

THE MERLIN FACTOR: CREATING AMBASSADORS FROM THE FUTURE

ROBERT PEPPER

STRATEGY PARTNER PSLONDON:

When we drive a car, we look through the large windscreen to see where we're going. To check everything's safe, we occasionally glance in the small rear-view mirror. Where you're driving to is many times more relevant to the journey than where you just were. Similarly, in the world of business, being clear on what you want to achieve is far more important than what has happened previously. Spending more time and energy on the future will yield better outcomes than wasting too much time on the past.

This philosophy is wonderfully explained by US business consultant **Charles E. Smith** in his paper, "The Merlin Factor: Creating Ambassadors from the future". In the early 90s, I was lucky enough to be working with a brilliant team of people from a change management firm called London Peter Roche and through them I met Charles and heard first-hand how his thinking has helped transform major corporations worldwide. The beauty and simplicity of the approach, and the experience of working with Peter Roche and his colleagues, made a lasting impression and since then, I've applied the insights to many different clients and projects.

We have now used this inspiration to create a philosophy and methodology for pslondon that we call **future thinking**®. By focusing relentlessly on the outcomes that our clients want to achieve, be they small projects or large campaigns, we are able to develop new solutions, free of previous constraints and blockages. It's exciting, empowering and allows our creative output to be completely focused on delivering the results our clients need. Nothing beats great insight, so in the hope that you'll find it inspiring too, here's one of Charles' papers.

{ps. as you will see there is methodology in our madness ... }*



THE MERLIN FACTOR: CREATING AMBASSADORS FROM THE FUTURE

by Charles E. Smith, Ph.D. revised April 2005 (Originally published in the London Strategy Review)

ABSTRACT:

Most attempts at organisation change fall short of the desired results. The principal impediments to producing effective new actions are people's current beliefs about the limits of what it is possible to undertake and achieve. These self-limiting beliefs are based on experiences from the organisation's and their own past experience.

By contrast, leaders who successfully instil a new strategic intent in their organisations' cultures share a leadership quality the author calls, **'The Merlin Factor'**. The reference is to the legendary sage who, according to one account, **"lived backward in time."** Merlin was born in the future and aged as he proceeded into the past, influencing events in King Arthur's court by drawing on his foreknowledge of their destined outcomes. Exceptional leaders cultivate the Merlin-like habit of acting in the present moment as ambassadors of a radically different future, in order to imbue their organisations with a breakthrough vision of what it is possible to achieve. The author quotes from interviews with successful visionary leaders whose commitment to future achievements that seem 'impossible' by past standards are producing extraordinary results in the present.

These first-hand accounts illustrate the three action phases of the Merlin Factor:

Invention, Ignition and Creative Implementation.

INTRODUCTION:

LEADING YOUR ORGANISATION INTO THE FUTURE

Today, despite the most detailed strategic plans and vigorous change efforts, goals such as technology integration, exceptional customer service and successful alliances often remain unfulfilled. Many leaders attempting to reshape their organisations for the future discover, to their frustration, that substantial expenditures on planning, technology and reorganisation generate only trivial differences in performance.

At the same time, we have literature replete with examples of organisations that have turned a daring vision into reality, achieving extraordinary results which defy conventional analysis or prediction. What characteristics distinguish these successfully transformed organisations from those which labour mightily to produce little more than business as usual? One important factor is the possession of a long-term strategic intent that aligns the actions and beliefs of everyone in the organisation toward a challenging goal.

Formulating and implementing such a strategic intent requires a particular brand of leadership. This process of organisational leadership through the use of strategic intent and creative implementation can be characterised as the Merlin Factor. It begins with a personal quest to cast off the shackles of old habits of thought, in order to reinvent the future. It takes hold in the present through the effort to enrol others as committed participants in the enactment of a new collective purpose. It gathers momentum with each 'impossible' obstacle that is overcome. The essence of the Merlin Factor in organisational leadership is simply stated: What you choose for your future is more important than what you know about your past or present capabilities.

Gareth Morgan addresses this phenomenon in "Images of Organisation:"

'Organisations are in essence socially constructed realities that rest as much in the minds of their members as they do in concrete sets of rules and relations. The formation of a group or the process of becoming a leader ultimately hinges on an ability to create a shared sense of reality. We find that cohesive groups are those that arise around shared understandings, while fragmented groups tend to be those characterised by multiple realities. By appreciating that strategy making is a process of enactment that produces a large element of the future with which the organisation will have to deal, it is possible to overcome the false impression that organisations are adapting or reacting to a world that is independent of their own making.

In this context leadership is the art of articulating, representing and leveraging basic cultural assumptions in a way that evokes a desired group response over time. If one's intention as a leader is to sustain and mobilise the existing organisational culture, the best source of leverage for doing so is an appeal to the beliefs and identity that the group has built up over time. If, on the other hand, one's intention is to break with the organisation's existing culture and promulgate a different set of basic assumptions, it is necessary to create a new collective reality. The most effective source of leverage for achieving this is a powerful new vision of the future and a creative implementation process that is creative, inspiring and experimental. Strategic intent and creative implementation reshape cultural reality by providing a new nexus of group identity organised around shared commitment to an inspiring ambition, and the experience of being in the "same boat" with colleagues and fellow workers.

THE MERLIN FACTOR – A VIEW FROM THE FUTURE

Legend has it that Merlin the Magician was the great King Arthur's mentor. As depicted in **The Once and Future King by T.H. White**, Merlin had an uncanny ability to know the future. Occasionally he would give Arthur some insight into just how he knew what was going to happen before it did: "Ah, yes." Merlin said, "How did I know to set breakfast for two? Now ordinary people are born forwards in time, if you understand what I mean, and nearly everything in the world goes forward too. This makes it quite easy for ordinary people to live. But unfortunately I was born at the wrong end of time, and I have to live backwards from in front, while surrounded by a lot of people living forward from behind..." White's whimsy provides an apt metaphor for the future-first perspective adopted by those leaders who successfully instil a strategic intent in their organisations. The Merlin Factor is the process whereby leaders transform themselves and the culture of their organisations through a creative commitment to a radically different future. Leading from the premise of a strategic intent requires one to think and plan backwards from that envisioned future in order to take effective action in the present.

Leaders who employ the Merlin Factor are engaged in a continual process of revealing the desired future in the competitive opportunities of the present. In this sense a leader works rather like the sculptor who, when asked to explain how he had turned a featureless block of marble into a wildlife tableau replied: 'I just chipped off all the parts that didn't look like an elephant.'

Merlin-like leaders start with a personal vision of the organisation's future that is predicated on assumptions which violate the shared reality of its existing culture. As other members of the organisation make their own commitments to this vision, it becomes a strategic intent. The means for fulfilling this strategic intent may be unknown or non-existent at the time it is adopted, as in the following examples:

- Design an airplane that flies 25 times the speed of sound
- Put a man on the moon by the end of the decade (NASA)
- 48 hours parts service anywhere in the world or Cat pays (Caterpillar)
- A Coke within arm's reach of everyone on the planet (Coca Cola)
- The Allies "unconditional surrender" in World War II.

In each case, commitment to the strategic intent preceded the development of the requisite methods for accomplishing it. Acceptance of a future vision entailing a new set of beliefs about the identity and capability of the organisation freed the creative thinking necessary to invent ways to achieve the strategic intent. Leadership 'Merlins' played a critical role in this process by consistently representing the strategic intent in an ongoing dialogue with the existing organisational culture.

The leader is an attractor in the field of creative tension between the entrenched culture and the new strategic vision. As **Peter Senge** notes in **The Fifth Discipline**:
"There are only two possible ways for creative tension to resolve itself: pull current reality toward the vision or pull the vision toward reality. Which occurs will depend on whether we hold steady to the vision."

The Merlin Factor in organisational leadership takes a variety of forms as strategic intent is transformed from an individual commitment to a shared reality. The remainder of this article will explore those forms and their relationship to the desired outcome of culture change.

THE MERLIN DIALOGUES

The best way to illustrate the dynamics of leadership through strategic intent is to refer directly to the experiences of those people who have inspired exceptional achievements in their own organisations. Like Merlin, these leaders seemed to live in the very presence of the future. Indeed, their own effectiveness seems to derive from the future to which they are committed, and the strategic thrust of their organisations derives in large measure from their ability to impart that commitment to others.

Each of the leaders interviewed for this article had dedicated themselves and their organisation to a future that is strategically alluring, but very improbable if evaluated solely from a historical perspective. Each treats the future as something which can be called into being by speaking about it as attainable. They all gained widespread support for this strategic intent by engaging other people in dialogues about it. In most instances the leaders interviewed had to overcome numerous technical obstacles as well as stiff cultural resistance to their new strategic intent. Analysis of the experiences recounted by these visionary leaders suggests that there are three distinct stages to the process of culture change via strategic intent.

The first stage is Invention, in which the leader's vision of the future is refined and formulated as a strategic intent. Invention is essentially a personal revolution in the leader's thinking.

The second stage is Ignition, in which the proposed strategic intent inspires commitment and enrolment from others in the organisation.

Finally, there is a Creative Implementation stage, during which new initiatives, designed to move the company from the status quo to the envisioned future, encounter challenges from both the external environment and the existing organisational culture.

For descriptive purposes, these stages are presented as if they are linear and sequential. In practice, however, they are iterative and often simultaneous. The Merlin Factor is a creative process. As **Peter Senge, Joseph Jaworski, C.Otto Scharmer, and Betty Sue Flowers** say in their book, **Presence: Human Purpose and the Field of the Future (2004)**:

"Nothing undermines the creative process more than the naive belief that once the vision is clear, it's just a matter of 'creative implementation', and like a river's path from the source to the sea, it is anything but a straight line. Instead, creating is a sort of dance between inspiration and experimentation... let go and follow the course of what is emerging."

Each stage of the process has its own characteristic leadership tasks and critical actions. These leadership tasks will be illustrated by statements from the leaders interviewed for this article.

STAGE 1 - INVENTION

BECOME MORE THAN ONE'S SELF

The 'ceiling' on any attempt to change the strategic direction of an organisation is the personal limitations of its senior executives. Whatever the CEO and the top management team regard as possible becomes possible for the company. Whatever proposals they cannot or do not listen to generously become effectively impossible in the future of the organisation. This executive consensus on the limits on the limits of the future, however informal, gives rise to the condition Harvard's **Jay Lorsch** calls 'strategic myopia':
"[Managers] respond to changing events in terms of their culture. Because their beliefs have been effective guides in the past, their natural response is to stick with them."

For example, [a food processing company] studiously avoided opportunities to grow internationally. Why? An early international failure convinced its top managers that such expansion was outside of the company's distinctive competence. Their vision was, 'We can succeed with consumers in the United States. We understand them.' While top managers are usually able to recognise the practical difficulties involved in accomplishing a major strategic change, they are much less likely to recognise that their deeply held "beliefs represent an invisible barrier that must be penetrated if strategic change is to take place.' In order to see the possibilities of the future through fresh eyes, it is necessary to disentangle oneself from the shibboleths of the past.

The first step toward leadership through strategic intent is to become more than oneself, to the extent that one's sense of identity is defined by the verities of the past. Author James Baldwin described this highly individual process in his book, **Nobody Knows My Name: "Any real change implies the breakup of the world as one has always known it, the loss of all that gave one identity, the end of safety. It is only when one is able, without bitterness or self pity, to surrender a dream one has long cherished, or a privilege one has long possessed, that one is set free — that one has set oneself free — for higher dreams, for greater privileges."**

Each of the executives interviewed for this article reported undergoing a personal transformation that coincided with the creation of the new strategic intent. This transformation consisted of an identification of themselves with a particular vision of the future of the organisation. It occurred as a moment in which they took complete responsibility for the future of the whole organisation and its place in the world. No blinding lights or burning bushes accompanied this experience, just a decision to identify oneself with a future for which the way must be opened. This decision constituted a radical break with their previous beliefs about the possibilities of the future.

Dr. Robert Barthelemy was Programme Director of the National Aerospace Plane Programme (a joint programme between the Air Force, NASA, the Navy, and the Department of Defense). As Director, Dr. Barthelemy brought to the programme a unique dedication to quantum leaps in technology and organisation. The goal was to design and fly an airplane at Mach 25 (twenty-five times faster than the speed of sound), a seemingly impossible technical goal from the standpoint of current knowledge.

He said, "I became much more than myself when I took the Mach 25 goal and made it my own. I was able to go beyond the limitations I had placed on myself as an individual. Things like a Mach 25 aircraft, or other things that most people don't think are possible, become possible because it's already there before you find the way to get to it. But in order to get to it, you have to shed the humanness that ties us and stops us from taking the risk. It happens when you commit. I think the key thing is to finally commit that you're going to go for it. Then it takes on an aura of its own."

A corollary of this identification was that these leaders came to see the future of the organisation as a vehicle for self-actualisation. It became the pinnacle of the possibilities they could imagine for themselves, the highest statement that was in them of what they and their organisations could become.

THINK THE UNTHINKABLE

The first element of the Merlin Factor in leadership consists of a prior personal commitment to a creative purpose. The second task of the Invention stage is to envision that purpose in terms of achievements beyond the prevalent cultural consensus on what is reasonable and possible.

As **Tom Peters** notes in **Thriving on Chaos**:

"The chief job of the leader, at all levels, is to oversee the dismantling of dysfunctional old truths and to prepare people and organisations to deal with -- to love, to develop affection for, change per se, as innovations are proposed, tested, rejected, modified and adopted. This iconoclastic role of the leader demands a willingness to think the unthinkable and mention that which cannot be mentioned in the context of the existing organisational culture."

Every organisation has taboos, whether or not they are recognised as such.

Ian Mitroff and **Ralph Kilmann** elaborate:

"Taboo is so powerful because it lies at the very heart of a culture's basic sense of meaning and order. One of the principal functions of taboo is to set up clear boundaries of behaviour. On one side of a boundary certain acts are permitted, and on the other side certain acts are not permitted. As a result topics and items associated with the taboos create the deepest anxiety in a culture's members. There is a fear that even by discussing, just by acknowledging, that there are certain things that are taboo, we will have committed an action that is prohibited by the action itself." Cultural taboos can silence the imaginative thinking necessary to create a compelling strategic intent.

Thinking about a future that is unthinkable by current standards immediately raises the spectre of the practical difficulties separating one from its attainment. Whether those obstacles are technical, financial, or political in nature, they loom very large indeed at the inception of a new strategic intent. Whenever an ambition exceeds the organisation's consensual limits on the future, taboos dictate that, for any number of plausible reasons you 'can't get there from here'. Cultural barriers to innovation must be overcome within the thinking of the leader before they can be credibly challenged at the organisational level. The first step is to recognise that familiar, accepted ways of thinking about the business are bankrupt with regard to achieving a strategic intent.

Tony Gilroy, Land Rover Ltd.:

For several years Gilroy was Managing Director of Land Rover, maker of the renowned 4-wheel drive vehicles, "Land Rover", Range Rover", and "Discovery." Under his leadership, Land Rover enjoyed a major financial turnaround and expanded internationally.

"I felt that here was an opportunity for the industrial brilliance of Britain to have a jewel that been allowed to almost die. To me the Land Rover image — that image of relentless travel in darkest Africa — was very powerful. I knew it wasn't too late, provided we did the right things with speed and with flair. We could actually take what was incredibly strong and fulfil it. But we had to put faith back into people. We had to get to the future, and the way of making us believe it was to talk about making the company the best in the world, at a time when its fortune was actually rather low."

BECOME AN AMBASSADOR FROM THE FUTURE TO THE PRESENT

Making a personal commitment to change is the first leadership task of the Merlin Factor. Formulating a radical vision of the future is the second. The last task of the Invention stage is representing and enacting that vision, in order to move it from the realm of private discourse into action, by becoming an ambassador of that future to the existing culture of the organisation.

Leaders who use the Merlin Factor, identifying themselves with a particular visionary future, act on behalf of that future in the circumstances of the present. This ambassadorship is perceptible in the way the leader listens and speaks in conversation with others. Absolute confidence in the strategic intent must be balanced with openness in the manner of means.

As Executive Vice President for the Rouse Company, **Woody Beville** managed 70 shopping mall complexes in the United States and Canada, well known for being showplaces of urban revitalisation, such as Harbourplace in Baltimore and Boston's Faneuil Hall.

"Often, I will be with some people and see something that is possible, and in seeing it actually know that's it's in the bag. And, in truth, I don't have the slightest idea about how to get it done. I just know that as important as it is, it will be accomplished. It's already inevitable. All that has to happen is time has to pass so that the necessary steps can be taken. Some baseball players say that there is a time when they look out at the pitcher and then at the ball and it has home run written on it. The ball actually feels like a home run as it dashes toward them. It's the same as that. I tell this to people in me early stages, but nobody can accept that I'm talking about it with no question in my mind that it will be accomplished. I'm not that confident about how we are going to do it either. I go through a lot of questioning about that myself, and I already know that it will happen."

A new cultural reality is created by speaking and behaving as though it were an established fact. The challenge this presents to the leader is to keep speaking on behalf of the vision in the initial absence of evidence or agreement. Speaking passionately from the perspective of the envisioned future, the leader creates a relationship of creative tension between the vision and the present organisation. Whatever in the present culture is inconsistent with the commitment required by the vision becomes figural and distinct as a result of that tension. Recognition of these gaps leads to specific action.

Beville continues,

“I was building a bridge to something that is very concrete. As a practical matter, you can only build a bridge forward. But if you know that something is out in the future — it's possible to imagine subsequent steps even before you've identified the earlier ones. Other times you find that you've jumped hurdle 6 when you didn't perceive hurdles 1,2,3,4, and 5. Then it is actually possible to build the bridge backward from the future to the present.”

A bridge to the future that focuses on the conditions of the present narrows the possible actions an organisation can take because it always begins with an apparent “first” step. If people don't feel able to take that initial step, the path to the future seems blocked. When people are unable or unwilling to move in a particular strategic direction, they either do nothing or sabotage the whole initiative. Ironically the most successful organisations are often the most rigid in this respect because of their commitment to structures and formulas that have worked in the past.

On the other hand, a bridge to the future that focuses on the creation of new possibilities imposes no prohibitive initial step to begin movement toward that future. Instead there are a number of possible starting points. This expanded field of possibilities enables the leader to speak authoritatively on behalf of the practicality of the future vision without being able to specify all the intervening steps between point A and point Z. The strategic intent is fixed, while the means to its attainment are opportunistic.

STAGE 2 – IGNITION

In the Invention stage of the Merlin Factor the leader undertakes a process of commitment, envisioning and advocacy. During the Ignition stage, the challenge is to engage the organisation at large in the strategic intent. This future vision however, is not something employees are required to adopt as an article of faith, nor is it presented as the leader's personal credo. Employees must have the opportunity to discuss its implications for themselves, and to engage critically with the new strategic intent. Genuine collaborative effort is the key to successful Ignition of this desire. As in the Invention stage, certain key leadership tasks are characteristic of Ignition.

ENROLL OTHER PEOPLE AS CO-CREATORS

Organisation development consultant **Charles Kiefer** defines enrolment as **"the process of becoming part of something by choice."** A strategic intent is only as powerful as the level of commitment people bring to it. Commitment is only possible when there is choice. People who are enrolled or committed identify themselves with the vision and apply themselves to its realisation. By contrast, people who have someone else's vision imposed on them by fiat, experience it as a loss of control over the direction of their own lives. The result in the latter case is likely to be grudging compliance at best, if not outright non-cooperation. In enrolling others as co-creators people always have a choice. This aspect of the Merlin Factor calls for willingness on the part of the leader to not have his personal point of view prevail.

Consider the following example:

David Clark, as CEO of Campbell's Soup of Canada, said **"Soon after the introduction of "Best Food Company in North America; Fastest Gate to Plate" as our intention, people in Campbell's began to change their point of view of what was possible. Not a lot of people at first. Then some of those started to build and reinforce it with me. They expanded on the vision and saw it from a different angle. Increasingly, numbers of others were drawn to a future that promised each of them whatever had been lacking in their own sense of what the company could become. Others restated the goal in terms that had meaning for people who could not accept the way in which it was originally said."** Enrolling others as collaborators begins the process of creating a culture that will support the strategic intent. As you multiply the number of hands and minds working to achieve a future vision, it takes on substance and specificity in the present. In time the strategic intent will become a point of reference: a basic cultural assumption-that will continuously focus, perception and action throughout the organisation. People interviewed for this article identified certain actions as critical to their success in enrolling other people as co-creators. Asking people directly for their support was one such action, and in many cases it elicited valuable aid from unexpected sources. Another was encouraging people to expand the future vision and create further possibilities for themselves. People found the strategic intent more compelling as a sketch to which they could contribute ideas than a finished plan they could only execute.

This point bears heavily on the role of the leader during Ignition. Many bold plans have been smothered in their cradles by jealous inventors who could not abide other people tampering with their original vision. A personal vision cannot become a strategic intent until other people make their own individual commitments to it. You must allow your vision to become bigger than you by opening it to redefinition by others. If the time required for this process to transpire tests your patience, bear mind the late Congressman **Moe Udall's** comment on the repetitive speeches being given at a political convention: "**Although everything has been said, not everyone has said it.**"

A crucial factor influencing enrolment is dialogue. Physicist **David Bohm** draws a useful distinction between conventional 'discussion' and 'dialogue'. In the ordinary practice of discussion, differing points of view are presented, analysed and defended. The goals of discussion are usually persuasion, vindication or problem resolution. Dialogue is a more open-ended process in that resolution is not necessarily a goal. Rather it is free and creative exploration, requiring careful, non-judgmental listening from all parties.

Dialogue focuses on inquiry instead of answers. Its purpose is to create a common group understanding broader than the perspective of any individual member. Dialogue is a form of collective learning, allowing people to examine their own thinking and that of others, in order to discern shared values, biases and assumptions. It makes the existing culture accessible to awareness and change. Thus its importance when introducing a new strategic intent.

Bohm advances three conditions as prerequisites for effective dialogue. First, people must agree to suspend their assumptions. The meaning of 'suspend' in this case is to display them for examination rather than to refrain from having them. The purpose of this suspension is to make explicit the beliefs and interpretations underlying our positions. Next, people must see each other as colleagues. Bohm himself has expressed reservations on whether the necessary conditions of trust and collegiality required to ensure the open exchange of dialogue can be sustained in the face of organisational hierarchy. Deference to authority runs deep, as does the assumption of privilege. Dialogue can encourage enrolment only when all parties approach it as peers.

To have ignition, the people you're trying to ignite have to re-invent for themselves the vision in which the original strategic intent was created. You can't get the commitment necessary for extraordinary results by asking them to buy into something that is already invented and for their consumption in the form of a tidy little 'vision statement'. They themselves have to wrestle with the process of invention, definition and validation of the vision, becoming co-creators and collaborators in the strategic intent. Without this generated commitment to change, the existing organisational culture will stubbornly perpetuate itself at the expense of the future.

PUT PEOPLE TO THE TEST

It could be said that the Merlin Factor in leadership consists of approaching the present as a larval stage of the future: looking at a caterpillar but seeing a butterfly. This approach is particularly applicable to the other people one works with. Putting people to the test means that ambassadors from the future can no longer be willing to tolerate relationships in their current form. In order to achieve a higher order of performance they must be prepared to risk or discard associations as they are presently constituted.

Holding people responsible for producing a future they cannot yet see creates dramatic crises - and breakthroughs - as the boundaries of possibility are pushed back and the hurdles to accomplishment are set higher. Until you put people to the test you cannot know what you or they are really committed to. Only when the challenges get extreme do people's irreducible commitments show up clearly.

There are no agents or observers in the context of strategic intent: everyone is a co-creator, and shares a creator's total responsibility. **Gary Taubes** writes of physicist Carlo Rubbia in **Nobel Dreams: "He would push his physicists to work on a timescale they considered impossible. He would tell them he needed some device in a weekend that they thought would need three months, and they would eventually get it to him in two weeks. They would never know quite how they were able to do it so fast."**

Rubbia, while no lover of organisations, recognised that genuine creativity emerges only after people have been enticed and/or goaded beyond the limits of what they already know how to do. The special task of the future-positioned leader is to make unreasonable requests and provide appropriate conditions for fulfilling them.

Tony Gilroy recognised this condition at Land Rover:

"We needed to completely change the internal and external perception of Land Rover. We needed a dealer network around the world to invest in completely changing their whole approach to servicing the customers. Unless they did that, no matter what we did with the product, we wouldn't sell it. And we had to convince our own employees that they were working on products that demanded a different level of commitment from them. To do this, I saw I had to ask things nobody would want to say 'yes' to at first." Because I say to them, I will support you and you will succeed.' they are prepared to take risks. Because they see a new way of doing something, they're not going to be tied down by the restrictions of doing things as they did them in the past. It's asking people to do a miracle, and promising to support them, that opens the channel.

The result was unheard of. Volume doubled and prices increased. It put us into a different sector and gave totally different levels of customer satisfaction."

As Gilroy's experience suggests, putting people to the test requires a fine degree of balance in being relentless in your requests and compassionate about the upset they create. Failures are to be expected at the outset of any ambitious new initiative, and the sooner you get them out of the way the sooner you can apply the lessons of the experience. An ambassador for the future's attitude towards setbacks, both their own and those of others' put to the test regulates the whole organisation's tolerance for risk-taking.

BUILDING DRAGON SLAYER TEAMS

Ignition begins with enrolling people in the strategic intent, and gains strength by pushing them to do more than they thought they could. The culminating task of the Ignition stage is to tap people's collective intelligence in order to implement the strategic intent creatively and with inspiration.

By emphasising the scope of the challenge, and then recognising people's extraordinary efforts to meet it, a note of heroism is imparted to the entire enterprise. This inspires further prodigies of effort. In effect everybody can get to be a dragon slayer.

An episode from the history of the National AeroSpace Plane illustrates this principle in action.

Barthelemy said,

"We formed a "materials consortium" in which the five prime contractors would play as a single national team. The materials consortium was an attempt to answer the criticism levied on the programme by the scientific community, which said that the materials needed to build an aerospace vehicle were at least 10 years away. According to our advertised schedule, we only had three years to pull this off. Meanwhile our budget for the entire programme was at the level that experts suggested was needed for materials alone. Even if we'd had the money and the time, transferring technology from the materials development community to the five major aerospace competitors promised to be a difficult and lengthy process.

Faced with this dilemma, which absolutely had to be met if the programme were to continue to receive national support, the government team met with the five contractors to seek a solution. In less than a month we had come up with a remarkable answer. The five prime contractors would develop cooperatively the key materials needed for the airplane. On their part, the contractors would take full responsibility for managing the process for success, share their raw materials research and development information with each other, and essentially remove materials from the programme competition. The government would in turn work cooperatively with the contractors to this end, facilitate the contractual process in order to rapidly initiate the activity, and significantly enhance the government funding in the materials area.

We pulled off this really innovative approach to cooperative competition, or competitive collaboration, with such speed that I really felt the possibility of the five aerospace companies pulling together into one team for the entire programme would be a cinch. Establishing the materials consortium seems an obvious solution, but it would never have happened without the combined imperative of costs, limited resources and incredible possibility."

At Campbell's, David Clark asked each breakthrough project team to save the company a million dollars in their first six months of operation. Acceptance of the request was the ticket of admission to participation in the project. They set up a world class challenge - one that required ignition to play. The result was a positive 16-million-dollar impact in the first year. Using a series of incremental challenges of this type, the organisation bootstrapped its way toward the long term strategic intent. The Ignition stage of the Merlin Factor, though grounded in a future vision, only becomes a full fledged strategic intent when that vision lodges in the hearts and beliefs of other people and restructures their collective reality. Enrolling, goading, supporting and developing others are the keys to lasting culture change.

STAGE 3 - CREATIVE IMPLEMENTATION

One of the more daunting aspects of a strategic intent is that you never know exactly how you're going to get there. The third stage of the Merlin Factor concerns the process of continuous improvisation required to create a pathway to your goal. Thinking about the present from the Olympian perspective of the future is like standing on top of a mountain, looking down. The path up seems clear from the summit, but it is difficult to discern from the valley. From the standpoint of the strategic intent, actions may seem clear while interim steps are not. Each new achievement, discloses another set of required actions. 'Where we are going' looms steadily before us, while 'How to get there' unfolds like water flowing around barriers, rather than following a master plan. A constant process of experimentation, entailing unexpected reverses and opposition, is an inescapable element of leadership through strategic intent.

Dr. Robert Barthelemy (NASP):

"I see it as a bunch of steps. The big win was the Mach 25 flight...But I can't wait 10 years for one win, so what I did was lay out a series of small contact points. They all had to do with the technology and pragmatics and finances and all of that, and I needed to win those. When I won those I felt we'd taken a step in a positive direction in terms of the big win."

Organisations can achieve their strategic aims only to the extent that they are efficient systems for tapping the creative energies generated in the Ignition process. At first, they are likely to be more inefficient than otherwise, for the simple reason that some parts of the system will be working to thwart the new strategic intent. Sometimes this impedance is purposeful, and represents resistance to the loss of the old culture. Just as often the inefficiency results from a poor fit between old systems and new goals.

Outdated performance appraisal systems which reinforce dependent behaviour that no longer serves the organisation's strategic intent are examples of this type of structural friction. Ideally the culture, policies and systems of the organisation should all work in concert to support and reflect the strategic intent. As a practical matter, in a rapidly changing environment some elements of the organisational system and culture always lag behind the currently ascendant values and goals. Consequently, an emphasis on innovation and improvisation will always be necessary to maintain the organisation's strategic momentum.

As in the Invention and Ignition stages, certain leadership tasks are crucial to creative implementation of strategic intent:

ENROLL OTHER PEOPLE AS CO-CREATORS

David Clark points out,

“The essence of realising strategic intent is that you have to give up control to the extent of following measured, foreseeable path to the future. That’s uncomfortable in the early stages. It’s only when you start to see some of the extraordinary results that you begin to think it’s worth it. Don’t expect to collect kudos from very many people.... If you get a few early converts, you’re lucky.”

Problems often accompany imminent accomplishment. The bigger the problem, the greater is the likelihood that resolving it will cause your vision of the future to become more robust and closer to realisation. Big breakdowns in your plans force you to rethink your assumptions about the best path to the organisation’s future and your current tactics. Analysing today’s setbacks will help you identify what you don’t know about the future. A certain amount of turbulence is desirable. Much as the moguls (bumps) on a snowy hill enable a skier to gain speed and turn with greater ease, turbulence and conflict can result in increased momentum and velocity toward the strategic intent.

The Ambassador trait called for is ‘grace under pressure’. One’s ability to be composed in the face of turbulence helps resolve it and allows for rational inquiry into what’s possible at a given moment. Breakthrough projects normally advance in discontinuous, non-linear stages, defying control and prediction with perfect obstinacy. Sometimes they appear to be proceeding smoothly on the intended course, while at other times they give impression of scattering into a thousand chaotic directions. The salient task in all this is to remember and reassure others. Trust your own commitment and act as an ambassador from the future to the present in moments of crisis, as in this example from

Tony Gilroy:

“I knew if I showed any hopelessness it would make the problem worse. So, irrespective of how difficult things looked, I had to show people that I was confident there was a solution down the road and we would find a way out of it. I had to convince them that no matter how bad things were, we would learn something from the experience that would carry us inexorably forward to the future we intended.”

CONVERTING OPPOSITION TO MOMENTUM

Whenever a vision of the future departs radically from the past it generates opposition and resistance. The more radical the perspective, the more insupportable it appears to those who continue to regard the future as an extension or projection of the past. People invest something of their personal identities and self-esteem in the cultures of their organisations. Even a very attractive strategic intent, fraught with the potential for an exciting future, entails some degree of loss and separation from the existing culture as well. This break in belonging can be painful to the point of arousing overt or passive resistance to the necessary changes.

Terence Deal addresses this point in his article,

“Culture Change - Opportunity, Silent Killer or Metamorphosis?”:

“We attribute resistance to a lack of needed skills, problems of coping with new role expectations, or conflicts deriving from shifts in power. We have defined resistance as a fundamental barrier to change without realising what the resistance is all about. We forget the epicentre of change: shifts in cultural patterns - core values, heroes and heroines, stabilising rituals and ceremonies - that create existential loss and pose a threat to meaning.... Change produces loss, and the loss creates grief. Entire companies can be sunken in grief without anyone recognising or understanding the symptoms.”

Organisational culture is a form of consensual reality, and a radical strategic intent is a blow to that reality in its present form. Small wonder that grief, loss, and confusion lead to denial, anger or resistance. If we acknowledge this pain for what it is rather than trying to suppress it, much apparent opposition simply disappears. A significant amount of what passes for resistance is merely people expressing their upset and concerns. To appreciate this gives one access to the compassionate listening necessary for healing and resolution.

David Clark (Campbell's):

“More than any other management initiative I've attempted, I've had to persevere in the face of strong opposition from my colleagues within the organisation. At times I could dismiss it as being knee jerk opposition to the unknown, by people who didn't understand yet. That's fairly easy to overcome because all I had to do was listen to their concerns and help them see the light. Once they saw I was listening, they got on board.”

Engaging your opposition in dialogue will help you reduce friction and correct your own course. It costs little to acknowledge and honour what people most give up in the transition to an unexpected future, and the acknowledgement makes it easier for them to let go of the past. Management consultant **Ron Bynum** notes in a personal communication that:

“..., to gain momentum from opposition means giving up 'getting the edge' over the other party. It means making sure your partner in conflict does not merely submit, and is as important as getting what you want. You have to win together or lose together. If I allow my partner to submit, no matter how valuable the momentary reward, I have sown the seeds of strategic failure. From that point forward, instead of a co-creator I have a spectator, or worse still, a dependent.”

Of course, not all opposition is easily resolvable. Enrolment is a matter of choice and some people will elect to opt out of the strategic intent. The people we interviewed took great pains to respect other people's choices in this regard. But they also made it clear that in a breakthrough project environment you can only be in or out: conditional commitments are unacceptable.

Tony Gilroy (Land Rover):

“When I suggested that we rationalise all our manufacturing plants, the construction engineering director, a tremendously experienced man who had always been conservative in his thinking said to me, “It will take five years and it will take well over double what it originally cost”. I said to him, “If it takes five years, the business is dead, so we've got to find a different solution.” He modified it, came back and said it would take four years and even more money. Finally, I said, “I'm going to put together a group of other people to look at it with us”. The message was, 'You must break out of what you're doing. You must look a different way. But if you're not prepared to do it, then I have to find somebody else to do it'. And that's what one did.” It was a case of somebody saying 'no' to me, when I couldn't accept 'no.' I wouldn't accept 'no.' So we put together a project group and they did it for half the cost that he proposed and in a third of the time.”

LOOKING FOR MAGIC

The final leadership task in the creative implementation stage of the Merlin Factor was mentioned by several of the executives we interviewed. **Dr. Robert Barthelemy:** **"When I think of the transformation of airplane to spaceplane, that's kind of like the Holy Grail, in the technology world. I think that conjures up images of alchemy or magic. If you look at when magic occurs in the mythologies, it's always because there's a quest in progress that forces magic to occur. 'No quest, no magic.' The deadliest pitfall in the process of creatively implementing strategic intent is to become lulled into complacency by one's plans and means.**

Rosabeth Moss Kanter notes in **The Change Masters** that: **"The art and architecture of change works through a different medium than the management of the ongoing, routinised side of an organisation's affairs. Most of the rational analytic tools measure what already is (or make forecasts from a logical extrapolation of what already is). But change efforts have to mobilise people around what is not already known. They require a leap of faith that cannot be eliminated by presentations of all the forecasts, figures and advance guarantees that can be accumulated."**

That's where the magic of strategic intent lurks: in the possibilities you couldn't have foreseen when you made your initial commitment. Merlin-like leaders cultivate a mental state of search rather than certainty. If you refuse to be seduced by the understandable desire to feel in control at all times, serendipity will often assist you on your way. But you have to be looking for the magic of unanticipated opportunity before you can recognise it.

THE MERLIN FACTOR:



CREATING AMBASSADORS FROM THE FUTURE

SUMMARY:

Everyone interviewed for this article stressed the importance of re-visiting each of the three phases after the spirit of that phase has subsided. It is inevitable that this exciting, new-found energy will devolve into business-as-usual over time. Revitalizing vision and enrolling inspired participation is a never-ending cycle. When Invention is called for, it should be brought to the foreground. The same applies to Ignition and Creative Implementation. They are each concurrent aspects in the ongoing phenomenon of managing change.

{ps. happy inventing! }*

