

# Our Strategy Race: Leg 8 – From Itajaí to Newport

## Corporate Leadership when change happens



## → Leg 8. From Itajaí to Newport

### OUTLINE Leg 8. Corporate Strategy Renewal

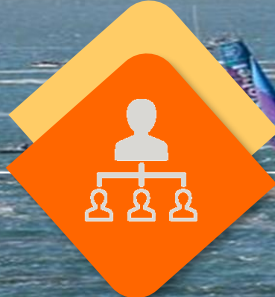
01

**Corporate Strategy:  
The Domain Selection  
of the Business Ocean**



02

**Corporate C-Suite  
Leaders: Are you  
ready to sail?**



03

**From the Past to the  
Future: Corporate  
Strategy Renewal**



04

**Corporate  
Entrepreneurship**



05

**Corporate  
Leadership when  
Change happens**



06

**Summary and  
Conclusions**

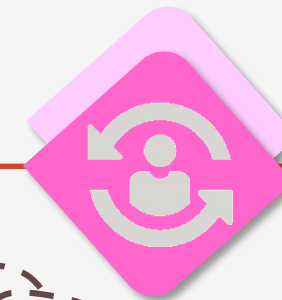


**We are here**





## Leg 8. From Itajaí to Newport



### Corporate Leadership when change happens



**1**  
Who changes?

*Change happens because human beings change, and it impacts our organizations (public, private, multinational, SME's, etc.)*



**2**  
What changes?

**3**  
How to change?



**5**  
When to change?

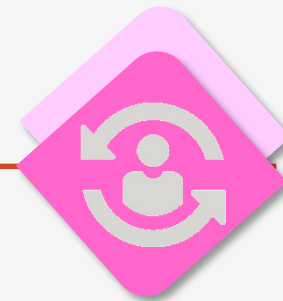
**4**  
Forces of change?

**6**  
Why of change?





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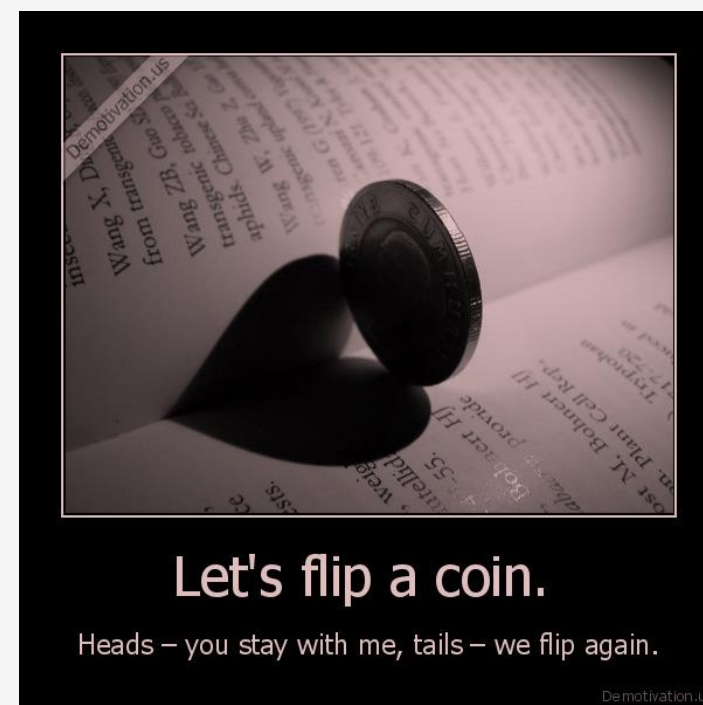


1

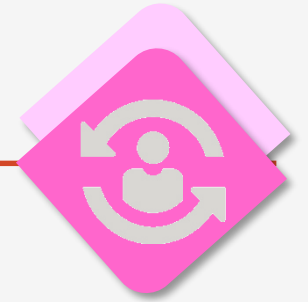
Who  
changes?

### Corporate Leadership when change happens

- Changes happens everywhere in the organization
- It can happen at the corporate level, and middle-level management and at the down-level structure
- In addition, change can happen just because leaders change. Or because front-line talent changes.
- There is top-down change approach, and there is down-top change approach. Which is the best one? Mintzberg has written: **Flip a coin.**
- There is no formula to transform any organization, and it depends of the type of organization, the culture, the type of change, etc...

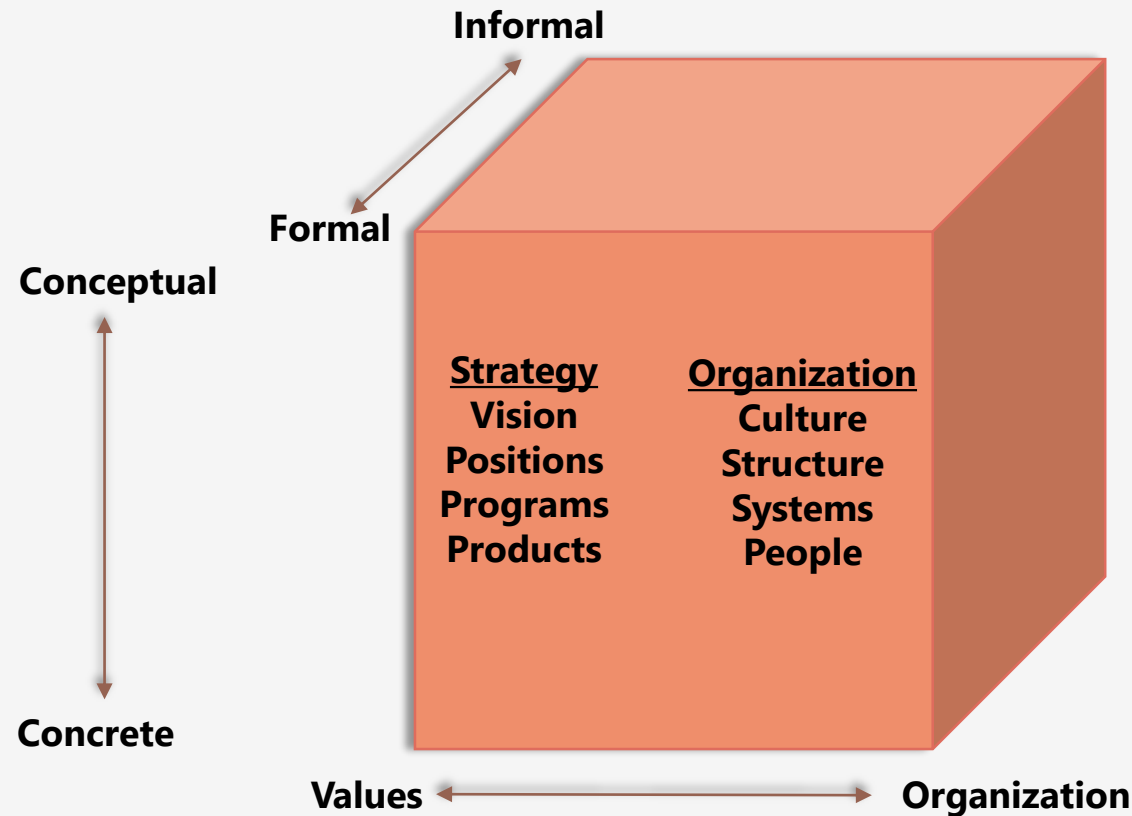


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### Corporate Leadership when change happens

*"Changing is inherently messy, confusing, loaded with unpredictability, and many times it is painful". Jick & Peiperl.*



**What is change in an organization?  
What can be changed in an organization?**

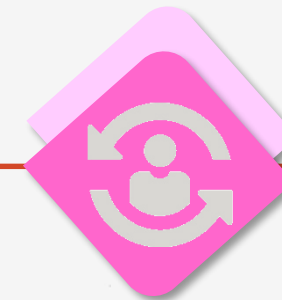
Source: Transforming Organizations, Mintzberg, Ahlstrand and Lampel. 1998.



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# Corporate Leadership when change happens



***There are three perspectives of change (according to Ackerman).***

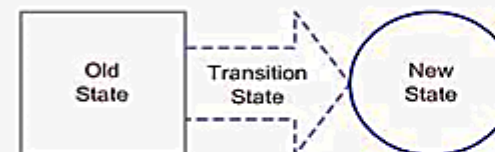
- Ackerman has provided a useful way of categorizing the most common types of change in organizations.
- Each of which varies in scope and depth.

### Developmental Change



Improvement of what is; new state is a prescribed enhancement of the old state.

### Transitional Change



Design and implementation of a desired new state that solves an old state problem; requires management of the transition process to dismantle the old state while putting in place the new state; managed timetable.

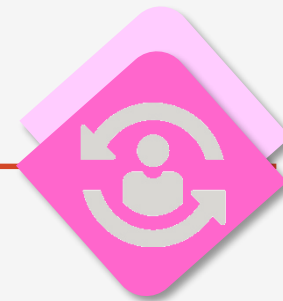
### Transformational Change



Market requirements force fundamental changes in strategy, operations, and worldview: (1) New state is unknown—it emerges from visioning, trial and error discovery, and learnings; (2) New state requires fundamental shift in mindset, organizing principles, behavior, and/or culture, as well as organizational changes, all designed to support new business directions. Critical mass of organization must operate from new mindset and behavior for transformation to succeed and new business model or direction to be sustained.



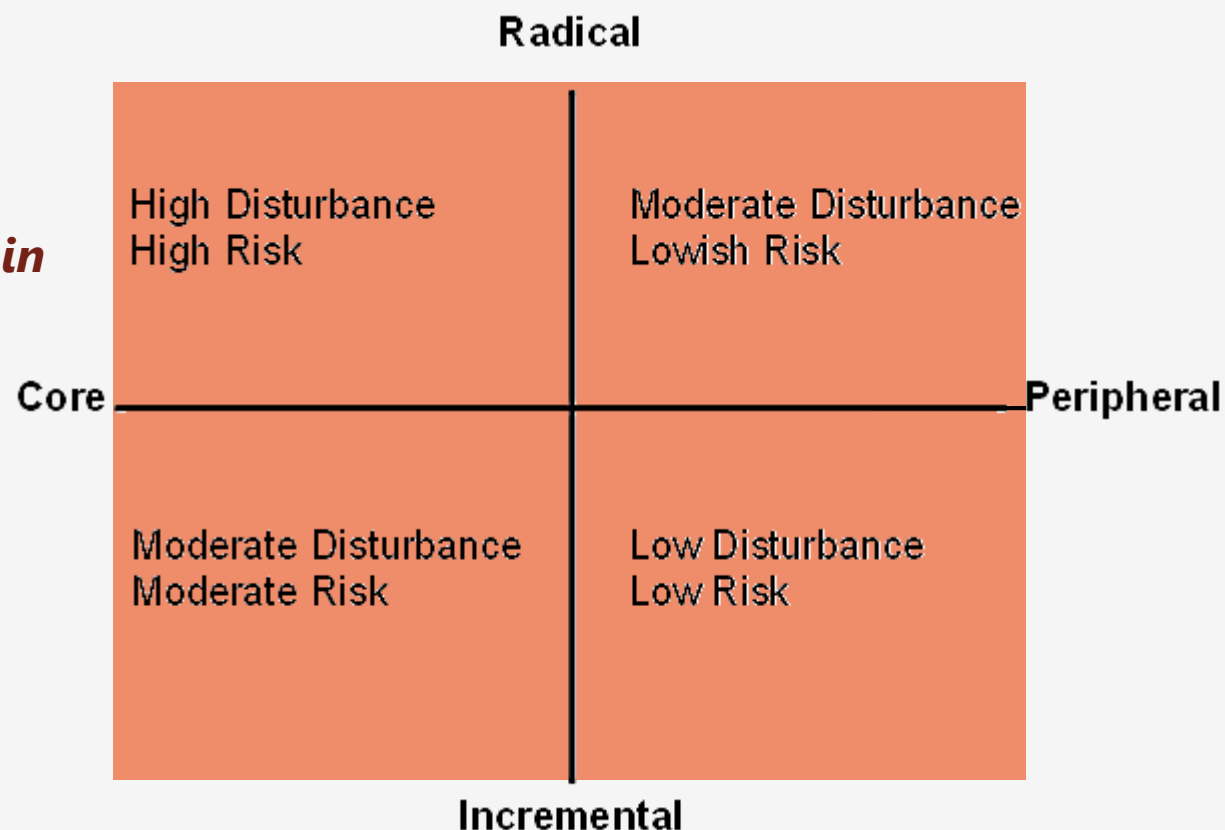
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*Other authors have a different approach in relation to how to categorize change (Pennington 2003)*

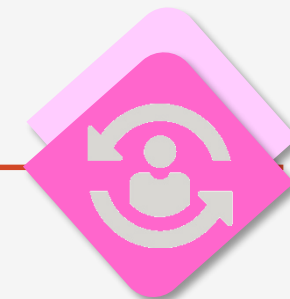
- Changes can be placed along two scales: **radical – incremental (Vertical Axis)** and **core – peripheral (Horizontal Axis)**
- The character of a proposed change can be plotted in each quadrant and we can sense how difficult the introduction of any particular initiative might be and how much disturbance to the status quo it might generate.



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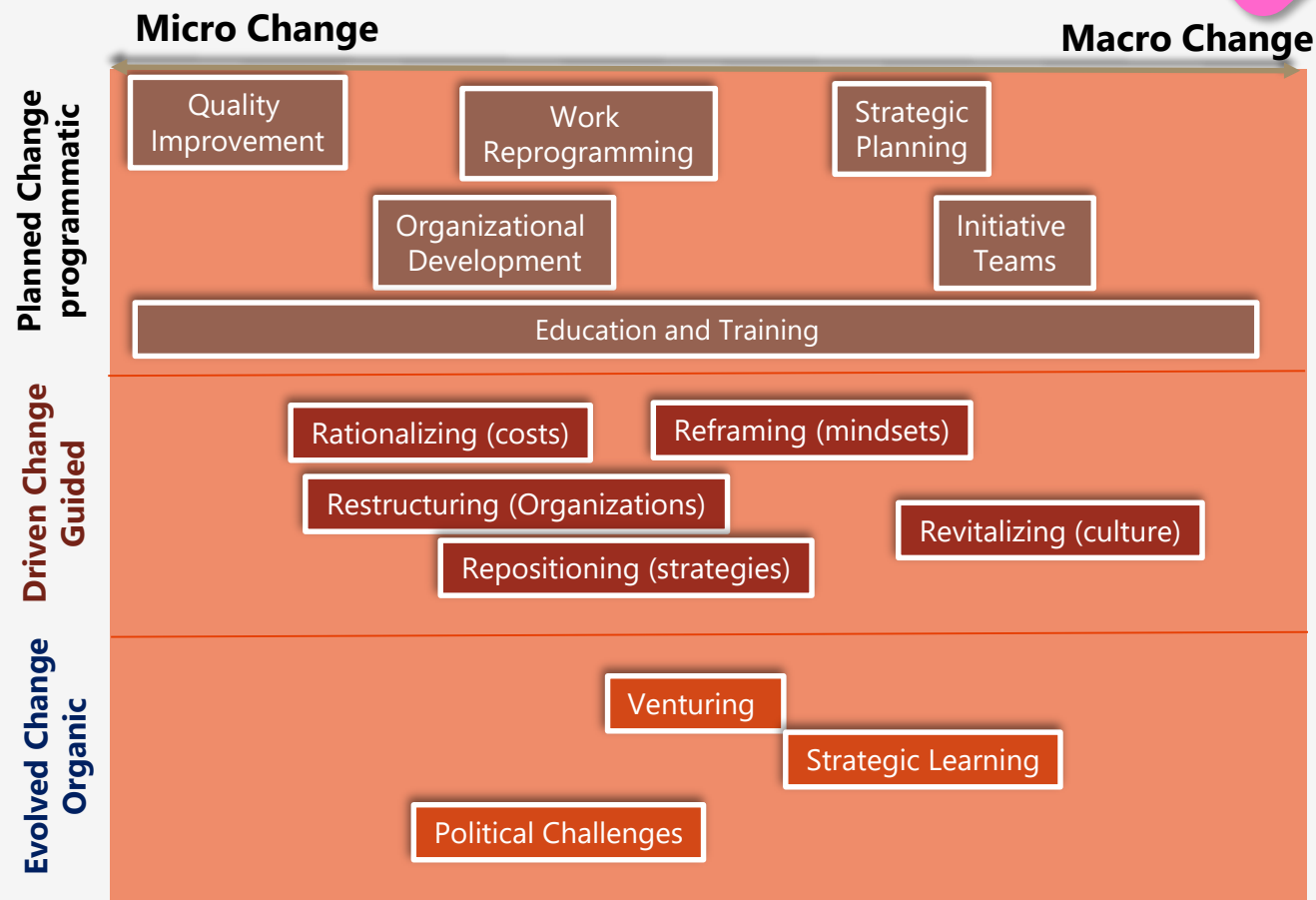


# Corporate Leadership when change happens



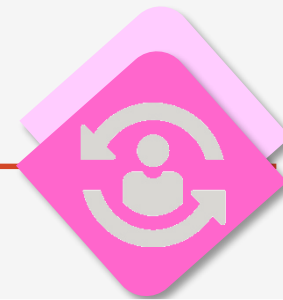
*Mintzberg, Ahlstrand and Lampel have done a mapping of change methods, in two axis too:*

- Changes can be placed along two scales: **Evolved change, Driven Change and Planned Change (Vertical Axis)** and **Micro Change-Macro Change (Horizontal Axis)**
- Micro change is focused on the concrete level of the change cube (return to slide 5) and Macro Change is often linked to a conceptual level.





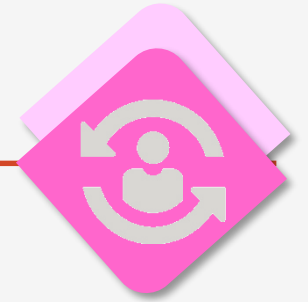
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### Corporate Leadership when change happens

Internal Forces of Change	External Sources of Change
Systemic Forces: System and interconnected subsystems changes result in organizational change	Political Forces: globalization, liberalization, protectionism, changing political scenarios-wars-upheavals of global politics
Inadequate existing administrative processes	Economic Forces: inflation or deflation rates, fluctuation of interest rates, economic recessions, changes in policies-tax structures, import-export duties, fluctuation of energy prices, financial stability, etc.
Individual-group Speculations	Technological Forces: Technological advancements and innovations in communication and computer
Structural Changes (strategy changes)	Governmental Forces: Deregulation, Foreign Exchange, Anti-trust Laws, Suspension Agreements, Protectionism, Diplomatic Relations
Changes in the technology	Competitive Pressures
People focused changes (competencies, talent planning strategies, replacement of employees, etc.)	Changes in the needs of preferences of consumers
Issues with Profitability and Lack of Resources	Industry Revolutions or Evolutions of the design of human being societies

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### Corporate Leadership when change happens



When things  
are going well



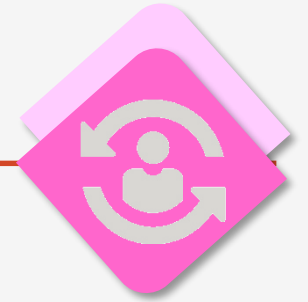
When results  
are mixed



When a full  
crisis is upon it



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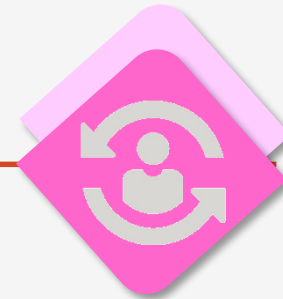


### Corporate Leadership when change happens

- The trigger for any corporate transformation is the pursuit of value.
- Many times we decide to pursue transformations or changes, without asking ourselves **why?**



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*Thank you!*

