

The Fearless Thinkers Podcast | Season 2, Episode 12
Revenue growth from first principles with Barbara Adey

Masami:

Welcome to Fearless Thinkers, the BTS podcast. My name is Masami Cookson, and our host is Rick Cheatham, head of marketing at BTS. On today's show, Rick sits down with Alex Amsden, Mallory Meyer, and Tom Gond. Alex Amsden is a senior director at BTS. She leads culture transformation for BTS globally, as well as strategic accounts in financial services, tech, and more.

Prior to BTS, Alex held corporate roles in the retail industry. Mallory Meyer is a director at BTS. She leads culture transformation for BTS in North America and specializes in organization wide change initiatives. She leads key work streams that help leaders shift mindsets. Build alignment and mobilize on shared goals.

Tom Gaunt is a senior director and head of change in transformation for B T S Europe, driven by curiosity, relationships, and a desire for constant refinement. Tom has spent over a decade helping people navigate the nuances of strategy implementation in an ever-changing market. Prior to B T s, Tom worked for other industry leading consulting firms.

Hey, Rick, how are you today?

Rick:

It's going really great, Masami! How about you?

Masami:

I just got back from a bachelorette party on Long Island. It was beautiful, we spent a day at the beach, and I got totally torched. Just so sunburned, probably the worst sunburn of my life. But, you know, here we are. I'm happy to be here talking to you.

Rick:

Oh, well, yeah, I have had those moments too many times, and I'm just like, I'll just put the sunscreen on later and later comes and I'm like, wow, that was a huge mistake.

Well, hey, today we are talking about culture transformation, which really seems to be on everybody's mind these days and what it takes to really build a high performing culture in today's environment. Let's dive in.

It's great to have a crowd here for once, Alex, Mallory, Tom, I welcome you all to the show.

So Alex, we just saw each other the other day in New York. What's been going on in your world? Well, Rick, I'm actually very excited because I'm finally taking my one year old to the beach this weekend.

Alex Amsden: So last year she was pretty much a lump at the beach and now she can play in the sand.

Rick Cheatham: That's awesome. Moving, moving out of the world of just unhappy sandy diapers and into the world of actually enjoying time out.
How about you, Tom?

Well, it's a little bit later here. I'm in London, so I've got that sort of Friday afternoon feeling. Thing I'm hoping is that my neighbor, who is a part time R& B DJ, isn't going to embark on a practice set in the room next door as we, uh, as we kick off the podcast.

Rick Cheatham: Or actually, it could possibly even just make us better, right? Yeah, like some background music for it. Little, little theme music.
How about you, Mallory? How's life in LA?

Life in LA is great. I'm similar to Alex, headed to the beach this weekend, albeit on a different coast. I am jealous, because I'm just continuing to sit under the broiler here in Austin.

Rick Cheatham: It's so great to have you all here, and I think we're talking about something that's really important. It's tired at this point to say that the rate of change has increased beyond most people's abilities to trust their judgment...
When people think about culture, they're still thinking about cultural shifts in a very traditional

way that may not be able to deliver the results that they need.

Alex Amsden: Repeatedly, our clients come to us and say, "We have a new strategy, we've shifted something, and there's still friction in the system that we can't exactly put our finger on, and oftentimes that friction is culture."

Rick Cheatham: Culture is a funny thing, because depending on who you're talking to, culture can be a relatively negative or loaded word. It can just mean like, "People smile when they look each other in the hallways," or it can be in-depth ways of working. What do we think about when we say this is the best definition of culture that we have?

Alex Amsden: How we define culture at BTS is: a set of deeply held organizational mindsets that shape who we are and how we do things.

Some important words in that sentence: deeply held, it's typically those instinctual things that outlive even people's tenure at the company. Organizational mindsets: you know, we can think of a mindset as the belief that drives behavior. And in this case, we see organizations have shared mindsets that are driving how they operate. Who we are is really, you know, the purpose of the company, the values, the identity. And then how we do things is the actions we take on a day to day basis, both as individuals, teams, collectively, and also the accepted practices that support them.

So, what we're doing in this definition is kind of breaking down those mindsets that drive who we are and how we do things so that we can actually start tackling those levers.

Rick Cheatham: I've always been so interested in the dual reality [of]: What do we cognitively know to be true? And what are our core beliefs that shape what we do when we're not thinking and we don't necessarily believe someone's watching? So many leaders can sit in a conference room and say, "Hey, this is how we treat each other," but if we don't shift those mindsets, it's not going to actually change anything."

Alex Amsden: That's right. And now that we're clear on what we mean by culture, the bigger question that our clients often have is, "Okay, what do we do about it?" And, you know, something we've found, we've gotten kind of obsessed about this at BTS, is that the traditional playbook of moves that people have used for years and years to tackle culture is really insufficient in today's world. So happy to share some of the learnings we've had, because I think there [are] some pitfalls that we see, and then some very, very uncommon sense moves that we think you should do instead.

Rick Cheatham: What are really good and well-intentioned people doing in their organizations that keep them from getting the results they want?

Tom Gaunt: The first pitfall we see, which is the challenge around treating symptoms rather than really identifying and tackling the root cause of a problem.

What we often see is that this is manifested in a couple of ways.

Firstly, when people describe culture, there's this tendency to take a really future-orientated perspective and approach there. So, asking questions like, What does our culture need to look like to support our strategy? Or: What kind of culture do we need to attract the best talent? You're perhaps orientating yourself too much around the future and forgetting where you are today.

And then the second point is around the tendency to talk in generalities, saying, Hey, we need a culture of collaboration, learning, innovation, or agility, [and] hiding a more complex reality, which then creates challenges as you move into the execution phase and try to actually shift culture and implement new ways of working.

Rick Cheatham: As I've led big change initiatives at sales organizations, I always challenged my leaders to [think about how] you can't tell people to do something that on some level you can't walk by their desk and see them do.

So, it's like, okay, go be innovative. How, when, and [in] what ways, in the context of my everyday?

Tom Gaunt: I like the way that you describe it. What does innovation mean in my role on a day-to-day basis – peeling back the onion to try to get to what is the root cause of a particular belief or a way of working.

Mallory Meyer: There's another pitfall that we see, and it's around aligning on where you want to go as an organization. And specifically, the pitfall we observe here in organizations is, culture is being defined in an ivory tower, most likely by the organization's most senior team being the executive team. This looks a little something like executives getting together in a conference room, defining what the aspirational culture should look like, and then looking to themselves and the company to activate it. But the challenge here is this fails to capture the cultural reality that's experienced across the organization by your people.

And so, the uncommon sense move that we think is critical is from the start, engage in optimal inclusion. And really, what this looks like is it engages your people more broadly as authors of the aspirational culture. And so you might be wondering, well, what does this actually look like? How do we put optimal inclusion into practice? And the goal of this is really to draw from a representative sample of your organization, or what we like to call a diagonal slice. It's really engaging people across various business units, functions, tenure, roles, levels, geographies – you name it – so you can begin to generate an understanding of the cultural nuances in place.

How that might show up is through things like focus groups, [or also] using existing meeting cadences on the calendar to pressure test ideas and gather input, both top down and bottom up.

Rick Cheatham: I'm glad you went ahead and looked at it head on because I think most people would immediately be like, well, for us to involve more, it just means more time. In reality, we're much more likely to get it right the first time if we're inclusive of multiple levels and perspectives.

Mallory Meyer: Absolutely. I mean, we recently worked with an organization in the span of two weeks. We were able to hear from hundreds of people across the organization and in our findings. We very quickly learned that some of the values the executive team was setting forth for the future didn't resonate

with this audience. It just creates this nice, open form of dialogue to get ahead of things.

Rick Cheatham: I would think it would be smart at that point to take those folks that, uh, participated in actually building the work and turn those people into our culture champions, for lack of a better way of saying it, to really lead the organization to the next step in the change.

Mallory Meyer: Generally, I would say no, um, that wouldn't be the best next step. And the reason for this is, it actually ties to another pitfall we see, and that's organizations relying on individuals or volunteer champions to focus on driving the change. And the challenge here in enlisting an army of champion volunteers to own culture changes You're focusing oftentimes as an organization, more so on individual development efforts for the rest of the organization.

In times of change, people look to those they know and trust. If I, as an employee, am not seeing someone I know and trust in that change champion community, I'm ultimately going to be more resistant towards it. The uncommon sense that we believe is critical here is to tap into the social capital of groups and credible influencers within your organization.

Change and culture change is ultimately a social endeavor. Research emphasizes that effective culture change actually happens in groups because group norms and organizational mindsets and team behaviors.

Tom Gaunt: Linking back to the ivory tower piece as well, it's kind of interesting to compare corporate culture to, you know, national or popular culture, right? And you would never think, hey, in the United States or in the UK, culture is going to be defined in the White House or the Houses of Parliament. But rather, it's created by influencers, right? By tastemakers. There are all these different kind of dynamics by which culture is created. Our challenge as consultants working with a diverse range of organizations is to tap into each organization's idiosyncrasies to understand, how is culture formed

in these organizations? Who are the quote unquote influencers who – maybe not by virtue of their formal role, but through their tenure or through their influence – are actually having a huge role to play in terms of forming and maintaining different aspects of culture.

Rick Cheatham: There's so much research supporting the reality that I will comply if my boss tells me. I will act if I believe it and or my friends slash coworkers are depending on me. There's a huge difference between compliance and involuntary action.

I know just from looking at your work that the best next place to look is, how do we deal with resistance in the system? Not everybody's going to say, Oh yeah, now I'm happy to stop doing things the way I used to and do them completely different. I've only been doing it this way 20 years, what could possibly go wrong?

Tom Gaunt: You lead us really nicely onto the fourth pitfall that we've identified, which is about working against rather than with resistance. What resistance represents is in fact a source of data that can really help us. The reality is that resistance is always going to exist, right? And so if we don't address it, if we don't incorporate an understanding of that resistance up front, there's a risk that it festers, that it calcifies over time.

So what we see is that there's an alternative path. The first is to treat resistance as engagement, to use this as an opportunity to understand what do people really feel is at risk or what is it that they're trying to protect. Think about being a sort of skilled martial artist, you know, working with the resistance and power of others and ultimately using that energy in order to refine our approach.

There's one tool super helpful here, the idea of the pre-mortem, that you imagine yourself in the future, imagine that a new initiative or strategy has completely failed, and then you use that false experiment to think about all of the things that could possibly have gone wrong. But then, critically, that provides an opportunity to co create mitigation and minimization strategies.

Rick Cheatham: As I'm hearing you talking about looking at even resistance as engagement, that's

actually a lot better than people just being silent and not doing.

Tom Gaunt:

If you were to imagine standing on stage, outlining a new approach/direction for the organization and what you hear is rather than, you know, insightful questions and concerns, just tumbleweed, silence, crickets in the background – you've got no sense of how that message is being received. And there's also always that risk that people have just switched off, right? That they don't care.

Rick Cheatham:

Continuing to kind of move through the journey of implementing culture change here. What's next?

Alex Amsden:

What we're talking about now is actually... Shifting the culture, right? We've defined it, and now we're really focusing on shifting it. **And the amount of time you need to spend truly shifting the culture is much larger than you need to spend on defining that future state. You know, some of the pitfalls we've been sharing, it's like, here's a magical solution and it sounds easy, but the fact of the matter is [that] it does take a lot of time and a lot of effort to truly shift the culture, and it requires dedicated focus.**

One other pitfall we see is over-indexing on one change lever; we see two camps in this case. One is, let's implement a new process or system or org structure, and the culture will follow. The other one is focusing on shifting individual mindsets and behaviors without actually the supporting structures and processes in place.

Both of those only address one side of the coin, and what we know to be true is that it's important that you address three things at the same time. So one is the operating habits that are going to signal something's different or uphold the old thing in place. So, how we're conducting meetings; the questions we typically ask in quarterly business reviews – what is expected that people bring to those meetings? The next one is the behaviors in that moment that are either going to, you know, support the new thing you are trying to drive, or support and reinforce the old behavior you no longer want to see. And then the third one, the structures or processes in place along with it.

How do you tackle all three at the same time? A great example is Agile implementation. We see a lot of organizations who are moving to an agile

structure, you know, the towns and the pods, and they notice that they're not getting the intended results. And the reason for that is they haven't actually addressed the mindsets and behaviors that go along with supporting that new way of operating. Why do we need Agile? What's the end goal with our customers? And also, what is different for us as leaders...? (For example, as a leader in an Agile model, I no longer tell my team what to do. My job is to empower them to make the decision and remove barriers.)

Rick Cheatham: Culture shifts take a systems approach, if I'm understanding you correctly.

Alex Amsden: Yeah, absolutely. Important caveat to the systems approach – it really brings us to our final pitfall, which may be the most important. So, Tom, uh, tell us about the, the final pitfall.

Tom Gaunt: The final pitfall – which I like to call after the movie *Everything, Everywhere, All at Once* – it speaks to this tendency to try to do too much at the same time, and that really creates a risk of overwhelming the organization. The key word here is intentionality and thinking about how we can identify opportunities to prioritize practice and iterate because culture is a massive topic.

We've explored all of the different ways in which culture is manifested and sustained. And I think the challenge therefore is to think about how you can break culture into smaller pieces and then focus on the moves which will deliver an outsized impact and view cultural transformation as a process – one that is about evolution, learning, and changing as we continue that approach.

You mentioned a particular client example; what you're alluding to is the work that we've been doing recently around this topic of culture sprints.

We were working with one large global organization, and as part of their culture shift in support of a new strategy, they defined the opportunity to be more dynamic in terms of ways of working, and obviously, that's a pretty high-level concept. What they've been able to do, though, thinking about that that first pitfall of really getting to the root cause is identify the habits, the ways of working in the organization, that were really acting as a

barrier to being more dynamic. And one of them, which won't be a surprise to anybody listening, existed in the form of meetings. So they recognized that meetings in this organization involved inviting too many people. They often lacked a clear agenda, and they perpetuated slow decision making. They perpetuated a tendency towards a consensus-driven culture that [was] ultimately acting as barriers to this desire to be more dynamic.

Employing this concept of a culture sprint, we got thousands of people over an eight-week period to practice a new approach to meetings, which interestingly then resulted in less time spent in meetings, fewer attendees, and also an increase in the effectiveness of decision making as well. And what was interesting is getting lots of people to do the same thing at the same time, but in a really focused way, helped to reach that sort of tipping point of change that can really, therefore, lead to sustainable culture change.

There's a piece of research that suggests that to reach this, uh, tipping point of sustainable change, you need to engage around 7 to 10 percent of the target population while also ensuring diverse representation. So you can imagine, therefore, that the approach you need to take is a very targeted one that doesn't take a huge amount of people's time, but [rather focuses] on simple things that people can execute together at scale.

Rick Cheatham: The challenge for all of us as leaders would then just be to really focus on those things initially that will have that outsized impact not only to the business, but also potentially to the – for lack of a better way of saying it – quality of life for the team members.

Tom Gaunt: How do you merge those two perspectives of what's the strategic imperatives of the organization, and then what's the day-to-day reality of an employee? And I think if we can reach that sweet spot, perhaps, easier said than done, that's really the magic in the culture change equation.

Rick Cheatham: As I tend to kind of in this moment in the show, I always think about so many members of our audience out there who want to affect good and lasting change in their organizations, but maybe don't have the power. What's your best advice for those folks?

Alex Amsden: Depends a little bit on where you sit in the organization.

So, if we're talking about mid-level to senior level leaders, focus on one thing that you can do repeatedly, consistently, that's going to uphold that culture that you want, that's going to send a visible signal in the organization that something's different. Could be asking a different question every time you come into a meeting.

Mallory Meyer: If you're sitting elsewhere in the organization, perhaps as an individual contributor, where the efforts should be focused at that level, is getting curious about what's going on in the organization. Ask questions, don't focus on solutions, but spend time understanding the root cause of what's happening today and what might be required to shift it.

Tom Gaunt: I think the most senior leaders in an organization play a crucial role in embodying the culture and acting as stewards. The Achilles heel in culture change efforts is when there's a gap between actions and words at the senior leader level.

Rick Cheatham: Thank you for the time today. Gosh, those of you who listen to the podcast consistently will notice that this one's about twice as long as they usually are, uh, but I think it is well worth it. So to our listeners, thanks for sticking it in. And, of course, Mallory, Alex, and Tom, thank you so much for your time and insights.
