

THE CHANGE CHALLENGE

.....A Newsletter About Change

Greetings,

Welcome to *The Change Challenge*, a newsletter about change. First, I apologize that the June newsletter was addressed to an impersonal *Dear Contact*. It's easy to make a mistake, but with computers we can make mistakes by the hundreds! Won't happen again. Second, thanks for the feedback. There was useful feedback on all four articles. Several people asked that the newsletter be shorter and issued monthly, especially during the Presidential campaign. Therefore, this issue has three articles: one each on the campaign, *Making Change Work*, and *Results Through Relationships*. The article on *Personal Change* will return in the next issue. As always your feedback is appreciated via email at www.dickstieglitz.com or at [The Change Blog](#).

Have a safe and happy 4th Of July,

Dick



Featured Article

**TUESDAY
NOVEMBER 4th**

In one of the biggest political upsets ever, Hillary Clinton, supposedly an unbeatable candidate, lost the Democratic primary when change trumped experience. Change is still the over-arching issue of the election: what changes do we want in the economy, in taxes, in Iraq and Afghanistan, in health care, in education, in immigration? On Tuesday, November 4th we get to choose the changes we want, and who they want to make them.

But which candidate would be more effective at pushing change through the Washington bureaucracy? Being an engineer by training and inclination, I developed a quasi-mathematical approach to answer that question. I call it the Change Quotient (CQ). In my experience, the most effective Presidents in accomplishing change were President Johnson, an insider

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Change Topics

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Changing The Tires

Changing a successful organization is like changing the tires on a car while it leads a NASCAR race. For example, the challenge IBM faced when personal computers became popular wasn't new technology. IBM already knew how to produce PCs better than anyone else. But the management processes, sales staff, and marketing strategy that made IBM successful were based on "big iron." They couldn't change the size of the computer they sold without concurrently changing their strategy and staff. Changing everything at once is difficult, but it's nearly impossible in a successful organization.

The more successful the organization, the stronger the dragons that resist change. Unfortunately, that leaves successful organizations especially vulnerable to performance deterioration in times of rapid change (like today, for example). Success makes it easy to deny that the world is changing. It's no accident that today's business world has so many successful startups. In many ways, it's easier for a startup to introduce a new product or service than to transform a successful organization infested with resistance dragons.

Incremental improvement increases today's success, but it may impede an organization's capability to fundamentally change. Organization's that aren't proactive in making strategic changes often find themselves making changes in reaction to deteriorating results and increasing competition. The irony is that it's easier to execute reactive changes in the middle of a crisis than proactive changes at the peak of success. Are you proactively changing, or waiting to make reactive changes?

No Brainer

with over 20 years in Congress, and President Reagan as an outsider with little Federal experience before his election. Therefore, neither an insider nor outsider has an edge in achieving change. Rather the traits those two Presidents shared were: (1) realistic ideas, (2) relationship building skills, and (3) an unwavering commitment to execute. Those are the three categories of the CQ, and each category has three sub-factors. For example, the sub-factors of realistic ideas are: (1) creativity (something new), (2) accommodating other views, and (3) and sustainable.

The CQ rates each candidate from zero to 100 relative to their ability to make change happen. At this point in the campaign, the results are Barack Obama 75 and John McCain 73. Scores in the mid-70s are marginal relative to actually accomplishing change. By comparison, President Reagan rates 91 and President Johnson rates 90 on the same scale. Obama rated high in relationship-building, and low in demonstrated ability to execute. Conversely, McCain rated higher than Obama in execution, but lower in relationship-building. They rate equal on ideas, at this point. The ratings may change during the campaign as the candidates' programs are clarified (or not) and they build consensus (or not).

I want to be optimistic, but in my opinion there's been a lot of talk about change and

Today, businesses are experiencing astonishing changes that impact every aspect of their operations. Embracing diversity is among the most significant of those changes. Historically, embracing diversity has been an American strength. In the early 1900s, immigrants from Italy, Poland, and Ireland forced workplace diversity. Today, women, immigrants from Hispanic and Oriental cultures, and openly gay men and women are challenging organizations to embrace diversity.

To executives who grasp the implications of today's multicultural workplace, embracing diversity is a no-brainer. They know an organization that welcomes and respects employees regardless of race, age, gender, religion, sexual orientation, analytical style, or other traits will attract talent. They understand that a workforce that routinely taps into diverse perspectives will produce more innovative goods and services, accelerate growth, and deliver superior customer service. Unfortunately, a few executives still think that diversity is a dragon invented by liberals to force hiring quotas and promotions based on criteria other than performance. Most executives are in the middle. They understand the human benefits of diversity, but don't know how to use diversity to improve business results.

Regardless of his personal beliefs about diversity, an executive would have to be blind to miss the shifting demographics of today's workforce. A majority of new entrants into the workforce are women, minorities, and youngsters; and that workforce shift is changing both domestic and international business. Companies are finding that homogenous teams have a significant handicap when they compete against diverse teams for new business with consumers and government agencies.

Despite mountains of legislation, U.S. neighborhoods are mostly segregated along ethnic and income lines. But people leave those neighborhoods every morning to work side-by-side in businesses across the country. So business has become the frontier of diversity. New norms for appreciating and respecting diversity are being forged in the workplace. Businesses are being forced to embrace diversity in ways that society in general has yet to face; and many have been able to use diversity to increase revenue and profits! Organizations that embrace diverse perspectives and merge them into their processes seize a competitive advantage for themselves in today's relationship economy. Do you consciously use diversity to improve your business results?

very little new thinking or approaches. Both candidates are running boring attack-the-opposition campaigns without fully explaining their own programs. Obama is offering the standard liberal program of the Democrats for the economy, taxes, and energy; and McCain is promising virtually the same Republican platform as we've seen for years. But if one of them were to pick a Vice President from the other party and truly embrace a bi-partisan platform - that would be a change! Is either party enough committed to change to do that? We'll see.

In the August newsletter, we'll update the CQ scores and explore details of the CQ relative to the economy, the #1 issue. Which of the candidates is offering an economic program that is creative and could be effective, will be supported in Congress, and is executable for our country. If you'd like to register your viewpoints, please log onto the Change Blog at my website.

Dick's Quick Links

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Friends & Colleagues,

I'm looking forward to our next newsletter conversation in early August just before the Democratic National Convention where the two big questions will be: Who will be Barack Obama's running mate? and How much real change will be in the Democratic platform? Good luck in implementing the changes you want to make!

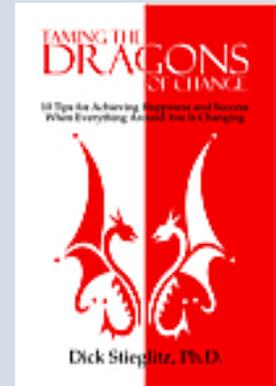
Sincerely,

Dick Stieglitz

P.S. If you enjoyed this newsletter and found it useful, forward it to a friend. If you didn't like it, please let me know why at dick@dragonsofchange.com.



LOWEST SALE PRICE



TAMING THE DRAGONS OF CHANGE "

10 Tips For Achieving Happiness & Success When Everything Around You Is Changing"

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