

Simplicity in Leadership

The Systems Thinking Approach® for Clarity, Simplicity and Speed of Results

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OVERVIEW OF LEADERSHIP

The world can no longer be comprehended as a simple machine. It's a complex, highly interconnected dynamic global system. The basic trouble is that most people are still trying to solve the problems of our intricate and interconnected world with tools that were appropriate for the long-ago world as a simple machine. And sadly, that often applies to leadership.

Complexity is the new normal, but it doesn't have to be that way. You can learn how to think differently to reduce complexity to its core essence. As Oliver Wendell Holmes, chief justice of the United States Supreme Court, said:

"I wouldn't give a fig for simplicity this side of complexity, but I'd give my life for the simplicity on the far side of complexity."

As a graduate of the U.S. Naval Academy, I often joke that my skill is building complexity into everything I do. Over the years, the secret I've learned is that after I build in comprehensiveness and complexity, I need to work hard to simplify the issue to its core essence. General Colin Powell asserted, "*Great leaders are almost always great simplifiers, who can cut through argument, debate and doubt to offer a solution everybody can understand.*"

Finding simplicity is not an easy thing to do—especially when it comes to management and leadership. Fortunately, it's possible to find this elegant simplicity through Systems Thinking, a natural, holistic and integrated approach to thinking about your life and work as a leader.

This article is aimed at people in leadership roles—those who supervise others, whether it's individuals, teams, families, units or an entire organization. Using The Systems Thinking Approach® to Leadership leads to *clarity* and *simplicity*. And when you provide clear direction and keep it simple (KISS)—instead of the usual bureaucracy and complexity—*speed* of execution is the result. And in today's world, speed is the key to almost everything!

One way to achieve clarity, simplicity and speed in leadership is to follow the *Rules of Simplicity*, which include The Rule of One, The Rule of Two and The Rule of Three. This article details the Rules of Simplicity and gives examples of each rule. It shows the importance of finding simplicity on the far side of complexity in order to successfully lead people with clarity, simplicity and speed. (The companion article is "Simplicity in Systems Thinking," which also has many helpful individual examples and details on the subject of simplicity.)

THE RULES OF SIMPLICITY

In a complex world, simplicity wins the game every time. If you can understand and impart concepts in a more simple way using the Rules of Simplicity, you will be much more effective because you're using Systems Thinking.

These rules are constructed to help reach simplicity and focus. We've given three examples for each one, but once you grasp these rules, there are an unlimited number of leadership experiences that can be condensed into them. (For more examples, see the Appendix.)

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— General Colin Powell

THE RULE OF ONE

The Rule of One is the massive power of focusing on only one thing at a time. This leads to *clarity* of direction, which is an important step toward *simplicity* and *speed*. Some examples include:

1. **One-Agenda Meeting**—For a chronic problem or issue, hold a One Agenda Meeting and stay focused on that single subject. Get the right people and expertise in the room, regardless of their formal positions. Analyze and discuss the topic in depth—from all angles—with good data. Focus more on dialogue, discovery and learning, and less on planning and documentation—especially in the beginning. Creativity should come before judgment, decisions and innovation.
2. **Thank-you Cards**—Write thank you cards daily to show you're grateful for hard work. It goes a long way. Send at least one thank you card to anyone who did *one thing* right today. Verbal thank yous and e-mails are also effective, but a handwritten letter works best. Be specific, as "unconditional love" is reserved for your family and close friends. Skinner was right—*positive reinforcement is the way to go*. It's what Ken Blanchard calls the "One Minute Manager."
3. **Primary Job**—In today's complex and dynamic world, *every leader's primary job is planning and change*—every single day. Planning and change is the natural way of the world. Your education, background, experience and technology competencies are important, but planning and change is your primary job.

THE RULE OF TWO

The Rule of Two involves looking at only two concepts at a time. (Sometimes they are two polarities at once and both are important.) For example, when put together, (1) *clarity* and (2) *simplicity* lead to *speed* of execution. Some examples include:

1. **Two Smart Starts**—In order to ensure successful strategic change, Systems Thinking calls for two "Smart Starts": (1) *Plan-to-Plan*, which kicks off the planning process (Phases E, A, B), and (2) *Plan-to-Implement*, which starts the implementation process (Phases C and D).
2. **Think Outside Boxes and Across Boxes**—"Think *across* the boxes not just *outside* the boxes." All organizations need both (1) *vertical specialization* and (2) *horizontal integration* as a matrix to build the strength and durability of the organization—just like the "warp and weft" of our woven cloth and beach chairs.
3. **Strategic Consistency and Operational Flexibility**—You don't implement a Strategic Plan—you implement the annual tactical or operational plans built upon the strategic direction. These include annual plan priorities and budgets, department work plans and individual performance plans.

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THE RULE OF THREE

The Rule of Three involves presenting only three concepts at a time. That is the most people can remember and recall at once. It also provides focus, which is the key to results. *Use it all the time for everything.*

For example, we say The Systems Thinking Approach® leads to (1) *clarity*, (2) *simplicity* and (3) *speed*. Here are some other examples of The Rule of Three:

- Backwards Thinking Personified**—Systems Thinking requires backward thinking from three directions: (1) *the future external environment*, (2) *the customer's wants and needs* and (3) *your organization's Ideal Future Vision and Marketplace Positioning*.
- Competitiveness Triangle**—Its focus includes:
 - *Customers and Marketplace*—customer-focused, customer recovery strategy, research, etc.
 - *Products and Services*—including customer service
 - *Competition*—competitor analysis, search for substitutes
- Star Model: Three Levels of Competitiveness**—There are three levels of competitiveness in creating customer value:
 - *Level 1*—Competitive Edge
 - *Level 2*—Competitive
 - *Level 3*—Uncompetitive

Consider your level in each of our STAR Positioning categories: (1) personal choice, (2) caring service, (3) high quality (products and services), (4) delivery responsiveness and (5) total cost.

In the vein of The Rule of Three, it also helps to be action-oriented, thinking of **Three Instant Actions** after each discussion in which you participate. As a challenge, determine your top three priorities for the Rules of Simplicity:

The Rule of One—Instant Actions:

- _____
- _____
- _____

The Rule of Two—Instant Actions:

- _____
- _____
- _____

The Rule of Three—Instant Actions:

- _____
- _____
- _____

SUMMARY

Today's world is a complex place, and outdated methods of leadership will not solve the complexity. As Leland Russell asked, "*What does it take to win in a world where change is not only rapid but accelerating, where ancient 'truths' collapse with disconcerting regularity?*"

The answer is the three keys to success in the 21st century with clarity, simplicity and speed and The Rules of Simplicity.

The ABCs of the Systems Thinking Approach® is an absolute necessity to make sense of and succeed as a leader in today's complex world. If life on earth is governed by the natural laws of living systems, then a successful participant should learn the rules.

As Albert Einstein said, "We don't need to think more, we need to think differently!" *So think about The Rules of Simplicity!*

BONUS: LEADERSHIP COMPETENCIES



The Rules of Simplicity can help remember one of the most important leadership concepts: The Six Natural levels of Leadership Competencies (see model).

The Rule of One encapsulates the entire pyramid and the importance of the idea of six Leadership Competencies.

The Rule of Two is the two categories of competencies: (1) *Essentials* and (2) *Advanced* leadership.

The Rule of Three was applied to the two categories to create the six levels of competencies:

Essentials:

Level 1: Self-Mastery

Level 2: Interpersonal

Level 3: Intact Teams

Advanced:

Level 4: Cross-Functional

Level 5: Organization-Wide

Level 6: Strategic

Use The Rules of Simplicity to recall this—and other—important leadership competencies. And once you become a “great simplifier” in your own learning, you are that much closer to being a “great leader.”

What we think, what we know or what we believe is, in the end, of little consequence. The only consequence is what we do!

APPENDIX: ADDITIONAL EXAMPLES

The Rules of Simplicity can be applied to nearly every area of life. To illustrate this, consider the additional examples listed in this appendix.

When reading each rule, consider which three examples are the most applicable for you right now? Focus on them, and consider what actions each example calls for.

THE RULE OF ONE

- **75% Failure Rate**—Major change fails 75% of the time. The big question is: What should we do? The first job is to form a Change Leadership Team (CLT), led by the CEO or sponsor, which meets monthly solely regarding the desired major change. The CLT also needs the rest of the senior management team that should be leading the change along with an experienced facilitator and a staff support representative.
- **Culture Change**—To successfully implement any major change, you must change the Organizational Culture or “The way we do business around here.” Organizational culture is a set of interrelated beliefs or norms shared by most of the employees. **When culture and strategy clash, culture wins every time.** It is very hard to change and it takes many years.

In *Management Review*, Thomas K. Theodore and Lou Bronson wrote, “Organizational culture can create an environment that helps, hinders or confuses the achievement or organizational goals. Without careful attention to the impact change has on all aspects of an organization, the drive for competitive advantage can be thwarted by a non-supportive cultural environment.”

Change requires 3 to 5 years of concentrated and continual focus with a lot of booster shots, positive reinforcement and discipline for the worst resisters. So while you may have a Strategic Plan or even an Annual Plan and Budget, you also need a singularly focused **Culture Change Game Plan** to implement it.

For this cultural transformation to occur, there must be a shift in your thinking from analytic to Systems Thinking. Creating a future that is different from the past requires a 180-degree shift in our thinking. **The way you think creates the results you get.** The most powerful way to impact the quality of your results is to improve the ways you think.

THE RULE OF TWO

- **Work On and In the Organization**—Senior leadership needs to:
 1. *First work on the organization*—provide clarity of purpose through the Vision, Mission, Core Values and Positioning.
 2. *Then work in the organization*—cascade the rest of planning and change throughout the organization.
- **Role of Senior Leadership**—Success is not the result of one action, but many actions, each bringing you closer to your goal. The role of senior leadership is (1) *responsibility* for what cascades through the organization and (2) *accountability* for how well the cascade works to achieve business excellence and superior results, year after year.
- **Key Success Measures vs. Core Strategies**—*Core Strategies* are the primary means to the “end” (Ideal Future Vision). *Key Success Measures* (KSMs) are the final measurements of this “end.”
- **Feedback: Open vs. Closed**—Systems can be characterized in two ways: (1) *closed* or (2) *open* (with degrees in between). Open systems exchange information, energy or material with their environment. Feedback is a key aspect of success. Are you open or closed?
- **Inspect vs. Expect**—“People do what we *inspect*, not what we *expect*.” Use a to-do list at the beginning and end of each meeting and have each person send out their top weekly priorities to accomplish in the next week—and follow up!

- **Superior Results and Business Excellence**—The multiple outcomes of a Yearly Strategic Management System are:
 1. *Superior Results*—financial, customer, employee, society
 2. *Business Excellence*—operational efficiency; organizational health, dignity and capacity, organizational effectiveness
- **Two Cascades**—Two cascades are key to implementing your Strategic Plan: (1) *Cascade of Planning* and (2) *Cascade of Change*. (For more details, see our article “Executing Your Strategic Plan.”)
- **Strategies vs. Tactics**—It’s important to know the differences between the two:
 1. *Strategies*—“Doing the right thing.” Includes central organizing statements, methods or groups of actions. They are the road map for all units. They are the organizing business glue, providing focus and guides to action.
 2. *Tactics*—“Doing things right.” Includes day-to-day actions, tasks or initiatives. They are vehicles for the road and the tools of execution. They are what must get glued together.
- **Speak Finance, Not Just English**—The “Business Case” Imperative is to “Speak finance—not just English” alone through company plans and objectives and ROI Analysis, as well as company values, people issues and good leadership and management practices.
- **Structure and Behavior**—Infrastructures are one of the most powerful influences of behavior. They are the “context within which the change occurs. Having the right structures in place to begin the change is critical. Structures create chain reactions in behavior—slow at first, but faster later on.
- **Means vs. Ends**—Strategic leaders focus on the relationships between the means and ends/ measures in their daily work:
 1. *Means* (Phases C and D)—Includes strategies, actions, behaviors, tasks, activities, tactics, work plans, steps, processes and major functions.
 2. *Ends* (Phases E, A, B)—Includes words such as Vision, Mission, Core Values, culture, results, outcome, and measures of goals, objectives or Key Success Measures for feedback.Make sure to identify and measure your ends first, then find the means to reach them.
- **Rewards and Recognition**—“Olympic-style” *rewards* and *recognition* first looks at the situation before and after improvement, then looks at the implications of both.
- **Alignment and Attunement**—Two actions are necessary for watertight execution: (1) *alignment* of delivery and (2) *attunement* with people’s hearts and minds.
- **Change and Survival**—Edward Deming said, “*Change* is not necessary, but neither is *survival*.” Which comes first?
- **Winners and Losers**—Lester C. Thurow said, “A competitive world has two possibilities. You can *lose*. Or you can want to *win*. You can change.”
- **Skeptics vs. Cynics**—Know the difference:
 1. *Skeptics*—Skeptics are your best friends. A skeptic will help you by punching holes in your ideas and telling you the hard facts you may not want to hear or may not have thought of. Whether you use the skeptic’s idea, if you listen to him or her and consider his or her opinions, you will be much more effective and they will “buy-in” better.
 2. *Cynics*—The cynic is one person you don’t need. The cynic is someone who says your plan has never worked, cannot work and will not work. They won’t support their opinion with any reasons or facts. There isn’t anything positive to draw from such a conversation.

APPENDIX: ADDITIONAL EXAMPLES (CONT.)

THE RULE OF THREE

- **Universally Beneficial Practices**—An International Quality Study (IQS) named only three universally beneficial practices with a significant impact on performance:
 1. Strategic planning and deployment
 2. Business Process Improvement methods
 3. Continuous broadening of range of management practices
- **20-60-20**—The most important rule to keep in mind when you're facing a change effort is the 20-60-20 rule:
 1. 20% of employees will be change-friendly.
 2. 60% will sit on the fence.
 3. 20% will resist or deliberately try to make it fail.

That means you have a heavy burden because you must pull 80% of the organization toward your organization's new goals.
- **Three Goals**—There are three goals of Strategic Management:

Goal #1: Developing strategic, business and annual plans.
Goal #2: Ensuring successful implementation and change.
Goal #3: Building and sustaining high performance, year after year.
- **Three Premises**—The three goals of Strategic Management are based on three main premises:

Premise #1: Planning and change are the primary job of leaders.
Premise #2: People support what they help create.
Premise #3: Systems Thinking focuses on outcomes and serves the customer.
- **Depth of Results**—There are three depths of results:
 1. *Efficiency*—Doing things right.
 2. *Effectiveness*—Doing the right things.
 3. *Innovation*—Doing things no one else is doing.

Each level is progressively more complex and difficult to undertake than the preceding level. Any change requires added capacities.
- **Mission Development Triangle**—Consider three points when developing your mission:
 1. *Why We Exist*—societal, stockholder, stakeholder need
 2. *Who We Serve*—geography, segments and customers
 3. *What We Produce*—products, services, goods and uses as outcome benefits.
- **Shared Documents**—Clarity of direction involves agreement on three shared documents: (1) *Vision* (Ideal Future Vision—Marketplace Positioning), (2) *Core Values* and (3) *Core Strategies*.
- **Orders of Learning and Change**—There are three orders of change and learning:
 1. *Superficial*—surface and day-to-day
 2. *Transitional*—opinions and beliefs
 3. *Transformational*—structural and fundamental
- **Performance Appraisals**—Employee Performance Appraisals must be tied to support your (1) *Core Strategies*, (2) *Core Values* and (3) *Employee Career Development*.
- **Core Corporate Competencies**—Each organization has three core competencies:
 1. *Develop Leadership*—Develop and achieve leadership excellence through a Leadership Development System.
 2. *Planning Cycle*—Build an integrated Strategic Management Cycle through an overall Strategic Management System.
 3. *Integrated Change*—Create a Strategic Business Design with watertight integrity through integrated architecture of structures, processes, people and systems.
- **Players of Change**—An integrated continuous improvement/transformation process includes three Players of Change:
 1. *Change Leaders*—senior management
 2. *Change Implementers*—all employees
 3. *Strategic Management Office*—joint internal and external change agents
- **Gap Analysis**—Ask three questions to bridge the gap from your Current State (Phase C) to your Ideal Future State (Phase A):
 1. *What?* What are your goals? What helps and hinders you from reaching them?
 2. *So what?* So what are you doing now?
 3. *Now what?* What are you going to do differently?
- **Top Three Job “Needs” of Employees**—All employees need:
 1. Recognition for doing good work
 2. Freedom for independent thought and action
 3. Opportunity for personal growth
- **Plans**—Successful implementation of Strategic Change requires three kinds of plans: (1) *Annual Plan and Budgets*, (2) *Department Work Plans* and (3) *Individual Performance Plans*.
- **Infrastructures for Change**—Three infrastructures must be in place in order to successfully implement change:
 1. Big Formal Infrastructures
 2. Structural Techniques and Small Infrastructures
 3. Mindsets and Mental Models

Remember, structures influence behavior. As Winston Churchill said, “First we make our houses, then our houses make us.” (See “Systems Thinking: Foundational Research” for more details.)
- **Leading Strategic Change**—Delivering customer value involves (1) *Strategic Thinking*, (2) *Strategic Planning* and (3) *Strategic Change*.
- **Big Three Failures of Enterprise-Wide Change**—There are three main failures of implementing enterprise-wide change:
 1. *Structural*—A piecemeal approach to a systems problem.
 2. *Content*—Focusing on economic alignment of delivery only.
 3. *Process*—Focusing on cultural attunement and involvement with people only.

The solution is to have a “Tailored and Totally Integrated Systems Solution to Business Excellence” with a **Quadruple Bottom Line measurement**: economics, employees, customers and society.
- **Decision-Making**—There are three questions for participative decision-making:
 1. What are my desired outcomes? (Phase A)
 2. Who else should I involve? (Great question!)
 3. Are skeptics my best friends? (They should be.)
- **Three Questions to End a Meeting**—These three positive questions provide feedback on a meeting:
 1. *Continue?* What are we doing well and what should we continue doing?
 2. *More of?* What do we need to do more of to increase our effectiveness?
 3. *Less of?* What do we need less of? What gets in our way of being more effective?

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