

# The Four Stories You Need To Lead Deep Organizational Change



“It’s only when you drop yesterday’s assumptions that you can glimpse tomorrow’s patterns and possibilities. To see deeper, un-see first.”

Umair Haq

But to make change happen, leaders and managers have to unlearn the management practices that were so successful in the 20<sup>th</sup> Century but so unsuccessful today. How do we unlearn the things that we still believe in our heart of hearts are true?

Facts and statistics don’t get the job done. Charts left listeners bemused. Prose remains unread. Dialogue is just too laborious and slow.

By contrast, leadership stories can get inside people’s minds and affect how they think, worry, wonder, agonize and dream about themselves and in the process create – and recreate – their organization. Storytelling enables the individuals in an organization to see themselves and the organization in a different light, and accordingly take decisions and change their behavior in accordance with these new perceptions, insights and identities.

## Four leadership stories are key

1. The story of the future
2. Springboard stories of the future
3. The story of the past
4. The story that explains why the story of the past is no longer viable

### 1. The new business model story

The first story is fairly obvious: it's the story of the business model of the new way of operating. It helps the sponsors or managers see how the business will work when once the change is undertaken.

A business model is a story that explains in effect “the theory of the business.” It's a story set in the present or near future. The narrative is tied to numbers as the elements in the business model are quantified. The business model answers questions like these: Who is the customer? And what does the customer value? How do we make money in this business? What is the underlying economic logic that shows how we can deliver value to customers at an appropriate cost?□ Its validity depends on a combination of *narrative logic*—does the story hang together?—and *quantitative logic*—do the numbers add up?

### 2. The burning platform story

The problem with the business model story as a rhetorical tool is that it's a future story. As such, it's typically not believable to people who have operated in a different fashion for years, perhaps even decades. It also

doesn't include any explicit reason why the organization needs to change to this strange new way of operating.

So the second story you need is a burning platform story, a story that explains why the way of operating in the past that was so successful is no longer successful and is leading to disaster.

In the case of the shift from traditional to radical management, it will be the story of two major shifts.

Over the last couple of decades, there has been an epochal shift in the balance of power from seller to buyer. For the first two-thirds of the 20<sup>th</sup> Century, oligopolies were in charge of the marketplace. These companies were successful by pushing products at customers, and manufacturing demand through advertising. But this situation changed. Today customers have instant access to reliable information and have options: they can choose firms who delight them and avoid companies whose principal objective is taking money from our wallets and putting in their own. The result is a fundamental shift in power in the marketplace from the seller to the buyer: not only do customers not appreciate being treated as "demand" to be manufactured: now they can do something about it. If they are not delighted, they can and do go elsewhere.

The second is a fundamental shift in the workplace where the nature of work has shifted from semi-skilled to knowledge work. Meeting the business imperative of delighting customers can only be accomplished if the knowledge workers contribute their full talents and energy to contribute continuous innovation. Treating employees as "human resources" to be manipulated undermines the workforce commitment that is needed.

As a result, the 20<sup>th</sup> Century management system—the goose that laid America’s golden egg—stopped delivering. There is thus a need to change.

### 3. The springboard story

The weakness of the business model story as a rhetorical tool is that it isn’t believable because it’s a future story. Future stories are inherently unbelievable.

The weakness of the burning platform story is that it’s negative. And negative stories get people worried but they don’t generate positive action.

To get action you also need a story that will move people into the future: a springboard story.

The springboard story is a story about the past—something that’s already happened. So the story is easy to tell. There’s no need to invent anything. And because it has already happened, it is very believable. Because it is positive, it tends to spark action.

I first come across this at the World Bank in the mid-1990s when I was trying to get people to support efforts at knowledge management—a strange notion in the organization at the time. I had no success until I stumbled on the following story:

In June of 1995, a health worker in a tiny town in Zambia went to the Web site of the Centers for Disease Control and got the answer to a question about the treatment of malaria. Remember that this was in Zambia, one of the poorest countries in the world, and it was in a tiny place six hundred kilometers from the capital city. But the most striking thing about this picture, at least for us, is

that the World Bank isn't in it. Despite our know-how on all kinds of poverty-related issues, that knowledge isn't available to the millions of people who could use it. Imagine if it were. Think what an organization we could become!

This simple story helped World Bank staff and managers envision a different kind of future for the organization. When knowledge management later became an official corporate priority, I used similar stories to maintain the momentum.

A springboard story elicits a future story in the minds of the listeners—the listeners start to imagine what the future could be like if they implemented the relevant change idea embodied in the story in their own contexts. Consequently it's the listeners who do the hard work of inventing the future. Even while the speaker is talking, the audience is soundlessly generating future stories tailor-made to their own situations, and hence grounded in reality. What's more, as the future unfolds, the listeners continuously update the stories they have generated so as to fit the new reality. The springboard story itself doesn't need updating because it doesn't change: it's already happened.

Moreover, because the springboard story's listeners invent the future for themselves, they are much more likely to find that future alluring than if some stranger had dreamed it up for them. The springboard story thus sidesteps the problem of telling a compelling future story.

Not all stories have the springboard effect. Thus springboard stories need to be told from the perspective

of a single protagonist who was in a predicament that is prototypical of the organization's business. The predicament of the explicit story is familiar to the particular audience, and indeed, it is the very predicament that the change proposal is meant to solve. The stories have a degree of strangeness or incongruity for the listeners, so that it captures their attention and stimulates their imaginations.

#### 4. The story of the past

The final story that you need is the least obvious—the story of how the organization is functioning today. One might think that this wouldn't be needed because everybody already knows how the organization currently operates. However much of this knowledge is tacit: it exists in the unspoken attitudes and assumptions that are like the water that fish swim in. These attitudes assumptions are so ever-present that they are no longer visible. They are so much part of perceived reality that it is impossible to imagine the world in any other way.

So unless you can describe it and remind people of set of explicit assumptions and attitudes, and in effect drag from the tacit to the explicit, there is no way to get a handle on it. It will keep undermining any change effort.

John Seely Brown has written amusingly about this on my sister website about his efforts to break bad habits on [how to drive a motor bike](#). Until he understood how he was driving the motor bike the wrong way, there was no way that he was able to learn the right way. The old way kept re-emerging.

Similarly, I had little success in communicating the idea of change until I nailed the characteristics of traditional

board and executive management, and was able to point to the specific differences.

**“From To” Matrix from Past to Future**

<b>From</b>	<b>To</b>
Central Leadership Control of the Board & Organization-CVO and CPO	Shared Leadership and Coaching for the Board, CEO, and Senior Staff
Intuition Based Decisions and Planning- Operating from a Historical & Antidotal Framework Sustain	Mission First, Supported By a Data Driven Planning and Monitoring for Effectiveness and Efficiencies
Concern for Mission & User	Deeper Concern for the Customer Experience and Interaction
Little Organizational Transition	To Increase and Managed Transition
Leadership Turnover	Stabilized Leaders and Refreshed by Plan and Succession Planning

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The unlearning (or unseeing) doesn't happen instantly. Even as I evangelize about the new kind of workplace, where people are treated as people, and firm focuses on

delighting clients, I often find myself unwittingly slipping into the vocabulary of traditional management.

But arduous or easy, the unlearning has to happen. Unless it happens, we will continue to live the old story.

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Steve Denning's most recent book on leadership storytelling is the second edition (2011) of The Leader's Guide to Storytelling (Jossey-Bass)  
His most recent book is: The Leader's Guide to Radical Management: Reinventing the Workplace For the 21st Century (Jossey-Bass, 2010).

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[i] Magretta, J. "Why Business Models Matter." Harvard Business Review, May 2002, pp. 87–92..

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