

## Re-vitalisation your S-curve before it is too late!!!!!!!!!!

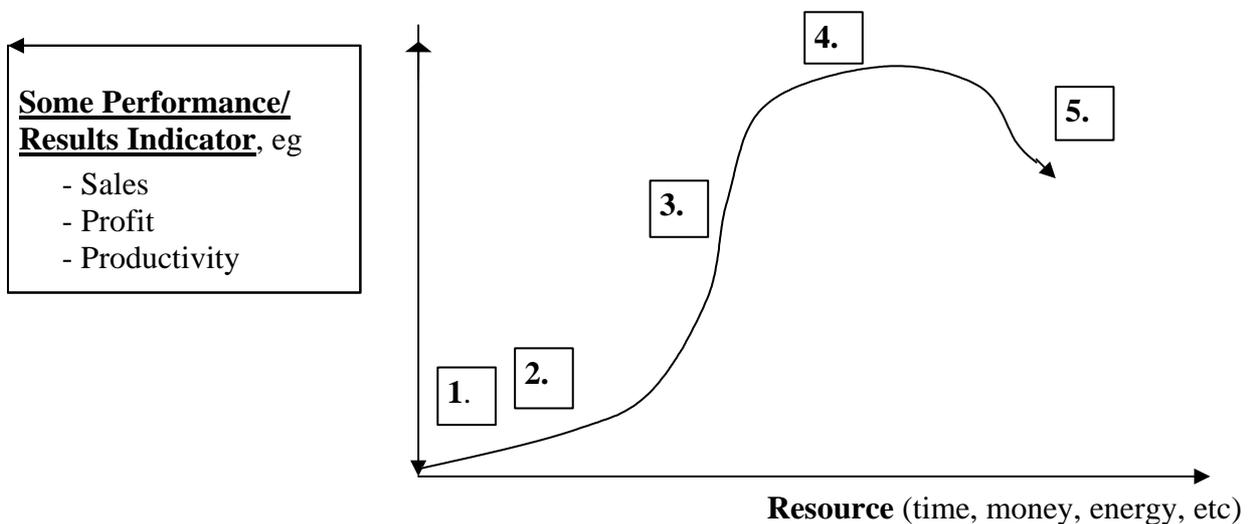
Currently, good examples of the S-curve concept are the Australian political parties trying to re-vitalise themselves before the imminent Federal election.

The S-curve is one of the main reasons why organisations/products/services, etc need to regularly change and/or revitalize and/or re-invent themselves; the others main reasons include:

- i) organisation is out of step with changing environment, eg stakeholders, markets, etc
- ii) emerging opportunities to enhance the organisation's strategic intent, eg takeover, merger, alliance, acquisition, etc
- iii) desire to strengthen core competencies, ie what your organisation does best
- iv) opportunities to expand core competencies, ie diversify, etc

Of the above reasons, to handle next organisational phase or S-curve, is the least understood. It is mostly used to show the life history of products/services and/or organisations, and is sometimes called the life-cycle approach, sigmoid curve, second curve or curvilinear logic. Furthermore, it can be applied to countries, social groups, families, communities, relationships, etc.

Most products/services, organisations, etc follow a similar development pattern, ie the S-curve (as illustrated in the diagram below) with a beginning (1), a period of slow growth or decline (2), a period of rapid growth (3), a mature phase (4) and an ending (5).



For example, a product/service is launched (1), sells slowly (2), becomes accepted and sales rise rapidly (3), market matures, ie market saturated (4) and the market changes, ie replacement product needed (5). While for an organisation it is start up (1), growth (2), control (3), maturity (4) and shake out or decline (5).

So what does this mean to you?

Even if you are successful, you need to constantly re-vitalise and/or re-invent and/or change your products/services, organisations, communities, etc

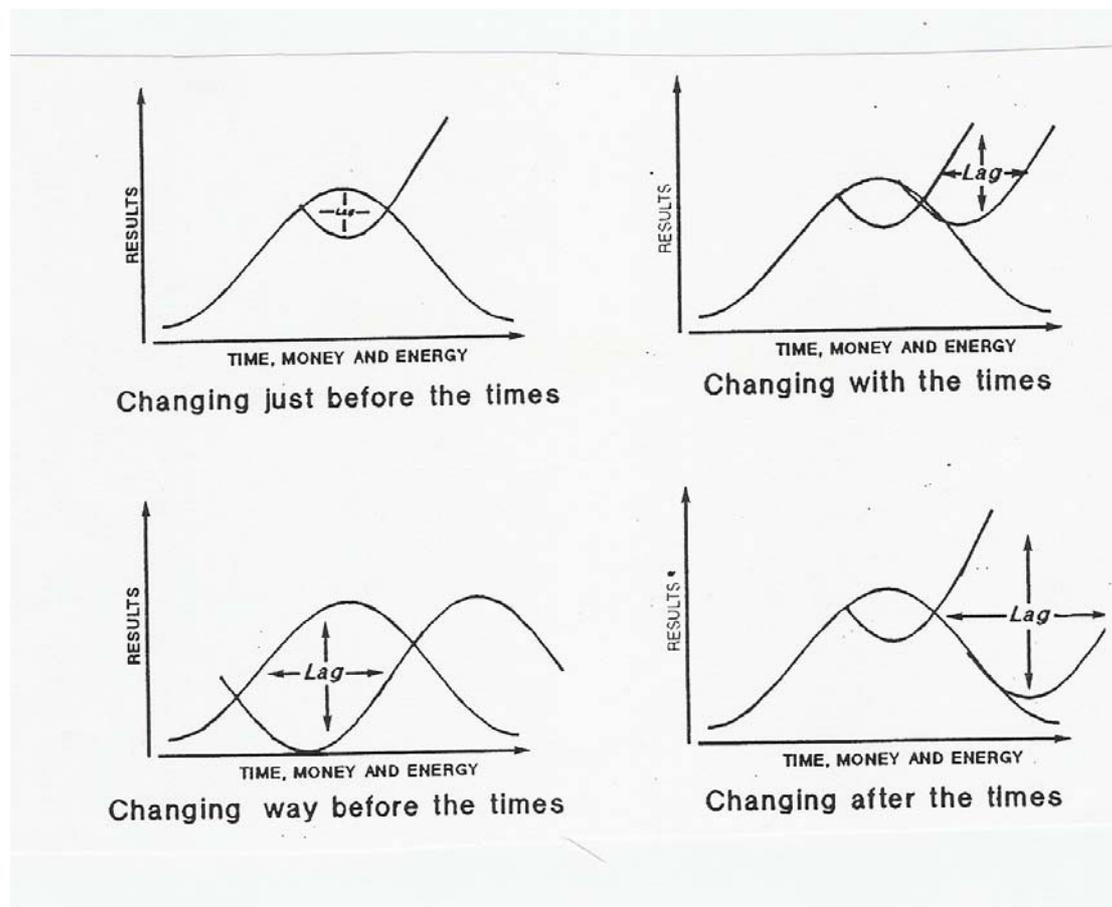
As Charles Handy (2002) in *The Empty Raincoat* (Arrow) observed:

***"...the world keeps changing. It is one of the paradoxes of success that the things and the ways which got you where you are, are seldom the things to keep you there... the secret of constant growth is to start a new sigmoid curve before the first peters out..."***

Ideally, you need to change before the S-curve peaks. This is when you have enough resources (money, time, energy, etc) to handle the development of something new or different. On the other hand, there is where you are most successful and do not see the need to change, ie *we have the formula for success, so leave us alone!!!!* Yet the corporate graveyard is full of organisations which thought they had the correct formula for success!!!!!!

Usually success breeds complacency. We try to hang onto past successes and to stay in our “zone of comfort”, and very few of us are willing to challenge the assumptions of success and/or use “creative tension” or “mental arm wrestling” to move in different directions. We are less likely to follow changing trends and to find new ways of doing things, especially if they threaten our current and past success and/or zone of comfort.

Lynch & Kordis (1988), *Strategy of the Dolphin: Scoring a Win in a Chaotic World*, (Fawcett Columbine), give some examples of the impact of when changing on different parts of the S-curve



The top left hand diagram is the ideal scenario for re-vitalisation, ie maximising gains from the first curve as the organisation/product/service, etc moves into the next curve. The other 3 diagrams each show less-than-ideal scenarios. Obviously the bottom right hand diagram illustrates the worst scenario, ie changing when on the downward slide with fewer resources available to handle the re-vitalization. Usually, this scenario involves “knee jerk” or drastic reactions, such as downsizing, that will bring short-term benefits, such as reducing costs immediately, but impact negatively on the long-term viability of the organisation.

If you are unsure as to your organisation/product/service, etc position on the S-curve, use some performance criteria, such as sales, profit, staff numbers, productivity indicators, market share, number of awards achieved, etc, to draw your S-curve and see where you are.

Even if things are going well, it is prudent to think of ways to change or re-invent or re-vitalise. It may mean developing a new market for your products/services, changing products/services, changing to a new industry, re-structuring your organisation, etc. On the other hand, if you have already peaked and moving “down hill”, you need to urgently start doing things differently!!!!!!

For a decade, I have been conducting public workshops on change management; continually needing to re-vitalise the workshops. Some re-vitalising strategies I have used are:

- began to organise the workshops myself (initially I presented the workshop for a training organisation)
- expanded them from 1 to 2 days
- changed venues (different hotels) and locations (different cities)
- changed where I advertised (initially I focused on mailing lists, then on professional journals, and now concentrate more on Internet and business magazines)
- altered the registration process (initially I had a PA handle all enquiries and registration; now I do it myself as it allows me to talk directly with potential attendees)
- re-design the brochure advertising the workshop (making it more colourful and professional)
- changed my presentation style (started with overheads, moved to PowerPoint and now focus on attendees’ participation)
- changed workshop frequency (from twice a year to once)
- regularly upgrade content (started with one volume of around 120 pages and now provide a manual and appendices in excess of 700 pages)
- devote more time to pre-and post-workshop discussions with attendees, etc

Most people assume that big and/or old organisations are the hardest to change. Yet General Electric (GE), under Jack Welch and Jeff Immelt, is one example of how a large and old organisation has continually re-vitalised itself around 4 main initiatives: globalisation, services, 6 sigma and E-business.

It is worth remembering the vision that Jack Welch had for GE in 1981

*"...the most competitive enterprise on earth. My objective was to put a small company spirit in a big company body, to build an organisation out of an old-line industrial company that would be more high-spirited, more adaptable, and more agile than companies that are one-fifth our size. I said then that I wanted to create a company where people dare to try new things - where people feel assured in knowing that only the limits of creativity and drive, their own standards of personal excellence, will be the ceiling on how far and how fast they move..."*

It is interesting to watch as other large and "successful" firms are endeavouring to re-vitalise:

- Nokia (from mobile phones to an IT consumer electronics powerhouse)
- McDonalds (from dominating the fast food industry with alleged "junk food" to producing more health-conscious products and targeting older customers)
- Coke Cola (in the past revitalised by continually updating its advertising and packaging to be in line with the ever-changing youth culture; current problems include competing with other life-style drinks and a dysfunctional top management/board – recently, changed top management and improving Board governance)
- IBM (services are more important than the mainframe computer sales), etc.

Will they succeed? Only time will tell!!!!!!

As Charles Handy states,

*"... new ideas and new people have to coexist with the old until the second curve is established and the first begins to wane.....the discipline of the second curve requires that you always assume that you are near the peak of the first curve.....and should therefore be starting to prepare a second curve.....Individuals should also work on the assumption that life will not continue as it is for ever and that a new direction will be needed in two or three years....It will..... force one to challenge the assumptions underlying the first curve and to devise some possible alternatives.....The discipline of the second curve keeps one sceptical, curious and inventive - attitudes essential in a time of change and the best way of coping with the contradictions that company such a time..."*

Using the S-curve s a very powerful tool with which to convince people of the need to re-vitalise!!!!

Best of luck with your curves!!!!!!

Bill Synnot, Aurora Consulting Group

Contact: 0418 196 707 (m) or Email - bsa@rpl.com.au

PS If you are interested in my workshop on change management, visit my web sight ([www.billsynnotandassociates.com.au](http://www.billsynnotandassociates.com.au)). The workshop's schedule is

	<u>1st day</u>		<u>2nd day</u>		<u>Venue (Hotel)</u>
Sydney	Wednesday 6	&	Thursday 7	Oct 2004	Inter-continental
Brisbane	Wednesday 13	&	Thursday 14	Oct 2004	Sheraton
Melbourne	Thursday 21	&	Friday 22	Oct 2004	Sofitel