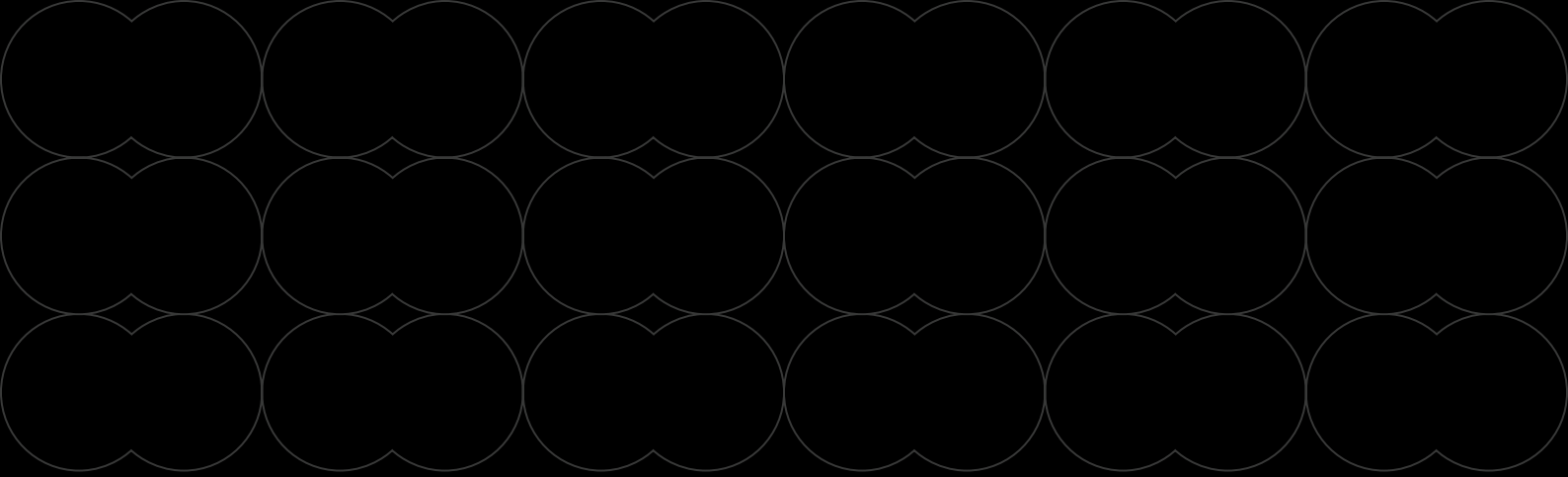


L&D and the power of change

CHANGE
CHANGE
CHANGE
CHANGE
CHANGE
CHANGE
CHANGE



The importance of L&D is too often underestimated – incorrectly viewed as an order-taker for training needs or a cost center that struggles to prove its value to the business. But the reality is that handled correctly, an L&D team can completely transform a company. They have a superpower – the gift of education and continual evolution.

A good L&D leader has an overview of the whole business, a perspective that enables them to see the forest through the trees. With the right support, they can provide the kind of strategic focus that will help companies align their goals across the organization, retain staff, and most importantly, set themselves up for future prosperity.

Read on, and you'll find a fresh perspective, a new way of thinking, and a new lens to filter your business through. If you're considering change, and particularly if you work in L&D, you've come to the right place.





Contents

Introduction	4
A new look at the old way of doing things	
1. The challenges with how we perform today	5
Self-reflection: Do you need to change?	
2. Doing it better	7
The rise of the knowledge worker	
3. Rules of thumb	8
Where our rules of thumb originated	
4. The iron triangle	9
Time, scope, cost	
Breaking the triangle	
Self-reflection activity: Is delivering learning more expensive than it should be?	
5. Value, Flow, Quality	12
The three new guiding principles	
Self-reflection activity: Why should you want to change?	
Using VFQ to change	
6. Conclusion	14



Introduction

A new look at the old way of doing things

Our organizations exist at a time when the ability to change is more essential than ever. Think of the way most initiatives are run. We often work to lengthy plans, which risk being redundant before they're even launched.

We organize in ways we believe have worked in the past. We make decisions based on assumptions and huge amounts of subjectivity. At a time when our businesses are drowning in data, our challenge is not the availability of data, but rather how we use it in our decision-making. Often it requires our intuitive, automatic response side to be replaced by a more deliberate set of processes to make rational decisions.

Leaders commonly focus on the constraints of delivering on time, on budget, and within scope. We aim to focus on value, but where value is poorly defined, and the skills for optimizing value are lacking, leaders will default to budget and time as their measures. And this constrains the ability of the organization to focus on the most valuable things and the most effective ways of working. So how do we get there? By changing our focus.

The challenges with how we perform today

If you talk to any business leader – no matter how diverse their business – you’ll find that they all have very similar fears and ambitions to succeed. They’re all too aware that in order to achieve their goals, they must work smart and fast. The problem is that we often think we’re doing all the right things to achieve our goals when in reality, we’re stuck in a redundant mindset and an outdated system of work.

Remaining competitive

The choices for customers are increasing and changing every year, and these changes aren’t always like-for-like. So, the key challenge for businesses is accurately predicting which products and services will win over their customers.

If we want to remain competitive in an evolving marketplace, it’s imperative to assess and adopt new strategies that help us engage with our customers. And also align our internal processes to adapt to the strategic goals of the business. No one department can do this alone. Countless minds from countless departments power any business – and how well they work together will determine success.

Lacking in innovation

All of the great management thinkers stress that innovation is the engine that keeps businesses running. Without it, we die. Yet for some reason, many of our initiatives are run in a way that removes the necessary conditions that allow us to collaborate and innovate. Innovation doesn’t just happen. Nor does it happen if you’re hived off in an isolated ‘creative lab’.

“ Countless minds from countless departments power any business – and how well they work together will determine success. ”

Multiple failures

Within current organizational constructs that are built around a certainty mindset, failure is simply not tolerated. Rather than making them visible so that we can learn from them, we tend to sweep them under the carpet to avoid embarrassment and retribution. Indeed, if most of us examined our career history, we'd have to admit that there are more failed projects scattered along the way than we'd like.

Among these misfortunates are some of the biggest names in business – names with significant financial backing and a competent workforce, yet whose innovations at some point failed dramatically. Famous examples include Coca-Cola's launch of 'new Coke'. In 1985 the world's most popular soda launched a 'new' version, only to receive 40,000 angry letters and infinite phone calls in protest. Underestimating their customers' sentimental attachment to the soda, Coca-Cola was forced to bring back Coca-Cola 'classic' within three months of the launch date.

Remember Ford's 1958 'Edsel' car? It was one of the most hyped marketing efforts of its time, and had the public eagerly anticipating the grand unveiling. The result was underwhelming to say the least. Every feature was slated – from its name to its poor-quality workmanship. Ford sold only 64,000 units and made a loss of \$250 million in 1958, comparable to a massive \$2.6 billion today.

We all want to avoid making mistakes. We're determined not to be seen as slow, expensive, and unreliable, so we spend a lot of time trying to think of solutions. In an attempt to control being slow, we estimate how long things will take us in great detail. We create schedules, deadlines, and motivate everyone with a series of measures. We do the same to control cost, and we try to control risk by creating detailed plans, signing off on scope in advance, and locking down ideas to ensure we're not destabilized by last-minute changes.

Does any of that sound familiar? It's the way we've learned to tackle problems. After years of seeing this scenario play out over and over again, it's clear that our perseverance and planning alone are not enough.



SELF-REFLECTION ACTIVITY

Do you need change?

We suggest doing this activity first on your own. Then ask a couple of colleagues from your team to do it, and get together to compare and discuss your answers.

Is the process of delivering new learning opportunities slower than it should be? Think of a few examples, from simple asks to bigger, more complex projects. How do you measure them? Are you working to a launch date, or do you measure enrollments within a given time frame?

Who is your key stakeholder? Do you know how fast they want it and why? Do you know the problem they're trying to solve? Or the results they expect to see? Find someone and ask them exactly when they needed the learning delivered, when they actually got it, and, if there's a disparity between the two dates, what the consequences of that were. If you can, try to quantify this difference. Ask what might have been different had the learning arrived earlier. Such questions can be a helpful way to emphasize the value of speed, or the cost of delay.

Doing it better

In 1959, Peter Drucker, the father of modern management stated that:

“ The most valuable asset of a 21st century institution, whether business or non-business, will be its knowledge workers and their productivity. ”

The rise of the knowledge worker

Say you work as a magazine publisher, and you come across a change method that appears to focus on a software development environment, it's likely that you'll stop reading up on it. It's logical to want to focus on teachings around your area of work and expertise. But it also means you might reduce your chances of finding the process that works best for your organization. We need to realize that we all have the same traits, and so a method we apply to one field can be reframed to suit another.

The theory of Human Interaction Management states that there are five principles characterizing effective knowledge work:

- Build effective teams
- Communicate in a structured way
- Share and maintain knowledge
- Align your time with strategic goals
- Negotiate next steps as you work

Anything from product development, to writing a play, to developing training programs all constitute knowledge work.

As knowledge workers, we bring benefits to organizations in numerous ways. We create and modify strategies, we assess input to evaluate complex or conflicting priorities. We have the ability to think both convergently and divergently. We understand cause and effect – the key to solving problems. But while these are all rich assets, the overarching value we derive from knowledge work is in the relationships that are formed, and the ideas that are inspired through communication and collaboration.

Projects are created as a way to develop ideas into parts that are useful to our business, and they in turn create inherent knowledge-working environments. However, they may not be the best vehicles for transforming great ideas into value, as the complexity of these environments increases with every new project and person that comes into it.

Rules of thumb

Some of the 'rules of thumb' that we use include:

- Minimizing cost is good
- Focus on efficiency
- When the goal is important enough, there's always a way of making it happen
- People who say 'something can't be done' aren't thinking creatively
- If the customer needs something, then it must be done
- The best way to minimize risk is to create controls and processes
- A standard process makes things easier and more efficient

Where our rules of thumb originated

If rules of thumb didn't work, they wouldn't exist. We use them because we have real experience of them working. However, the end product can often differ away from the environments where they were developed, so they might have unintended consequences – like a manager devoted to efficiency who causes delays, or a focus on driving down costs that impacts our ability to deliver value.

Many of our modern methods come from the same methods that helped power the industrial revolution and mass production. It's hard to appreciate how brilliantly creative these ideas were at the time. Frederick Taylor's Scientific Management Theory is an example you may be familiar with. Before mass production, most complicated goods required craftsmen to make them, which was expensive

and time consuming. A master hand weaver could weave two pieces of 24-yard (about 22 meters) long cloth per week, but a steam loom weaver could weave seven similar pieces during that same week. And crucially, two steam looms could be worked by a single unskilled worker. The quality improved, it became more reliable, and it wasn't dependent on the individual skill of the weaver anymore. The cost of cloth fell dramatically and much more could be produced, which created a global industry with major benefits.

However, today's markets and workplaces are not the same as early 20th century manufacturing or other repetitive production industries. In fact, they're very different:

Manufacturing

Output of tasks is repetitive

Output of tasks is predictable

Requirements are fixed

Work is bounded

Inventory is visible

Complicated

Knowledge work

Output of tasks is unique

Output of tasks is unpredictable

Requirements evolve

Work is unbounded

Inventory is invisible

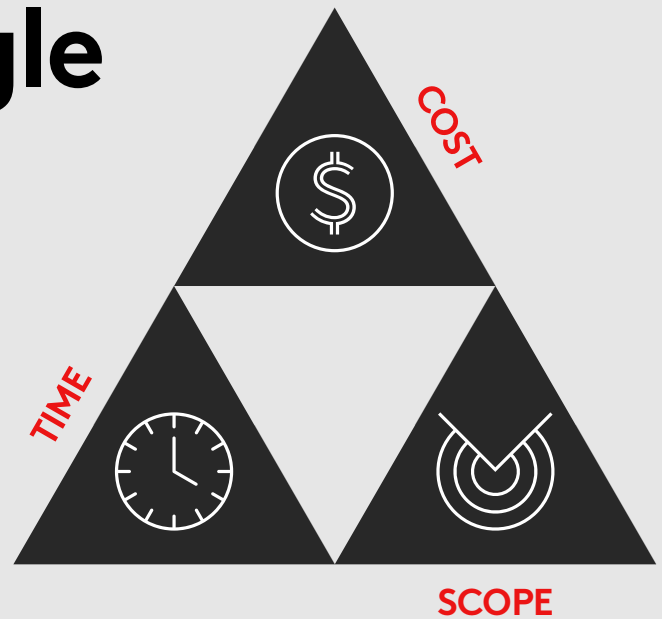
Complex

Of course, the process of manufacturing has continued to evolve in response to constant change in market demands. Even with our customer's increasing desires, the fact remains that production systems are essentially repetitive, and have a scope with clear sets of parameters. Unfortunately, the process of bringing ideas to life doesn't have the same level of repetition or bounding of scope. It's much more uncertain than that.

The iron triangle

Time, scope, cost

In this section, we'll look at the macro problem of how projects are typically managed, and the impact of attempting to manage the iron triangle – or the 'triple constraint' – of project management.



From architects to filmmakers, all design projects struggle with the same issue. In every case, where cost, time and scope are fixed, the area that's squeezed is the space in the middle of the triangle – quality. In any case, constraints often turn out to be not as securely fixed as they made out. Numerous projects do go over budget and over schedule, producing disappointing functionality of poor quality (of course, there are also projects that still manage deliver value despite time and cost overruns). And yet, rather than accepting that the model is broken, organization after organization seems to believe that if they simply fix the deadline, budget, and requirements more firmly and in greater detail, then this time it will be different. Time and again, they're proved wrong.

Generally speaking, knowledge work is poorly suited to having these three elements fixed in advance. Making your scope too rigid ignores the fact that in any truly innovative project, it's almost impossible to know in advance what will be useful or successful. And if scope can't be fixed, then estimates of time and cost become equally uncertain too.

This doesn't mean we are suggesting you should ignore them. Not knowing how much something will cost isn't the same as suggesting money should be unlimited. Not knowing how long something will take in advance doesn't mean we can just keep going forever. The trick is to set the constraints in a different way – to break the iron triangle, and achieve better results along the way.

Breaking the triangle

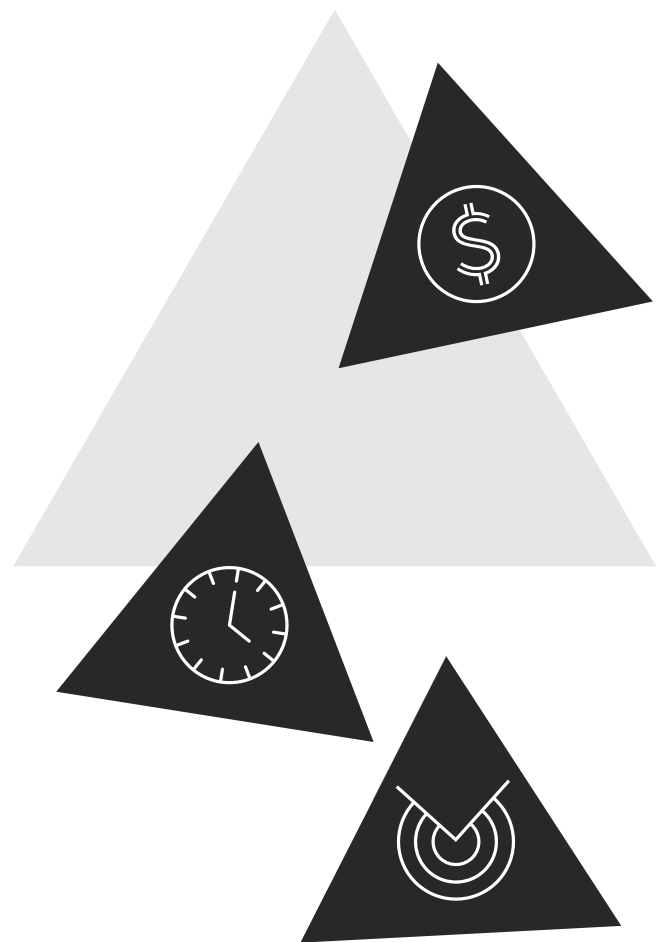
Focusing on cost obscures value

Do you give to charity? If so, do you donate a set amount of money by direct debit, or do you prefer to pop money into a collecting tin? There was an enormous furor a few years ago when it transpired that people on the streets asking for donations weren't volunteers, but were employees, paid by the number of gifts they signed up. These paid fundraisers gained far more donations than volunteers with collecting tins. Charities justified the higher costs because of the increased value they received. We understand the logic, and yet in many organizations, a short-term focus on cost blinds us to value.

Even worse, a focus on cost can actually make us more expensive. How often have you worked on a project with a 'contingency' fund? It's designed to take care of all the little unforeseen expenses that can crop up. Now think about how often that contingency was used up - we're willing to bet it was more often than not!

Of course, there are various points at which cash flow becomes a constraint, or at which our 'value' estimate is so speculative that we're unwilling to commit much cost to realize it. But in general, the new guiding principle we need to substitute is:

DELIVER VALUE EARLY AND OFTEN



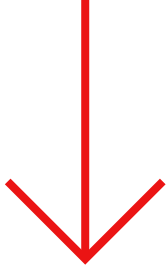
SELF-REFLECTION ACTIVITY

Is delivering learning more expensive than it should be?

Sit down with someone who oversees a learning program. Work together to come up with a figure for how much it boosts or protects revenue. If this is still difficult, think about how much it would cost to deliver the same value by another means, like a manual workaround, or a third party. Sometimes it's worth investigating a couple of projects - one a trumpeted success, the other acknowledged as a failure. Try to look up the original business plan and assumptions before comparing them with the reality. What costs were projected? What actually happened?

How much of your budget is devoted to 'keeping the lights on' - the part that might be seen as the cost of doing business?

The truth is that few organizations are good at establishing how much value they deliver from their departments. Naturally, this makes it easier to focus on the most concrete figure - how much it costs. Quantifying the benefits in order to justify expenditure is an essential part of our business.



Focusing on time makes us slower

We're very used to deadlines and schedules – delivering 'on time' is a measure that most of us have used in our work. But what does 'on time' actually mean? Who created the deadline? What happens if we miss it? And if missing it has consequences, what do we do in order to hit the deadline?

If you've ever been asked to provide an estimate for anything, then you'll recognize the answer. In order to guarantee a delivery date, we add a certain amount of contingency. In other words, we 'pad' our estimates. And this padding tends to get used – not on unexpected emergencies, but on low value activities. This is partly because we often set up our processes so that there's little benefit in going faster than the estimate. Even if there is a very real commercial benefit in being early, we're often unable to take advantage of it. The surprising truth is that our internal rule of thumb of 'we must deliver on time' leads to a counter-productive reality – that a focus on delivering on time actually makes us slower.

So, the new guiding principle is:

OPTIMIZE THE FLOW OF WORK END TO END



Focusing on scope increases waste and risk

Just as with the other two rules of thumb, this feels thoroughly counterintuitive. Everything in normal life tells us that we ought to focus on scope as a way of avoiding waste and risk. If you were having a suit custom-made, you wouldn't tell the tailor 'do whatever you want'. You'd tell him what color you liked, what material, what style you want. Otherwise, there's a risk the tailor might produce a huge, baggy orange clown suit, which you'd reject – a hugely wasteful proceeding. So, it seems to make sense that in creative knowledge work, you set up what you want the project to deliver in advance, and then measure how well the project performs against those requirements.

The problem is that the rule of thumb makes sense only as long as we know what we want right from the start. If we don't, then the logic falls apart.

However, as people, we tend to not know exactly what we want, we find it hard to communicate what we envisage, and we often change our minds. Because of this, we try to do lots of work up-front to pin down exactly what we want. This work represents both time and money – and being that things are still quite likely to change, it's often pure waste. Plus, the more time and money invested, the more the risk of it being wrong increases. And while getting it wrong when you've spent \$50 isn't too worrying, it's a different story when you've spent \$50,000.

So rather than pretending to know what we want in advance, we need to focus on quality, which we can define as 'the right thing'. We can't know what the right thing is in advance, it's something we find out as we work, through feedback. Thus, we break the final constraint with a new all-important guiding principle:

DISCOVER QUALITY WITH FAST FEEDBACK

Value, Flow, Quality

The three new guiding principles

The three we've explored above are:

- Deliver value early and often
- Optimize the flow of work end to end
- Discover quality with fast feedback

These guiding principles are designed to result in the outcomes of increased value, improved flow and enhanced quality. That's the rationale, quite simply, behind our guiding principles: Value, Flow, Quality.

Or, because we're an industry that loves acronyms:



SELF-REFLECTION ACTIVITY

Why should you want to change?

You can do this activity by yourself, or you can discuss it in a group. We're going to take you through some steps to think about in terms of your own company. First, consider the example below.

Public libraries have existed for centuries as a place where people can search for information. This is their 'job-to-be-done' – making information available to access or borrow. The Internet (which introduced Amazon and many others to the world) came along and created radically different ways of doing this, eliminating the need for people to leave their homes. This progressed to entire books becoming available digitally, meaning that students would no longer need to carry a heavy stack to university each day, nor would they have to spend the extra time going back and forth to the library – returning them within a time limit. Extracting information from the Internet was much easier, it required a simple copy and paste. As such, it's been acknowledged that libraries need to improve their services if they want to compete with the Internet. Libraries have already attempted to leverage their services by providing more computers with Internet access, and it's been suggested that staff be trained to be more IT literate. To be successful, these services must be financially supported, which is problematic if libraries are publicly funded. However, their survival could rely on this.

1. For your own organization, consider what your 'job-to-be-done' is. There may be more than one, so list them out and discuss them with your colleagues. It isn't always as easy or straightforward as you think.
2. Now look at the competitive landscape of your industry – who are your direct competitors? Who supplies services to you, and which companies do you provide services to? Could they move into your space? What other substitutes exist that deliver same 'job-to-be-done' as you? Who are the new entrants or the disruptors?
3. Look at the external influences that might create an opportunity for disruption. Examine and discuss the political, environmental, social and technological changes that might affect your organization. This is known as a PEST analysis.
4. Finally, consider what your organization is good at. What could you do better? What needs to change to be ready to capitalize on the changes you see and the ever-changing market landscape?

How do you see these things impacting you?
Are there aspects here that excite you?



VFQ

Using VFQ to change

Let's imagine that having read this eBook, it becomes clear to you that your organization needs to change.

On Monday morning you gather everyone together. 'We're managing our learning programs badly,' you declare. 'I have lots of ideas about how to do things better!'

What happens?

1. The crowd erupts into prolonged cheers and applause.
2. A stunned silence while the executives weep gratefully into their coffee mugs.
3. Everyone makes a face that suggests you should have taken a longer shower this morning, and politely pretends not to have heard.

We're willing to bet #1 isn't your answer.

Beliefs are tough to shake, not least because an interconnected system of great complexity – your organization, or any organization for that matter – has been built up on the 'rules of thumb' that you're trying to replace with thoroughly counterintuitive arguments.

Flow is all about interconnectivity. Your organization functions as it is. If you change just one part of it, it's likely to function less well. Your change will be instantly undone, branded a failure, and the status quo resumed. There may be many different entrenched systems working against your change. Bonuses, metrics or other types of motivation may promote individual rather than team goals, or departmental rather than organizational success. Other processes may have built strong dependencies on things being done a certain way – changing your own part of the process might cause serious upheaval in how they want to work.

No doubt, change is hard.

You'll need to persuade others – not just your immediate team, but a broad range of people across the business. You'll have to make small changes, learn from failures and publicize successes. We know that it's about more than having a good theory, and that slavishly following a process can backfire. But you need to test out what we're saying. You need to prove that the ideas really work. You need to be able to collaborate and demonstrate success.

The good news is that companies do improve, and culture does shift. Change is hard, but people and companies do it every single day. Let's get started.

Conclusion

The working world has changed over the last few years. The pandemic and how companies reacted to a global crisis emphasized what some of us already knew – that change is inevitable. The key is to have a workforce that's primed and agile enough to handle any shifts in the landscape. This requires being ready to change, being willing to change, and it means having the right infrastructure in place to embrace change.

With the right mindset, and with L&D playing a key role in steering the ship, you can be aligned on your goals within the organization and hungry for whatever comes next.

Ready to explore new ways of working?

Emergn's mission is to improve the way people and companies work. Forever.

To do this, we provide work-based education that creates the right skills and capabilities to transform organizations, making a difference immediately for your teams and your business.

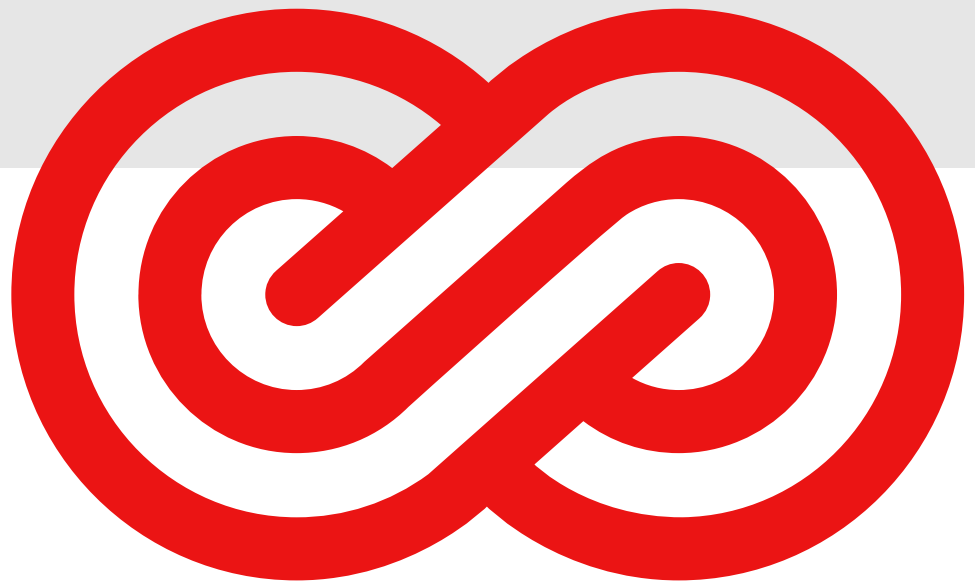
[Learn more](#) →

About Emergn

Emergn is a global digital business services firm with a mission to improve the way people and companies work. Forever. Emergn helps some of the world's most respected businesses – including Fortune 500, FTSE 100, and Global 2000 companies – develop their most promising ideas into valuable digital products and customer experiences, faster. Emergn's experts work with clients to transform their business in three ways:

1. Helping to better define their thinking, including shaping their product organization and clarifying and communicating their product strategy.
2. Developing their people by delivering exemplary training in product management, modern ways of working, and leadership.
3. Delivering their outcomes by building customer-centric products and customer experiences.

Emergn has invested more than a decade in perfecting a game-changing approach to change – Value, Flow, Quality (or VFQ for short) – combining the best of Agile, Lean, design thinking and systems thinking. It's not just another methodology, and instead takes investments clients have made in new ways of working and turns them into tangible results. This unique approach has been built to support enterprise-scale change and consists of the latest models, techniques, and tools for delivering work in an agile and effective way. Emergn has a strong presence in over a dozen countries, with its US headquarters in Boston and EMEA headquarters in London. For more information, visit Emergn's [website](#) and follow Emergn on [LinkedIn](#) and [Twitter](#).



US
190 High St, Floor 4,
Boston,
MA 02110
+1 617 482 0830

UK
Clerks Court,
18-20 Farringdon Lane,
London, EC1R 3AU
+44 808 189 2043

info@emergn.com

emergn.com

