally, changing the business model to deliver new and innovative products and services.

What the 'new world' will look like may be intangible – it may not be known at the outset, but evolve and become more apparent as the transformation progresses – but people like to have a view (in their mind at least) of why change is necessary, and ideally what the result should look like. Large transformation programmes also tend to be set of linear activities (as in a waterfall approach); contrast that to a small agile project where teams are much smaller, and they are closer to the customer. They have more of a shared understanding of what is to be achieved and why, and so they are already galvanised.

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[1]*The PMWJ Advances in Project Management series includes articles by authors of books published by Routledge publishers worldwide that are related to program or project management. This month's author, Jonathan Whelan, is co-author with Stephen Whitla of the book "Visualising Business Transformation: Pictures, Diagrams and the Pursuit of Shared Meaning", published by Routledge in Feb 2020. Learn more about the book at* https://www.routledge.com/Visualising-Business-Transformation-Pictures-Diagrams-and-the-Pursuit/Whelan-Whitla/p/book/9781138308244. *See Mr. Whelan's background at the end of this article.*

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The changing world of change

As the corporate world changes, so too does the world of 'change' itself. In the past, any significant change would generally involve a large-scale, top-down transformation programme. These large-scale programmes are now increasingly seen as single points of failure. Waterfall is out, agile is in. 'Design' is no longer just a downstream activity driven by strategy – strategy itself is increasingly led by design thinking. Leaders, feeling that they are falling behind the pace of change, are attracted to Scrum practitioners who promise 'twice as much in half the time'. What all these practices have in common is that they put the organisation's users and customers at the heart of the change, designing products, services, processes and ultimately strategy with users and customers rather than in isolation from them.

The reason these agile approaches have become popular is that they work! The reason they are controversial is that they only seem to work consistently on a relatively small scale. There are plenty of consultancies, frameworks, white papers and blogs proposing the means to scale the 'agile mindset' from teams of a few people to organisations of tens of thousands of people, but the results are too often inconclusive.

Why is this? Why is it that the larger organisations become, the less agile they tend to be? Why do older organisations find it harder to change? There are lots of valid answers involving culture, leadership, clarity of purpose, organisational design, environmental couplings, legacy IT systems and so on. But change is fundamentally about people talking to one another, telling one another stories, making sense of what's going on. But fundamental change involves people not just using words differently, but also using different words. The twentieth-century philosopher Richard Rorty argued that one of the distinguishing characteristics of all truly transformational episodes in human history has been the creation of new vocabularies, not just people arguing better using the old ones.

Change paradigms

In terms of organisational change, there are two paradigms that are most significant to transformation and I refer to these as the 'mechanistic' and the 'organic'. These tend to be the first two on academic lists of organisational paradigms and their assumptions permeate the language of change. For example:

- **Mechanistic language**: 'What levers can we apply?', 'How do we upgrade this capability?', 'How do we re-engineer our processes?', 'How do we fix our operations?', 'Is this function performing adequately?'
- **Organic language**: 'How do we adapt to the changing customer need?', 'How do we spawn new ideas more rapidly?', 'How do we mature our service offerings?', 'How can we grow as an organisation?', 'Do we have resilience in our DNA?', 'When will the change take root?'

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If you instinctively see organisations in a more mechanical way, then you are likely to see change as an engineering process – upgrading or transforming the mechanism so that it can deliver a new capability. Your language becomes one of designing the solution, creating blueprints, delivering capabilities, optimising performance. The defining feature of this paradigm is that it tends to see change as deterministic. You can determine what needs to happen, determine the plan to make it happen, and deliver on the plan to achieve pre-determined results. This is only possible when you conceive of the organisation as something that functions in a pre-determined way, like a machine.

If you instinctively see organisations in a more organic or biological way, then you are more likely to see change as an adaptive process – so you might talk about helping the business to learn, respond and mature. The defining feature of this paradigm is that it sees change as emergent. Changes in the organisation's environment emerge over time, and the correct response needs to emerge through iterative experiment and adaptation. You cannot pre-determine how an organisation will respond to a change in its environment, let alone a change that you try to instigate on its behalf.

Each paradigm tends to have its own language, processes and visuals, but no one paradigm is suggested to be right or wrong; we are more likely to achieve the desired change when we are willing to see the world through other people's eyes, and we are willing to adapt our approach to the circumstances. Programme-based change typically falls under the paradigm of mechanistic thinking, design-led approaches as more organic and emergent. There is also a third paradigm, systems-based methodologies, seen as occupying the space between the mechanistic and the deterministic.

People's presuppositions about what organisations are and how they change has a huge impact on their transformation journey.

Programmes: upgrading the machine

The dominant approach to large-scale transformation in organisations remains Programme Management, an approach rooted firmly in the deterministic paradigm. This reflects the fact that, despite a marked shift in recent decades, the machine metaphor is still the overwhelmingly dominant way that most people think and talk in large organisations, even those who want to see them in a more organic and human light. The language is so engrained that most of us don't even notice it. We call organisational units 'functions', not 'organs'. 'Functions' are made up of 'processes', not 'cells'. So, when we want to change, we need to define the change in advance and create a programme to 'deliver' it for us.

To illustrate, look at the process for programme management as defined in the UK Government's Managing Successful Programmes (MSP) framework. MSP describes a programme as something that will *'deliver a coherent organizational capability that is released into operational use according to a schedule that delivers maximum incremental improvements with minimal adverse operational impact'*. The 'delivery of the capability' as

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a top-down approach is implicit in the framework and near- ubiquitous in practice – the new capability requirements are determined at a senior level by the management team, and delivered as a kind of 'upgrade' to the organisation.

You might dispute that MSP has these ideological commitments built into it – could this not be seen as simply a neutral framework for a programme, which could be delivered under any paradigm? No! Even the underlying metaphor of 'delivering' a programme says something about the mindset. If the change were emergent, then by definition you wouldn't know what it was going to be in advance. In a programme setting, change is reified as a 'thing' that is delivered, a metaphor that only makes sense if you have decided in advance what that thing is, as you can't deliver something that hasn't been defined.

This is not to say that the more people-focused aspects of transformation will necessarily be ignored. All modern transformation programmes will have a budget set aside for people and change activities. In practice this budget often includes training and communication activities, and even if a broader attempt is made at real engagement (where affected stakeholders can actually influence the implementation), even these activities are seen as something that is 'delivered' by business change managers. Engagement is another workstream among many, a set of activities to be delivered, regardless of how much the people in that workstream protest that change cannot be reduced to a mechanistic process.

The products produced during a transformation are often mandated within an organisation's change methodology, which themselves may be derived from industry standards. The MSP standard, for example, proposes the creation of a 'Blueprint' to define what the future state will look like, what the intermediate states will be, and what the current state is. The Blueprint is developed in parallel with the business case and benefit profiles, and is used to determine the projects within the programme that are required to create and deploy the future state; it is an essential deliverable of the programme and one which will almost always include some form of model.

The problem is that although methodologies may specify the products to be created (such as a 'Blueprint' for the future), they don't specify what those products should look like, so the models embedded within them can look quite different even within the same organisation. This can lead to stakeholders having their own interpretation of what the transformation is intending to achieve.

When change is something that is 'delivered', people in it become cogs occupying various positions in the processes that make up the target operating model. The target operating model is the blueprint for the organisational design, just as an engineering schematic is the blueprint for a machine. It may need to be depicted in a pictorial way (like an engagement rich picture), but in a mechanistic paradigm this is a bit like oiling the wheels of the machine – the engineer recognises that entropy exists and does their best to mitigate against it. And regardless of the good intentions of those who lead, this still remains the underlying philosophy in the vast majority of large-scale transformation programmes. It dominates the

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language and budget, and it's the backdrop against which people with a more organic perspective have to work.

Admittedly, I am painting a scene here with a very broad brush; under the programme umbrella there will be a much broader blend of approaches and philosophies. Many projects under a programme do not know what they are going to achieve before they start, and only make progress through experiment and iteration. The 'waterfall' approach to project delivery has now gone out of fashion in favour of design thinking, agile development, scrums and the like. But the fact remains that the archetypal programme under which such projects are delivered has to exist beforehand in order for them to have a budget, and for the programme to exist it has to have something pre-determined to deliver, or else the business case will not be signed off. And as far as the programme is concerned, no matter how emergent the approach taken by an individual project in the programme is, it is still just a line on a roadmap, fitting into a broader, pre-determined sequence of activities. This is the context in which most target operating models are built, in which business processes are redefined. The sheer complexity of what is being attempted in a large organisational transformation programme demands a consistency of language and approach, which permeates top-down through the organisation.

It's not that any of this is wrong – to have any level of control or predictability in large-scale change, it's essential – but it's only one paradigm.

Design thinking: responding to the environment

For people who instinctively see organisations in a more organic and emergent way, the much-vaunted failure of large-scale programmes is proof that the underlying mechanistic paradigm is wrong. A popular illustration of the difference comes from an example originally used by Richard Dawkins to contrast living and non-living entities: the deterministic paradigm treats change programmes as throwing a stone, where we assume that the destination, trajectory and force can be calculated, so an appropriate programme plan will 'deliver' the correct result. The emergent paradigm sees it as throwing a bird – an organisation, like a bird, is a complex adaptive system, so if all you do is throw it then you can't predict where it's going to end up. It will probably fly off to the nearest tree.

If organisations are more like organisms, then their survival depends not so much on how well someone engineers them, but on how rapidly and successfully they can adapt to changes in their environment. The current shift happening in large organisations away from large-scale programmes and towards design-based innovation is an indication that organisational paradigms are slowly starting to shift.

A good example of this is the huge rise in popularity of the various 'design thinking' processes over the last decade. Different authors promote different models and definitions for design thinking, but what they all have in common is a human-centred approach to solving problems. They start by studying the customer or service user and defining the change

requirement according to their needs, not according to the expectations of the group doing the study, let alone the organisation's long-term strategy or capability. The problem definition, ideation, prototyping and testing of the solution are done with and for the end user. This has always been the approach of effective designers, but calling it 'design thinking' and defining a simple process has allowed the mindset to break out of the confines of what has typically been considered 'design' (product design, graphic design, etc.) and be applied to literally anything – services, business processes, user experiences.

Design thinking epitomises the emergent paradigm. It actively discourages pre-guessing the user's needs. If the customer base is the environment and the organisation is the organism that lives in that environment, design thinking is encouraging the organism to become much more tightly coupled to its environment, so that it can respond more flexibly to observed reality, not some hypothetical strategic conjecture. The big difference between this approach and the Programmatic (mechanistic) approach is that we genuinely don't know in advance what the solution will be. Indeed, we don't even know what the problem will be! This becomes obvious when we try to illustrate the process as a shift of capability, as we did before for the Programmatic approach. Whereas we could illustrate the entire MSP process with no reference to end users at all, this is impossible in a design thinking approach.

The hype around design thinking has elevated it almost to a religion in certain quarters. It's easy to understand and it makes sense. While the obvious application is to the world of innovation and start-ups, it's so general that it feels like it can be applied to any problem in any context. However, the fly in the ointment is that most organisations are not starting from a blank sheet of paper. All too often, when undertaken in large, established businesses, design thinking workshops generate a huge level of energy among participants, several fascinating ideas, and then an equivalent level of disappointment as so few of the ideas come to fruition. Putting the organic paradigm together with our general principle that models stand for things more complex than themselves, we get another way to understand what is happening: The workshops are destroying a huge amount of complexity about the environment and generating insights about users and potential solutions that are refreshingly simple and clear.

The trouble is that they tend not to destroy an equivalent amount of complexity about the organisation in which they are run. This makes them perfect for start-ups and innovation labs, in which there is no parent organisation, no existing IT, no existing customer contracts, no legacy processes. The reality is that what is perceived to translate into something simple and clear, meets a far more intimidating mess of existing priorities, processes, structures and people coming from the other direction. This is the challenge that large companies are currently facing in the race for 'digitisation'. They are competing against digital start-ups who are not hampered by legacy structure. Thinking in terms of the organic paradigm, the emphasis is all on the environment, and not on the organism that needs to adapt to that environment. Any large-scale transformation has to find a way to address both at the same time. How? Enter the systems paradigm.

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Systemic approaches: systems in their environment

Although the hype that used to exist around systems theories and cybernetics in the second half of the twentieth century has been dwarfed by the hype around design thinking in the early twenty-first, there is a rich intellectual tradition to tap into that is slowly being rediscovered. The systems tradition covers a very broad range of practices, which span the spectrum from the deterministic paradigm (mathematical approaches like Operations Research, Systems Dynamics, Control Theory) to the emergent paradigm (e.g. Soft Systems Methodology, Critical Systems Heuristics, Complexity approaches). However, all of these traditions share the same simple observation that complex socio-technical systems (like work organisations) reflect the behaviour of living systems in responding adaptively to their environment. In this way, they differ from design thinking in that they have a balanced view not just of the complexity of the environment but of the system that exists in that environment.

The best approach

There are plenty of change managers and designers who are very comfortable working in a mechanistic mindset when the problem at hand can be straightforwardly codified and solved using best practice, and there are plenty of programme managers and business architects who can work in an emergent, organic way when the situation is equivocal and requires imagination and active experimentation.

So, which is the best paradigm for transformation? Put simply: there is no 'one size fits all', and rarely is there one that alone will tick all the boxes for an organisation. The crucial thing is not to pick a paradigm but to be able to gather an appropriate blend – **a portfolio of paradigms**. In general, as most transformations start with a high degree of uncertainty, a design thinking or systems inquiry approach is likely to be most appropriate. As the change progresses, activity will need to be defined more mechanistically. If the ongoing engagement of staff follows this mechanistic approach though, it's more likely to alienate than inspire people, as they feel that it is a case of fait accompli.

In a complex, highly ambiguous situation, for example, stepping into a more emergent paradigm is likely to see us creating more freeform models involving a wider range of stakeholders, asking more open questions and using live diagramming techniques to try to find a way to understand the problem. Immediately setting up a programme team with structures to deliver a solution is probably not the best way forward when we don't even know what the problem is. But if we do know the problem and the solution is already at hand (an incremental IT upgrade, say), we won't get very far if no one is willing to step into a deterministic paradigm and start putting together the solution architecture and project plan.

In summary, the point is that there is not that one or other paradigm that is correct and others wrong, but that the more we learn to recognise them in ourselves and others, the

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broader a repertoire we are going to be able to deploy – both as individuals and as teams – to meet the needs of the situation.

Like any journey, the transformation journey may involve more than one mode of transport.

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Jonathan Whelan is an established business transformation specialist who has 35 years' experience in change-related roles. His common-sense approach to addressing complex business problems and shaping practical, sustainable solutions has been fundamental to the success of many transformation programmes.

In his spare time, Jonathan writes about business transformation, especially in relation to the issues and opportunities associated with information technology. His latest book, co-authored with Stephen Whitla and published by Routledge, is titled *Visualising Business Transformation - Pictures, Diagrams and the Pursuit of Shared Meaning*.
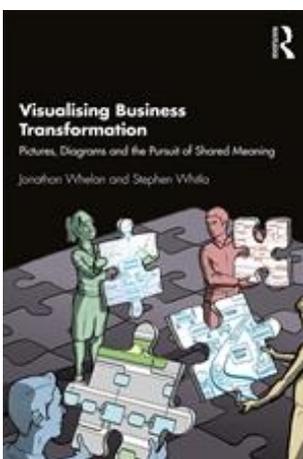
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