

Praising CHANGE



Ian Clarkson

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Praising Change is a corporate book based on series of interviews conducted in 2009 with Ian Clarkson, Founder and CEO of Celerant Consulting. Based on a true story, this book aims to present Ian Clarkson, his company and his leadership thoughts on change and values all gathered into one philosophy: **Closework®**.

Other books around Closework®:

Closework, a story that will change the way you think about your life, work and future, by Adam Lury & Simon Gibson – with the support of Ian Clarkson.

Wissen-Tun, wie man verhindert, dass Visionen und Strategien an der Realität scheitern, by Alois Deubert and Ian Clarkson.

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*I dedicate this book to all the clients
past, present and future of Celerant, everybody
who works for or has ever worked for Celerant,
my family and Sophie C without whom none
of this would have been possible.*

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INTRODUCTION

Some people invent new technologies, or economic theories, whilst others invent new cooking recipes. As for me, I discovered the concept of "Closework". The appropriateness of this term came about gradually with its gestation having started, I believe, back in my very earliest days as a professional consultant. This profession has led me throughout my career to help leaders run change programmes within their companies. Change is often a difficult undertaking even on a personal level but it assumes an exponential complexity when applied in an organisation with an operational structure governed by rules, procedures and rituals which are all deeply embedded in hearts and minds. I very quickly noticed an attitude in most of my colleagues who considered their own status as the daily proof of their superior intelligence to that of their clients, as it was the latter who were availing themselves of their ideas and knowledge. I didn't really understand this mindset as I had observed the complete opposite, in that it was I who was learning more and more every day thanks to my clients. Very quickly I realised that the consultant's sole competitive advantage is the fact that he or she is exposed to a wide variety of situations which enable a broad experience to be amassed at high speed.

What is required is the ability to listen to everyone involved, and not only the people at the top, and to roll up your sleeves, get your hands dirty and go down to the workshop, an office or a very specific production line. This conviction started to take hold within me when I created my own company and where I relatively quickly established a common set of values which enshrined scrupulous and respectful conduct which is the best way possible of bringing about change. This is how "Closework" came to be born, now the trademark of Celerant, the consulting firm I created 22 years ago. My main idea was in fact to build an organisation which would help companies increase their performance themselves, from within. In fact I am convinced that every structure holds the keys to its own improvement, but that it requires a catalyst with the ability to create the dynamics to bring this to fruition and to place its ability to progress forward on a firm foothold.

This is why we never go and see a client by presenting them with a list of possible courses of action, in a similar way to a head waiter presenting the menu in a restaurant. Our starting point is the uniqueness of each business, its operational reality, its culture and its aspirations. And that works pretty well according to the opinion of more than 90% of Celerant's clients according to a survey carried out in May 2007 by INSEAD¹. The description of "Closework" which comes out of this can be summarised in five points: Spend time with the parties involved to understand what they do; contribute to staff training; assist each individual to exploit their potential to the best possible degree; understand the client's motivations and help the client to change the determining behaviours in his business activities.

¹ INSEAD-Celerant Closework Research Project, Thomas d'Aunno, Katrina Maxwell and Mattia Gilmartin, Final Report, 29 May 2007.

*In April 2008 I attended a dinner in Paris, organised by Celerant and the Decision-Makers Club which brings together some of the leading figures of the **Centre d'Etude et de Prospective Stratégique (CEPS)**. The guests included top executives from the world of industry and finance, but also opinion leaders of civilian society such as Jean Kaspar, former General-Secretary of the CFDT trade union in France and now vice-president of the International Social Observatory.*

This dinner was the conclusion of several months of joint work around the creation of value through the human factor. The venture had started ten months earlier, at a lunch attended by several French industry leaders. We presented Celerant to them and our approach to change. A cycle of debates then brought together about a hundred leading executive managers who were invited to share their experiences and their thoughts on the importance of human capital and its added value in a private or public organisation.

I have a deep-rooted conviction that companies can bring about permanent change if there is a fundamental change in the behaviours of the employees. This is the very essence of the "Closework" concept. And let's just say that I was in my element discussing the creation of value through the human factor.

Moreover, at one particular moment the conversation focussed on values. Another subject which is close to my heart is that I do not believe that consultants, called upon by definition to work permanently on the outside and to change their environment very frequently, are able to remain tuned into the client over the long term and keep a

strong and clear motivational attitude, if they do not respect a certain number of convictions at the heart of the company which employs them. So it was from this standpoint that a few years ago a group of senior managers worked together with a university academic to create a set of values distinctive to Celerant. In fact there are six of them: respect, humility, obsession with the result, collaboration, integrity and optimism.

Whilst I was talking about these values, some of my guests asked me which for me was the most important. Optimism I replied without hesitation. Without that nothing is possible. This point of view triggered a reaction in Jean Kaspar who exclaimed enthusiastically that it had been a long time since he had heard a plea for optimism by a consultant! Perhaps the fashion is now changing with the election of Barack Obama as President of the United States of America whose campaign slogan was: "Yes we can". Three words which all consultants practices should have in their heads at all times when they start a new assignment.

That evening, Jean Kaspar, played his part in further reinforcing my faith in the human race as a powerful factor of change in organisations. He also gave me the desire to communicate to other people this enthusiasm that I have had for more than twenty years which has enabled me to accompany protagonists of all sizes, horizons and nationalities along the path of change. This desire for change both for self-improvement and to better adapt to any changes in one's environment is behind every human project, be it individual or collective. This is why the art of change is both a means of governance and a discipline of life.

PART I: FOUNDATIONS

I. JOURNEY

Becoming a consultant was not a childhood dream. In the playground nobody even knew that this profession existed – apart perhaps from the children of consultants. I chose this path at the age of 25 but I do note, with the benefit of hindsight, that several character traits and experience led me into this odd profession which could be summarised as follows – at least in my opinion: To mentor and support human organisations in the essential implementation of change. I was unaware at that time that this would become an indispensable element of survival for many companies and that this adventure would take me so far. “In a typical large change programme, it is not a matter of sending out the new organisation chart or the new budget or the new strategy with a few projects. It is about changing people’s behaviour, often a lot of people, and this is not trivial.” assures John P. Kotter, a professor at Harvard Business School. In fact, for several decades the management of change has been taught in management schools across the world but companies always struggle so much to implement it. The main reason? The neglect or an inadequate consideration of the human factor. A subject that is

largely taught in the school of life. All the duplicated lecture notes in the world, the most specialised case studies particularly awaken our curiosity especially when it involves human interactions. The most sophisticated models developed in management schools cannot take individual or collective human behaviour into account. I started working as a consultant almost without realising it. But I do note, with the benefit of hindsight, that my capacity for listening, my abilities to empathise, my taste for direct human relationships stripped of all hypocrisy were my best allies when I started out in this profession. So many character traits that are particular to me and to which I also owe in part, to my education.

An English Education

What sort of school pupil was I? As long as I can remember I always asked questions to quench my curiosity to know more. In any case it certainly was not due to the very competitive system and – to all intents and purposes – a rather inhuman system which prevailed in the 1960s and which still dominates decisions and behaviours in educational matters.

I was born into an average family which played quite a neutral role in my desire to succeed. My parents did not “push” me particularly but neither did they show any hostility or sarcasm as regards my thirst for learning. At age 11 I was awarded a scholarship as I had been admitted to Leeds Grammar School. This institution was located a long way away from our house and I had to travel there by train every day. I had the feeling that I was always on the go.

Later I travelled a lot with my teachers in Scotland, France and in Poland. I was very grateful to them as they enabled me to open up to the world and they passed on to me an authentic love of foreign languages.

This very strict and very elitist English education also cruelly lacked the emotional and human dimension to such an extent that when a thirteen year old child lost his mother, nobody spoke one word of comfort or compassion to him.

This coldness oriented towards excellence has still not disappeared today. When my son was seven years old – seven! – he had to sit all sorts of competitive exams to find out which school would admit him. This test is followed very closely by parents as it determines the level of primary school that the child can attend, which counts for a lot when integrating into a good secondary school, a necessary element and often sufficient for admission into Oxford or Cambridge. My little boy was so successful that we were able to register him for the third best school in London. But opposite us is the seventieth best school, which is also very acceptable. After a period of mature reflection we preferred for him a curriculum less tinged with excellence but in an atmosphere where he had more opportunities to learn the social rules of life, of social interactions and above all, of humanity.

I weighed up this family choice at length as I remembered this young, very traumatised boy who aged 13 had just lost his mother and who had been left alone with his trauma by both teachers and pupils alike.

Discovering optimism

This young orphan was in fact me. I overcame this test one day, when as an adolescent, I was reflecting on my life. I didn't say to myself that I had been unlucky that my mother had left me, but on the contrary that my history with her had been very positive, as I had had the opportunity to live for thirteen years close to this marvellous woman of whom I held a multitude of very specific memories. And this is how I discovered the optimism which became the first cornerstone of my building, together with the taste for work and a curiosity that I always had for others, whoever they were. Optimism is the same in a business as it is in life – a virtue that is too often lacking. Why must the glass always be viewed as half empty? Why is there this tendency to only see a future of disillusionment? This is undoubtedly why I cited this value first of all at that dinner of the Decision-Makers Club. I do not regret it. I would do it again today.

The longest lasting legacy of my grammar school years was to enable me to develop a taste for discussion, an enquiring mind and an inclination towards literature. I was very influenced by the author Albert Camus who asserts in "The Plague" in particular, that ordinary people are the most important and that they are – by extension – the real heroes of history.

But this optimism, this interest in other people, this enquiring mind that I was taught day after day also incited a period of rebellion within me, between the ages of 17 and 20. The objective of every teacher and pupil in my secondary school class was so

obvious that it was not even a decision: our destiny was at Oxford or Cambridge, nowhere else. I didn't want to follow this path, all mapped out before me and undoubtedly because this admission so coveted was almost guaranteed, 19 of the 21 pupils in my final year class went to Oxford or Cambridge.

An enquiring mind, for worse... and for better

Having refused to conform, I then found myself in the early 1970s at the University of Hull where I studied French and German. I felt huge disappointment when faced with the lecturers there who were much less captivating than those teachers I had known at school. Less captivating and also less robust: I gradually discovered that they were not well disposed to questions and objections. I remember one of them who was an expert on the German expressionist playwright, Frank Wedekind, and who over the years had almost merged himself with his subject matter, abdicating in the process all his free will. He had become a hostage to his subject. As for me I did not like the artist in Wedekind that only wanted to shock. My lecturer did not really appreciate my interventions, but I only realised it very late when I later read the observations he had added to my file. However, I do owe him a great deal because he was the first person, despite himself, to open my eyes to the fact that one should keep one's distance and always accept the views of others, including their questions and their objections. This state of mind was to be very useful to me when I took my first steps in the consultancy profession.

The only good memory I retained from my university years is from Germany. In 1974-1975 I spent an academic year in Berlin as a school assistant. It was a very libertarian period with all the teachers being very left-wing. And was I? I certainly would have answered yes at the time. In any case I enjoyed going round with friends from all backgrounds, mechanics, workmen whom I met on football and handball pitches, two sports that back then I practised with dedication. In all cases, they were all practitioners who were passionate about their work. Work is a very important value for me as it enables everyone to progress and it bonds people together. If individuals are not encouraged to be entrepreneurial, then work loses its nobility. I am always perplexed by those people who consider work as a necessary evil. It is however an extraordinary means of progressing, of measuring oneself against reality, of knowing one's limits and trying to exceed them!

Soon after graduating I had another opportunity to observe that curiosity and an enquiring mind are not always well perceived. I arrived on the job market just as the modern world discovered unemployment. What was my first job? A Graduate Trainee in a supermarket chain whose logos have now disappeared. We were a small core of graduates amongst 3,000 employees who had left school as soon as they had reached the school-leaving age. This gave rise to surrealist discussions, such as this one with one of my supervisors who wanted to break the ice with me: *"My daughter's going to university"*, he told me. *"That's great"*, I said. *"What's she*

going to study?" "Law, economics and medicine." "Not all at the same time surely?!" "My daughter is very intelligent..."

Another time one of the executives wanted to make it known to me what he thought of my university degree: *"Clarkson, you think you're an intellectual, don't you? It's not for me to say... but there is only one intellectual in this company and it's the CEO!"*

In fact I quickly irritated my superiors for the same reason that I had annoyed my lecturers at university. I was always trying to understand the whys and the wherefores in order to improve the ways of operating, without the slightest idea that this way of acting was making the positions of people very set in their ways vulnerable and putting them on the defensive. But how can you not comment on ways of proceeding which are sometimes very simple and which are just common sense? I remember having provoked sighs of exasperation when I remarked that palettes of boxes of peas were being carried to the shelves in a haphazard way whereas it would have been much more efficient to transport the ten palettes at the same time. No need to have studied for years to come to this conclusion. But the force of habit that prevails in all organisations stops questions being asked any more, especially about routine tasks. This is why an external person is often welcomed because he sees the reality with a different focus to the parties the most closely involved.

Continuing my reflections in an environment where not too much was being asked of me, I tried to imagine the consequence of each decision by thinking if we do this now, what will happen in

half an hour, tomorrow or in one week? One of these questioning sessions concerned the product positioning on the shelves. Nobody wanted to put themselves inside the head of the customer who pushed their trolley along the shelves. The customer does not rationalise things by product family but based on personal objectives and if the customer wants to make a lemon meringue pie for example he or she will need eggs, butter, flour, sugar and of course lemons. And having to walk to far-flung shelves to find the ingredients is considered a waste of time, whereas, alternatively hand, placing them altogether provides a welcome yet unusual service. But I was never able to get my shelf bosses to admit that it would be a wise idea to place a basket of lemons next to the sugar and the flour targeted at those customers wanting to make a lemon meringue pie. The idea of getting under the skin of the consumers was alien to them. But not to me, as ever since my adolescent years I had been that customer.

It originated undoubtedly from the fact that after my mother's death, I was the one who did the cooking at home whenever there was a special occasion. In fact I enjoyed it and went to do the shopping. And I had bemoaned the fact that, as a customer, all the products required to make a cake for example were not necessarily located in the same area. I think that when I resigned everybody heaved a sigh of relief and even wanted to break out in applause as my endless questions and my frequent objections were not exactly relaxing for them. Meanwhile one of the assistant directors of the chain had said to me, whilst observing the energy

that I was expending which was not always rewarded: “*You should become a consultant*”. I still don’t know if these words coming from him were actually a compliment or if he had the opposite image in mind of a caricature of a young man in a suit and tie who thinks he knows everything about everything. In any case, I took his advice.

2. APPRENTICESHIP

My first employment interview was swift and effective. Back in London after having resigned from the supermarket chain, I had a few temporary jobs whilst scouring the job adverts. One of them grabbed my attention – it was for a job as a management consultant. I was invited to a meeting at Heathrow. The conversation lasted twenty minutes and my interviewer then gave me the verdict: *“I’m going to hire you”*. I did wonder about what a strange profession this was which selected an employee within just a few minutes. I was even a little wary. But I signed up to this practice, created just after the Second World War and which still exists in fact – even if it has changed considerably since I discreetly arrived on the scene there in 1979.

I worked like mad from the very first day. I adored this profession from the very beginning as I discovered time and again that it fitted me like a glove. You have to use common sense to solve very practical and sometimes very complex questions when dealing with people who have requested external assistance but who do not necessarily have the desire to modify their ways of doing things.

In praise of simplicity

My first assignment took me into a factory that produced bacon. The planning department was experiencing great difficulties in operating the packaging lines without interruptions. Back then I didn't have any methods or any formula to meet the expectations of the customer. Therefore I decided to follow my common sense and assuage my curiosity by asking all the questions that seemed relevant to me to all the parties concerned. Finally I sorted through their responses in order to draw up a hierarchy of the problems encountered by categories. Very quickly it became obvious that the main shortcoming was in the communication between the various different people. The production line managers were not informed for example of the status of the packaging stocks which could lead to interruptions in production if they ran out during the day. Everyone working in this factory was delighted to see a young consultant so passionately determined to help them, even if they could not quite conceal a certain amount of scepticism. It is true that I worked all week, including the Saturday, to solve this terrible equation of bacon that was impossible to package. In the end, the solution was very simple. All that was required was to decide before 10.00 am to change the production lines based on the available packaging stocks. The first lesson I had just learned on the ground was the truism that the apparently most inextricable situations have, in theory, a simple answer, but one that is sometimes difficult to express cogently, as it requires that every party involved agrees to challenge their certainties in order to modify their habits.

The – unexpected – virtues of transparency

After the bacon, waiting for me now was a situation at a caravan manufacturer where the human dimension was very pronounced. The area I had to analyse was a research and development unit responsible for testing new experimental materials and products which was located five miles from the main factory. I mingled amongst the thirty or so people who worked on this site. We had numerous conversations on all the issues associated with their specific roles. After four or five weeks some of them came to me and asked: *"There are a few too many of us, aren't there? Are you going to shed some jobs?"* To which I didn't reply yes or no. At the end of my assignment the general management team decided to make 300 people redundant, some of whom were from the research and development unit. After this announcement two of the executives who had lost their jobs came over to me. I wasn't quite sure what to expect. One of them shook my hand and said: *"I'd like to thank you for your good work because you have acted with transparency. Having been made unemployed is very difficult for me but I recognise that this is good for the factory overall."* He had understood my reasoning and could not disagree either with the method or the conclusions.

The welcome that this executive extended to me, even in circumstances which were painful for him personally and to which he could have associated me in a negative way, was a lesson for me. If those concerned understand your decisions because you have been open and not tried to hide anything, then everything

becomes easier for them, and simpler for you too. In any case, the experience taught me that factory workers know perfectly well if their factory is not operating well. What they do not like, is being taken for idiots and discarded by managers who utter false reassurances as one does to children who are too young to comprehend the difficulties.

I think this is why I have always got on so well with the trade unions and even in countries like France or even more so in Australia, where they are manifestly more hesitant in relation to the rules of international competition.

SOS for projects in distress

Five months later I was promoted to project manager. As I spoke French I was despatched to Paris to the flour mills of the Grands Moulins de Pantin with ten other consultants. I have good memories of this assignment thanks to the director, a man straight out of the 19th century who spent his time scolding everyone and cursing the fact that he had too much to do. His desk was perched on a platform and his employees, even those close to him, never sat down when they were in his office. However, behind this gruff approach this man was always available to us and always helped us.

But this assignment unleashed a tiny, hardly perceptible alarm in me, namely, that in this profession, if you sacrifice quality for quantity, you lose your soul. I had to manage many consultants some of whom had spent a very long time with their

clients. Did our leaders think, as I did, that we had an obligation to this client to achieve a result? I wasn't too sure about this. However, I worked like mad for five years.

I remember my thirtieth birthday when round the table over dinner some of my friends said to me: *"We don't see you very often, you work too hard and don't have any time for yourself. You earn a lot of money but for what quality of life?"*

This interrogation in the form of an affectionate reproach quickly permeated into my mind. On the one hand I decided to marry a girl who was in fact present at this birthday dinner, and on the other, I became aware that the consultancy profession may involve deception, stage management, and that trust was important.

For a long time – and even still to a certain extent today – in the world of audits and consultancy, many people have been dazzled and even become prisoners of their own staggering growth, always wanting to increase their turnover, with more and more clients to generate more and more profits. I have nothing against growth ambitions, on the contrary, since this objective has always driven me forward ever since the day I created Celerant. But quantitative development must never take precedence over quality and this basic precept has not always been respected.

I had the opportunity to discover, very early on, the collateral damage that an obsession with quantity can generate. Before I was thirty I was appointed as the person responsible for projects in difficulty within the same consultancy practice where I had started.

To caricature, my work started as soon as the client picked up the telephone to express his dissatisfaction. I learned very quickly that the essence of this role had nothing very stimulating about it and it even turned out to be rather depressing. What enthusiasm can one show when one arrives at a client who has paid hundreds of thousands of Euros to be graced for a few weeks with the presence of a few young people employed within twenty minutes as I had been? More seriously the consultant must be under the obligation to produce a result. He must ensure that things go better after his interventions than before. How can one view this profession in any other way when the directors of a factory put their careers and the fate of their workers in your hands? This really does impart a huge responsibility. However, I hated finding myself opposite a person who had placed all their confidence in the practice that I represented and who had not received the payback in return.

I set about talking with my employers and explained to them that they were too focused on quantity and not enough on quality. Furthermore, this tendency was reflected in the means of remuneration of the sales people in relation to those with project responsibility. In reply they proposed that I leave for Australia where two assignments were in a seriously bad way. My marriage had failed due mainly to the frenetic pace that I imposed upon myself and my numerous trips away from home. Nothing was keeping me in the United Kingdom so I packed my cases and headed for the Antipodes.

Reflections from the end of the world

I was to be the good conscience of the practice in Australia. The consultants despatched on-site were nearly as dissatisfied as the two clients. It would have been difficult to find a more calamitous situation. But very quickly the poisoned chalice turned out to be a delight. On a personal level, I met a charming French woman amongst the expatriate consultants who would become my wife and professionally the time difference meant that I could only communicate very infrequently with my company's head office. Therefore I did what I wanted in that I was able to experiment in a real-life situation with all the ideas which had been germinating within me for five years. I organised some parties for the consultants which changed the atmosphere within the team. And with the clients who were manufacturing electric batteries and valves respectively, I started again from scratch. Initially it wasn't the warmest of welcomes as these two companies were not satisfied with the services that had been provided to them and the motivation of the teams on site had justifiably caused their distrust. However after several months this restart had generated its results. Not only were the clients happy, but they were also recommending us to their professional contacts. This is how the practice was able to recruit five new clients and set up a proper structure in Australia, a structure for which it was necessary to appoint a director to motivate the newly created office.

The president of this practice came in person to celebrate this success but made no comment whatsoever on my work. He

just gave me a very expensive bottle of wine and said to me: *"If you are thinking along those lines, then don't bother. You can't become the director of our practice in Australia."* I think he was referring to the expenses I had incurred to motivate the team of consultants which in his eyes increased the general overheads. I on the contrary was convinced – and still am – that what we had there was one of the most profitable investments, because without such a strong joint motivation we would never have achieved the same results.

Then my manager shipped me off to Boston in the USA where I spent the first six months of 1987. I started to contemplate my preparations for leaving. I didn't know what the future would bring but I was certain about a few things, namely that I absolutely did not want to reproduce the model that I had been skirting round over the last eight years. And the first of the pitfalls to avoid was an obsession with quantity at any price.

3. LIFT OFF

In 1987 several of my consultant friends had already taken their chances and set up their own organisations. They all set up their companies in the same way. They left their previous employer with one or two clients and two or three employees. This way of working didn't suit me at all. I didn't want these clients and these employees to leave me one day when it came to their turn. And also nothing would retain them when their day came if I had behaved like that myself when my take-off moment came.

For the same reasons I was very critical about the arrangements of my former employers relating to the company's ownership model. 96% of the capital was divided amongst four people. Whilst certain consultants, of whom I was one, worked very hard and contributed very considerably to the results, nearly all the profits went into the pockets of these four people. It was inevitable that their employees would ask themselves one day why they were expending so much effort.

A consultancy company depends on the talents that comprise it. Without such talents, it does not exist. It must

therefore groom and understand how to cultivate, mentor and reward the talented people who form part of it. Nothing is possible without a deep-rooted feeling of belonging. This does not materialise out of thin air. Opportunities should be created to meet up together outside of work and it is up to the managers to create these events, to encourage them and to join in with them. The same thing goes for training as it enables every employee to progress and therefore feel good about where he or she works. Many business leaders think wrongly that professional training is a dangerous expense as it enables their employees to increase their value in the employment market and therefore easier for them to propose their services elsewherewhat a backward-looking vision of industrial relations! Employees are not retained by keeping them in virtual chains because they have no other choice than to remain in their present job. Such a vision poses an important ethical problem in relation to social responsibility because if the company has to part from an employee, it must also bear the responsibility for the employee's weak employability. It becomes simply absurd when the main asset of an organisation is its grey matter, as in the case of a consultancy practice, as never does one reflect better or be so creative as in an atmosphere of freedom and accomplishment.

To develop a strong feeling of belonging amongst my future employees was an absolute imperative for me as I wanted to base my entire approach on the quality which had been so lacking in my previous experience.

Culture and quality

Once I had clarified my ideas about my plan, I left the United States and returned to London. I had three basic axioms in my head that I promised myself I would never forget:

1. Quality must be an obsession.
2. Employees must benefit from opportunities for training, promotion and financial involvement.
3. Work should be fun.

But to fulfil points 2 and 3 required a certain level of expenditure that was not altogether compatible with what a new company can afford. The training sessions, the “Summer Universities” and the “Christmas Parties” must also be of impeccable quality to enable everybody to develop the feeling of belonging to the company.

But I very quickly realised something that could have become a contradiction in my development strategy. On the one hand I wished to maintain quality, an objective that requires close proximity to the clients and with the consultants in order to ensure that the former are satisfied and that the latter are aware of their obligation to achieve a result. And on the other, I was certain that my company had to develop and grow in order to become a European-wide company and also have a presence in the United States of America. Globalisation was only in its infancy at that time but it was already clear that our potential clients were

thinking globally. We had to do the same to be able to help them effectively.

At that time I tried not to draw comparisons with my former colleagues. I had halved my income and was carrying a project where I was measuring simultaneously the risks, the demands and the potential contradictions. Twenty years later, I am happy that I found my way through this very difficult period. I still love my work and my company as much as on the first day because I believe that together we have all created something very special!

Ownership and freedom

So at the end of 1987 there were four of us in London. We had decided on a company name: Peter Chadwick – my middle name and that of my associate – and we set out on our adventure with two clients. The first was together with the investor who believed in our plan and enabled us to get started and the second was thanks to a contact of an employee. Soon a third one materialised whom I had known from my first employer and who wanted to work with me again. But, loyal to the rules that I had imposed on myself, I did not approach him. He was the one who approached me.

Two years later we had reimbursed the investors and the management had bought-back a portion of their shares. It was a success, because the experience was turning out according to my precepts, both in terms of the quality and the satisfaction of the employees and their participation in the company's capital. But it was a high price to pay for all the management team and for

the company. Financing was now required both to increase salary levels in line with market rates as salaries had been low during the start-up phase and, on a personal level, to absorb the shock of reimbursing the investors, the buy-back of their shares and also to secure the financial provisions to support the company's further development.

And so after ten years we were bought by Cambridge Technology Partners, an American consultancy company listed on the American stock market. It paid millions of dollars for us! So now we were rich! A pleasant feeling but so fleeting! Of course the moment you take your cheque to the bank does seem like a reward, but what follows is not commensurate with it. One does indeed have to entrust this money to a banker who assures you it will yield a profit in return for a healthy commission. Yet promises are hardly ever kept.

From the company's point of view the result was more than disappointing. We changed our name and were now called Cambridge Management Consulting. The company that had purchased us was in complete agreement with us – at least on paper – in that it wanted to create a competitive consultancy structure at the highest level. All well and good. But it was not prepared to invest fully, neither in relation to the clients nor the employees. How can you not see the contradiction between the ambitious end and the non-existent means? And how did we become a department of that company? How we missed our independence!

After the three years the opportunity presented itself for us to regain our freedom, due to the acquisition of our owners by another company. In 2001 we became a subsidiary of Novell where I knew the CEO. The situation improved because we regained a large amount of our independence. And we absolutely wanted to change our name as Cambridge Management Consulting sounded too academic and Anglo-Saxon. With the assistance of an external expert we decided to ask more than 40 executives what they felt the company they worked for meant to them. From the dozens of names proposed, I only remember one other suggestion which was “Progility.” But Celerant very quickly became the unanimous choice as it portrayed exactly what had embodied and what is still the very essence of our approach – our wish to grow, to be active in other business sectors and in other regions of the world, but also our role as change accelerators in relation to our clients. Celerant comes from “celerity” meaning taking fast and effective actions.

Then in 2005 the CEO of Novell informed me that the executive board had asked him to sell Celerant. We acquired the practice in 2006 and regained our total freedom once again. Today the capital is shared amongst the management in such a way that about one hundred employees are shareholders of the company.

Oil, packaging and cement

Over the years we have become familiar with new markets and new businesses. I remember the first project that we ran in the oil sector in 1995. Our client, BP, had installed platforms in the North

Sea. They had contacted us because of our strong reputation in factory interventions. However, BP's idea was no longer just to make its platforms into secured boats but into real production units, where safety was very important, but where other factors such as productivity and resource optimisation were also taken into account. In the end we worked for nearly all the "major" oil companies. In the North Sea alone we implemented more than 25 programmes, of which one represented a real challenge. Our client was already achieving a productivity level of 95%, a difficult score to beat but its aim was to increase this score by 0.75% to become the best operator in the North Sea. Mission accomplished: *"The greatest success, testified one of its executives, is that continuous improvement is now perceived as an integral part of every person's daily work which represents a significant paradigm shift for us."*

And as a former executive of BP, now at Total, once said: *"Celerant? They are the only consultants who go down the helix."* He was describing the spiral staircase on oil rigs which descends into the sea. Most consultants, nicely protected in their dark suits, don't take the risk. But at Celerant, it's an obligation. In order to get closer to those who are "doing", you must accept that you have to get under their skin as much as possible and therefore go down the helix, which is not complicated provided that you agree to put on the same clothing that everyone else wears who works on site and wear a hard hat.

One year later the world's leading cement company, the Swiss company Holderbank, found out that our director in Germany was organising some benchmarking workshops. His manager telephoned me one day to offer me a huge contract which consisted of explaining this performance comparison technique over two days in 90 factories spread over 37 countries. I immediately said that this wasn't necessarily the most beneficial activity for him but that we could instead draw up a diagnostic tool for his factories. It was a huge project which deployed half of our 260 employees at the time. Our client was very happy.

Celerant has lived up to its name and grown considerably since then. Today it employs over 600 employees from 44 different nationalities spread over 12 offices located in the Europe, the Middle East and the USA.

Not English but European!

The richness that we can draw on from this diversity is crucial. It is true that I have always felt more European than English. As far back as I can remember I never really understood the ambivalence of my compatriots in relation to the "old continent" because for me working with different nationalities has always been very rewarding as nothing keeps your curiosity and creativity alive more than being challenged with different points of view. And even today I am astonished at these national specificities, to the extent that stereotypes can still be created. If I could risk playing this game, I would broadly define the various European

nationalities as follows:

The Germans will ask you: *“What do you know?”* It is the key question for a German, and so much so that even after twenty years’ experience, a German will come to an employment interview armed with every single professional qualification ever awarded.

The French will let you understand very quickly that to have an argument with someone does not in any way mean a lack of appreciation. It is one of the rare countries in the world where people really do like to discuss things – for better and for worse.

For the British, it’s the network that is seen as the most important. The question the British will ask, implicitly or explicitly, is always more or less the same: *“Who do you know?”*

The Swedes and the Dutch are very open in their mindsets and like speaking any language other than their own.

Creating multinational teams in each local office therefore means taking the best from each culture and each education system with all their inherent strengths and weaknesses. It is also a way of reducing the constant threat of conformism through the interaction of different points of view.

This European conviction was reinforced by necessity. After having set up my own business structure, I very quickly became convinced that to have credibility in the consultancy market, it was essential to have a presence on the ground not only in the United Kingdom but also in France and Germany – the two European countries with the largest markets. My belief was that it

was important to open an office in each of these countries headed up by a “local” manager. This was in line with the convictions that I was forging for myself, emphasising the “local” in relation to the “central” and bestowing on the human factor an important position, whilst never forgetting that those who “do” on a daily basis, have more expertise than any eleventh hour observers, however intelligent they may be. The person responsible for each office must therefore share the culture and the values of the clients who he will be working with and mentoring during the change process.

But there is an exception to every rule. In Germany, our first office on the ground, it was an Englishman who took charge of the newly created office. Why start by contravening our own founding principles? Because this former Digital Equipment employee was more German than the Germans themselves. He not only knew the country well, he really loved it to the point of convincing us to set up the office in Augsburg rather in nearby Munich. Augsburg is a town bursting with history and blessed with an impressive architectural heritage. And what was his winning argument? The fact that the town would in the future be connected to a high speed rail network due to its proximity to Munich Airport. Well, the high speed train never arrived but our office in Germany was very successful thanks to the efforts of its director, and also to the extensive abilities of the German managers to differentiate between tools and concepts.

Then it was France’s turn, this time with a Frenchman in charge, who set up our first premises in Versailles. This was

followed by the Benelux and Nordic countries, the USA and the Middle East. The American venture may have seemed a classic step given that this huge country is overflowing with big consultancy companies. However it was a totally obvious next-step for us based on the reputation we had acquired in the oil sector. Since most oil companies are American we owed it to ourselves to have a presence there. We worked hard – and had a bit of luck. Our American office became our largest local office in terms of consultancy teams and revenues. It is true that the consultancy market sector in the USA is more developed than in Europe, but that is not the only explanation. I believe that our commitment to our values is very well perceived in this country where many people are very committed to religion.

Another new challenge recently kicked off in the United Arab Emirates where a former manager of our Paris office set up an outpost at the end of 2008. A contravention once again to the rule, but a justified one because his open-minded attitude, his curiosity and respect for etiquette made him the right man for the job!

This openness illustrates once again the strategy that has always guided me throughout the development of Celerant. I do not believe in external growth which carries the inherent risk of seeing the dilution of our values, but in the internal conquest of new territories. Why the United Arab Emirates? For at least two reasons: On the one hand, the strong presence of Celerant in the oil industry, and on the other, the need to have a presence where investors are located and in particular the private equity funds.

This is another phase in our development strategy which reflects the world as it is and our wish to be present as much as possible where things are moving.

PART II: DISCOVERIES

4. CLOSEWORK OR THE NEWSPAPER ARTICLE

Soon after September 11th, an article in the New Yorker attracted my attention. It was entitled “Closework”¹ and described the inability of American defence strategy to confront new strategic challenges: “Why?” asked the author, Joe Klein. “*Couldn't we see what was right in front of us?*” His argument started with the description of a scene that he had witnessed in autumn 1995 at Sarajevo Airport. It was an unexpected confrontation between Richard Holbrooke, Assistant Secretary of State to Bill Clinton, General Wesley Clark, and two other Generals, a British General and a French General who were commanding the UN Peacekeeping Forces. Two weeks earlier, wrote Joe Klein, Holbrooke had negotiated a ceasefire for the Sarajevo area as the first step towards a global peace accord in Bosnia. The Serbs had agreed to open a road leading out of the town effectively bringing to an end the siege of the city. But the UN forces had still not secured this communication route which made Holbrooke angry and he said. “*If Bosnian trucks are not moving on this road, we are not really testing this agreement.*” The Generals from the

1 *New Yorker*, 1 October 2001.

UN Peacekeeping Force argued that part of the route, located near to the airport, was particularly difficult to secure due to snipers and mines etc and General Clark retorted: *"Why don't we just go on over there and take a look?"*

According to Joe Klein, the General showed then all the qualities most commonly associated with the American military: tough, smart, enthusiastic, hands-on—an image that is unfortunately false, said Klein due to the risk-aversion, technological mirage and the absolute belief in the “overwhelming force” that the United States are capable of deploying. The article demolished the theory and substituted it with the concept of “closework”, the opinion of a defence strategist, Larry K. Smith who also went on to say that, “Overwhelming force implies, almost by definition, a lack of precision. That won't work now¹. What we're going to need is a much greater emphasis on the concentrated application of street smarts”. I call these sorts of operations “closework”. They are extremely precise missions that are used when the results are absolutely crucial. They demand the very highest standards of intelligence, of training, of preparation, of timing and execution.” The article ended with a post script stating that after the anger of Richard Holbrook and the proposal by Wesley Clark, the Generals of the UN force did order their troops to secure the dangerous part of the road and they got the job done.

The moral of the story: If you circle over a situation at an altitude of 30,000 feet it is possible to announce that everything is going well even if a few details make the whole situation

1 That is to say after 11 September.

inoperable or inefficient, but if one takes the trouble to get out and about on the ground, it is possible to identify these fragile areas and deal with them.

Attention to detail

This concept immediately seemed very relevant to me for the business world. And the term “closework” (working in close proximity with individuals and facts) corresponded so marvellously with my convictions that I decided to adopt it.

Twenty years ago, in fact, strategy was the most important variable for the success of a business or a group. Coca-Cola, for example, decide to launch itself into the global drinks distribution business with a very strong distribution slogan, namely that every consumer must be located no further than ten minutes away from a can of Coca Cola. Today the role of strategy has been reduced due to globalisation. In every sector, to a greater or lesser extent, all the protagonists have the same strategy. The difference lies therefore in the implementation, in the “closework” and in the journey ahead being navigable from one end to another and across all sections.

This implementation can then make use of recognised tools and methods such as Six Sigma or Lean Engineering. But these are only the means of this implementation. The big trap for a consultant is to confuse the tools and the substance. “closework” consists, for the consultant, of knowing how to use the right tools at the right time, thanks to their very sophisticated knowledge of the

processes and in particular how men and women behave on a daily basis inside an organisation. It is primarily then more a behaviour, a way of acting, rather than of knowledge and expertise. “closework” also means that if we approach the person who is involved, we will find the solution, or more accurately, that the person involved will find the solution themselves. For it is up to them to find their own way, we are only there to throw light on it for them. This approach breaks from the usual attitude of the consultant, who is often very quick to consider himself as more intelligent, gifted or clear-thinking than the client. This is a totally incomprehensible position for me as I have learnt so much from my clients. My only advantage over them is that I have come across change situations much more often than they have and for the simple reason that it is my own profession!

After reading this article from *The New Yorker* I had found my core concept: Closework. It epitomized everything that I had been doing in practice for many years with a certain amount of success – listening to people, spending time with them, worrying about the details and, especially, feeling a sense of obligation in relation to the client. I had noticed in fact over the years that many clients were happy with the work we had done for them and that quite a few of them were regularly entrusting us with new assignments. But I had never found a word that corresponded as faithfully as “closework” to the approach that I wanted to perpetuate.

A few years previously, in 1996 precisely, I had heard of an independent consultant called Adam Lury who had worked

pragmatically for the Labour Party, in particular helping Tony Blair to go beyond the traditional right/left chasm to approach political choices in a more neutral way from an ideological perspective and provoking in so doing the decoupling between the communists and rest of the British left. I asked him to analyse the motivations behind our uniqueness and the keys to our success I said to him: *"Perhaps you could help explain to us what we are doing?"*

The 11 Point Rule

Adam Lury agreed to help us but laid down a very strict precondition for providing his services. *"I do not want to talk to you, he said to me, nor do I want you or any of your managers involved. I want to carry out 300 interviews with your clients and their employees over a six week period."*

The operation lasted in fact nearly ten weeks during which Adam Lury did indeed interview 300 people. Once I was finally authorised to talk to him again to ask him about his conclusions, he handed me a piece of paper which contained a list of 11 points. This summary immediately seemed to me be totally brilliant because it touched on all the fundamental tenets on which our approach is based. It underlined the fact that the business world was changing more and more and at a faster and faster pace. These constant modifications do not affect the relevance of the models which define, analyse and try to modify reality but they make it necessary to have a more in-depth interest in local skills and expertise. If sufficient attention is not paid to the interactions

between people, processes and systems, then one runs the risk, in using a model, of being satisfied with observing an idealised reality, which in truth is far removed from everyday life.*

* *The details of Adam Lury's eleven points were as follows:*

1. *To succeed in the economic, political and social environment of the 21st century, requires a new form of organisation and an updated understanding of behaviours.*
2. *The models of the past postulated that an organisation is a centralised group of players rationally following a goal which had been assigned to them from outside.*
3. *A new approach more pertinently describes an organisation as a coalition of independent and rival groups which exchange skills, information and scarce resources in a constant negotiation around objectives which are sometimes contradictory and not always rational.*
4. *In this sense, organisations cannot be considered in an abstract way, independently from the groups which comprise them. Organisations are rather the "result" of the interaction between these groups.*
5. *They are not therefore governed by intangible and universal rules which are relayed and applied scrupulously at local level. On the contrary, organisations should be perceived as a series of groups of individuals expressing themselves on behalf of a common objective and who generate a living fabric of shared values and practices founded on the local culture of the location where they operate.*
6. *The key concepts of this updated approach are not analytical but subsume everything together. A negotiated interdependence between an organisation and its environment, between the centre and the periphery and between all the players involved and with the interpretation of the information originating from all sources.*
7. *The main challenge is to ensure that the organisation responds continuously to the leadership commands. This implies an encouragement of creativity and diversity at local level whilst stimulating a unifying momentum from the top.*
8. *The main leadership role is therefore the management of this coherent organisation.*
9. *To build a coherent organisation, it is appropriate to adopt a methodology which integrates this new, more human approach which is more decentralised and more flexible and based on five key elements: The understanding of the specifics of local situations; motivation which enables each decentralised unit to comply with global objectives; coherence; individual and collective commitment; the emergence of local solutions. When all these elements come together the organisation operates in the desired direction, both at the centre and at the periphery. A coherent organisation is, by its very construction, dynamic and fluid. It integrates change and constantly improves its performance.*
10. *The objective of Peter Chadwick is to enable organisations to acquire this coherence. We work in this way as we believe in human potential and we want to see this potential realised in work through a better interaction and relevant production.*
11. *We have developed our own organisation around a series of premises and competences in order to achieve a concentration on results, a technical and business knowledgebase, an appetite for local knowledge, specific to each site and an optimism about individuals and their relationship to work.*

These eleven points became a sort of manifesto for our way of working. Despite their relevance, they could not however be interpreted literally as they were so radical. It is a delicate job to explain to an executive that central control can be inefficient or that sometimes the best things happen despite central intervention. The result forced me to think that if we wanted to interest a CEO, it was probably better not to start by explaining to him that he had no purpose!

The article in *The New Yorker* appeared at just the right time to illustrate our vision based on the knowledge and recognition of local skills and expertise, and on the ascent of expertise and experiences from the ground up to the top.

Closework: working more closely with things and with people.

With the slowdown in growth, not to mention the deep crisis which has shaken world economies since autumn 2008, management teams have gradually become aware of the fact that strategy with a capital S is not enough on its own. To remain competitive in extremely tough competitive conditions, the heart, soul and energies of every individual must be oriented towards the common objectives, both shared and assumed. I emphasise here every individual – and not just the top management. This is how Closework became the trademark of Celerant; it is based on a few observations verified in all the assignments that we have undertaken over more than twenty years.

They can be summarised quite simply:

1. The keys to success are in the details. A few of them are decisive in themselves, but it is difficult to identify them.
2. In a modern business, everything has to be interconnected. The importance of this interconnection and the crucial role played by some of its details requires a new management style.
3. Each situation is unique and the vocabulary chosen is very important. It can happen that the same terms mean different things depending on the location where they are uttered. For example, what does the word “production” mean in the company where you work today?
4. Changing behaviours has a direct influence on performance, provided that they are modified thoroughly by placing each of the individuals involved in a “learning by doing” situation.
5. In an organisation, everybody has a role to play and those very people who carry out their tasks on a daily basis are the best placed to comment on them and analyse them.
6. The only people who can contribute to improving performance, due to a change in their behaviour, are those people who are already fulfilling a tangible role there.
7. The contribution of every individual is all the more useful if the stakes and objectives for achieving it are clearly defined.

This list of observations may seem obvious but the objectives that it assigns often turn out to be difficult to achieve, as everything comes down to the implementation. The testimonial of one of our clients which appeared in an economic journal, illustrates this more clearly than a long description.

When the oil and gas extraction industry in the North Sea entered its maturity phase, Aker Kvaerner Engineering and Technology (AKET) wanted to improve its production efficiency in order to learn how to better adapt to the demands from each client whatever the operating conditions and local cultures. The AKET managers had already identified a transformation model for their management which they called the “T-Model” and which was designed to increase flexibility, adaptability, client proximity and performance.

But transitioning any model into reality, however well developed it may be, is the most perilous exercise that there is. The AKET managers then called in Celerant because they had heard of *“those consultants who go to where the work actually gets done.”* Our consultants applied Closework and succeeded in anchoring the “T-Model” firmly in reality.

Dag Jenssen, the president of AKET, summarised his experience and its result as follows: *“We have become much closer to the companies via the “T-Model” than we had imagined. AKET was then more robust going forward, discovered it had broader competencies and was able to adapt better to its environment. We improved our ability to confront a diversified demand. We successfully*

transformed a first-class Norwegian player into a formidable global competitor.”

The “DILO”

At Celerant one acronym, DILO, has gradually become impressed on all our consultants. It stands for: “One Day In the Life Of”. On many occasions I have spent a day with a person responsible for planning or with a person responsible for purchasing to see them at work. Everyone can make a smooth speech without any contradictions for an hour or two but over a whole working day, when one has to put oneself in a particular situation, take decisions – or not as the case may be – and communicate with the other people involved in the system, reality will come through. This observation over several hours enables an understanding of the salient details, to discern the future axes for improvement and to take both words and actions into account.

It is in this regard that the notion of an “emotional quotient” as opposed to an “intellectual quotient”, so cherished by management schools but unfortunately taught in a theoretical, even “gadgety” manner, assumes all its significance. For a business to function properly it is essential that the human dimension occupies the dominant position. And this is the dimension that I prefer. This vaunted “emotional quotient” translates for me into nothing other than the way the company takes the human requirements into consideration.

I had the opportunity to learn this determining variable when

I was very young. I was 28 years old and had been working as a consultant for three years and had become a project manager. I had realised that I was good at this job, at finding methods and answers which satisfied the clients, precisely because I did not discover the solutions for them, but because I assisted them in coming to the very same conclusions themselves. It therefore dawned on me that, barring any major accidents, I would earn a very nice living from this throughout my professional career. Such a discovery at such a young age could have demotivated me, or made me rather big-headed or even encouraged me to rest on my – modest – laurels. To avoid these pitfalls I had to find other challenges for myself. And these were thrown at me by other people because they were always interesting – you just have to make the effort to be interested in them! This means in practical terms that a consultant deployed on an operational assignment must arrive at the factory at the same time as the foremen and the workers, even if, and particularly if, they start their working day at 5.30 in the morning. This how one gets accepted and earns the confidence of the people involved, crucial to understanding their reality. In overalls and hard hat the junior or senior consultant is there to share the working day with those men who work every day in a factory or on an oil rig and who are therefore the only ones able to provide the answers. And when a foreman who has been working on the site for several decades then brings us a little notebook in which he has conscientiously recorded all the breakdowns and the reasons he believes could have caused them – a notebook that he

has never shown to anyone else – then it is a small victory which explains our usefulness and the reasons for our success much better than a long speech.

Closework is therefore not a product nor simply a methodology. I would venture to say that it is a way of being and of viewing the world which surrounds us. And I believe that I have applied this since the very start of my career.

5. FIRST ASSIGNMENTS

My very first assignment in the practice that I had just created took me to a manufacturer of specialised blades which could be fitted onto combine harvesters or industrial meat-product production lines. This company had just been purchased by investors who had confidence in us and who had financed the launch of our project.

It was a typical industrial structure in the north of England, created by one family and then purchased by financiers, employing about 400 people – so neither a large nor small company, with no identity and not much of a reputation.

We started with four of us spending two weeks on site to draw up a diagnosis. I worked then as I still do today by spending a whole day with the person responsible for planning. It is always a very revealing activity during which details jump out at you before your eyes and the real practices appear in the full light of day. After two hours, despite his efforts to pull the wool over our eyes, it was obvious that this individual responsible for planning had nothing more to bring to the table.

Our analysis drawn up at the end of these two weeks contained five points:

- Confusing order books which did not state precisely the contact details of the party placing the order, the timescales or the specifics of the products requested.
- A lot of different manufacturing runs
- Useless inventories.
- Confused planning.
- Several discontented clients.

We presented these conclusions to the board of directors and stated the solutions that we could help deliver if we continued to work together. Our listeners were enthusiastic and we started work immediately focusing on four targets: order taking, planning, follow-up on the ground and reporting.

“Decision-making”

What we realised as far as the order taking was concerned was a perfect illustration of the method and mindset which would become those of Celerant. Phase One. Understand down to the smallest detail how orders are placed. This seems totally stupid but there are dozens of ways of doing it – on the telephone, by a delivery lorry, in a meeting etc. Question two. What paperwork are the orders recorded on? Question Three. Is there any standardisation which repeats the same characteristics for all the orders?

So now the decisive moment or the “brown paper” test has arrived. All the documents which are used in taking and accepting an order up to its manufacture and even to its delivery are pinned to a wall on a large sheet of brown paper. They thereby illustrate all the tasks to be done by following a process and a precise chronological order. We commented on this strange mural picture with the person responsible for taking orders. We described it together and then criticised it together. It was an exercise in visualisation which is always more effective than a long speech or a theoretical presentation.

The whole question rests on the behaviour of the main interested party. I have noticed over the years that the most hostile people were, in fact, the most creative and the most cooperative people that we dealt with. These are people who like to fight to defend their convictions and their ways of doing things. They like to do battle with you when you arrive and then, after this heated exchange, the links are forged. This happy outcome occurs more rarely with those who welcome you with a big smile reassuring you that they “adore consultants.” More often than not this is a defence system through seduction techniques of which the ultimate, conscious or sub-conscious, aim is not to change anything.

However, our man responsible for taking orders fell in the first category. He was above all astonished because ordinarily nobody was interested in him. He had his work and he tried to do it as best he could. He understood very well that everybody

was criticising him but without knowing his version of the facts. It was just like in a police investigation when the victim was finally given the chance to speak.

We listened to him at length and then we helped him develop proposals that he had to present to his manager to describe the operational system together with the weaknesses. I want to insist on this fact that it was the person responsible for the task who did this, and not us. And he was the one who shed new light on the situation and presented the beginnings of a solution. Our role was to be there to help him, not to talk on his behalf to the hierarchy running the risk of overwhelming him.

For it is the human process that conditions the success of change. When we had evaluated the needs – in this case gathering all the information required for the orders so that the products manufactured were not returned due to non-compliance, and having an advanced visibility of three weeks to be able to plan the manufacturing – it was then the implementation details which were important. If these details are not identified with precision, everyone will find all the alibis in the world not to move. Similarly, if the people in charge of this necessary change, that is, all those people who every day fill out order forms, transmit them to manufacturing, manage client relationships etc, do not personally feel that they are bearers of change, then change will not happen.

As far as the famous “brown paper” is concerned, it sometimes continues to exist well after our assignment is completed. In one factory the workers left it in place and used it as a means

of communicating with one another, leaving messages and even proposals, for their colleagues. Knowing that we have been able to play this role of catalyst in human relations has been the most delightful of tributes.

Detail and optimism

It is this blend of working with an attention to detail together with an optimism which is crucial in changing approaches and habits. In a business the people most concerned by a problem are also the best equipped to resolve it, provided that they are given the tools, shown the right path and given a methodology. When I go out in the field – and I’ve done this a lot – I have been able to identify weaknesses quite quickly, as the same problems emerge in similar forms in many assignments. But the identification of difficulties by the consultant is not enough – a further requirement is that the main interested parties come to the conclusions themselves. Imposing “pre-packaged” solutions is absolutely doomed to failure.

During this assignment in the factory manufacturing blades, the person responsible for the orders finally asked me for my recommendations. I presented my opinion to him, taking care to specify that I was not sure if in this case it totally reflected his own situation. During these exchanges we were able to develop a joint implementation plan. My role also consisted of generating some optimism and showing that the objective was going to be achieved. In this specific case, it was.

Our assignment there lasted six months. Our investor had purchased this company for 19 pence per share. He sold it two years later for 1.92 pence per share. Mission accomplished!

Objective zero breakdowns

A few years later we were contacted by the Holderbank group, the world leader in the cement sector that I have already mentioned. During the 1990s we had acquired a good reputation in the oil sector. BP, Shell, Exxon, amongst others, had called us in to try to reduce the breakdowns on the oil rigs.

Fire is the main disruption and danger factor in this sector. Repairing breakdowns is very expensive, much more so than preventing them. But organising maintenance and servicing requires complex processes which one can only understand by observing what actually happens on-site.

Holderbank had expanded quickly through dynamic external growth and it managed 97 factories in 37 countries. The objective of the board of directors was to reduce the maintenance cost per tonne of cement. To achieve this objective it was essential to harmonise the maintenance techniques in the different production sites across the world.

At first sight the most obvious option would have been to devise a rationalisation of practices which would have been imposed on the different factories from the top. This would almost certainly have resulted in failure. Why would the Brazilians, the South Africans or the Vietnamese, when all faced with problems

specific to them, and convinced, and rightly so – of the value of their expertise, have agreed to change all their practices to fulfil a directive from the other end of the earth which did not take their particular situation into account at all?

We therefore chose another route. We chose two pilot sites in France and the United States. We went on-site, observed, talked a lot and exchanged ideas. This analysis phase enabled us to define a concept of excellence in the maintenance practices in the industrial sites. We then assembled a team which comprised ten Celerant consultants and ten Holderbank executives. They then set off in teams of two to all the countries where the company was located in order to adapt this concept to the specific local conditions. For example, the factory located in Switzerland produced the same tonnage as the factory located in Vietnam with ten times fewer staff. We were therefore more directional than in the blades factory because the size of the group, its dispersion and its production units made this a necessity for us. But the aim of each assignment was also to enrich the initial concept based on local knowledge.

This assignment was complicated conceptually but relatively simple on the ground, due to the limited number of people that it was appropriate to involve in the process, essentially the factory director, the technical director and the person responsible for maintenance.

At the end of the process which lasted nearly four years, we organised a conference in Basel in Switzerland, the aim of which was to exchange experiences of maintenance best practice.

Representatives from 37 countries attended who would have been totally removed from each other in all aspects ranging from their cultures to their languages if it had not been for the fact that they were all involved professionally with problems of maintenance and servicing. However, they all exchanged ideas, were full of curiosity and listened to each other intently. We could see the Brazilians who were indeed some of the highest performers in this area, asking the South Africans questions although their performance was more modest. These exchanges are the incarnate proof that everybody sincerely wanted to learn from the others.

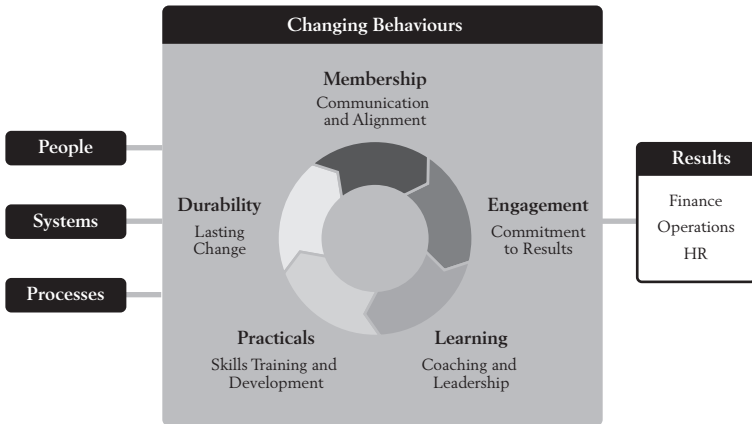
This day affected me deeply. The contributors, who had travelled from the four corners of the earth, had done so in order to avoid making the mistakes that we all make, namely to think, deep inside, that “best practices” are for other people and never for oneself.

The 5 Box Model

For many years I was very proud to have succeeded in creating a fairly simple model of our particular way of working. It can be summarised in the “5 Box Model” and still applies in the Celerant offices. This was until I discovered that a professor at MIT had developed similar ideas around this model in the 1960s.

The first box encompasses people. The second represents systems and the third, the processes.

It is the interaction between these three elements which can induce changes in behaviours without which no improvements



The 5 Box Model / Closework®

in results can be envisaged as it is precisely a question of finding the nubs and the areas of friction where the important decisions are taken.

This diagram summarises the originality of our approach. It is not always obvious at first sight, especially because many people have difficulty in differentiating clearly between the process and the system. The processes concern everything that happens physically, such as how a raw material is transported to the production line, how an order form is filled in etc. The system refers to the way decisions are taken or how information is gathered so that, for example, the sequence flow in the production of blades can be determined as clearly as possible.

I remember a very important assignment with the world leader in rail transportation equipment at the time when the rail market was in full-scale deregulation in the UK. The new network operators were flourishing and trying to distinguish themselves from each other. To achieve this objective many of them had invested in trains which represented a very attractive, but also very demanding, new market for our client.

This large industrial company had set up an engineering factory in Derby in the Midlands in order to translate the demands of each client into product specifications. There were 250 employees and about the same number again of sub-contractors. Most of them had backgrounds in the research and development sectors where new products are developed with the luxury of proceeding by trial and error, even by making mistakes and without any real constraints of deadline pressures. However, these researchers now had to abruptly reorient themselves to the logic of products and the market and deliver specified products within a specific deadline. The results did not materialise. Deadlines were not respected and the specifications sent to the production lines were not specific enough to avoid costly return operations. In short, the clients were not very happy and the budgets exploded.

When Celerant arrived in Derby, its consultants immediately applied the 5 Box Model. In order to modify behaviours, the consultants had to be interested in the way everybody was working. The assignment focused on three main areas. First of all the process, or in other words, the daily way of working, was

duly drawn as a flow diagram on brown paper. Then the actual organisation of the work was examined which until then had been based on the employees' specialisations (electronics, mechanical etc) In its place we created competence centres where all the different professions were grouped around one client project. This was the case in particular with London Underground, our pilot site. Finally the systems – which included both planning and meetings – were examined in order to eliminate that which was useless and conversely in order to build the missing links. After a while the deadlines and budgets were adhered to because new products could be manufactured immediately without these costly returns between the factory and the engineering office. The comment from the leaders in Derby was as laconic as it was eloquent: *“Nothing will be the same again.”*

One of my drivers to continue down this road, despite the difficulties, moments of discouragement, the volume of work that it implies, is this idea that one can have a positive influence on the destiny of people who did not have any desire to change but who were condemned to see their job disappear if they did not change.

My first assignments convinced me that what was important was not to become an expert in processes, systems or human resources, but on the contrary, to try to be the best in observing the interaction between these three elements. This is not an easy task, nor an exercise which can be easily explained. The 5 Box Model is there to remind young consultants to be constantly

listening to these different elements in the same way as the pianist must be able to hear the musical passages that both his right and left hands are playing or as the orchestral conductor must be able to simultaneously hear the violins, the brass section and the percussion. At the outset this exercise seems impossible, but with time and experience, this discipline of perception becomes as familiar as one's own mother tongue.

It can, however, only be carried out with conscientiousness, discipline and humility. The only way to observe people at work is to spend time with them, and in the same conditions as them. A consultant who arrives at a production site in a suit and tie at 9.30 in the morning when the people operating the production line have been in their positions since 6.00am has little chance of perceiving the subtleties of the local expertise and even less of identifying the sources of any dysfunction. As for imagining that he could convince these men and women to change their ways of acting, seems to be totally unimaginable.

Because they immediately struck me with all their complexity of human organisations, these first assignments were for me the foundations upon which the strategy and also the values were based, which have guided Celerant's path over the years.

PART III: VALUES

6. VALUES, TO WHAT END?

Ever since I set up my own consultancy practice I knew that more than anything I wanted to build it on common values. And this was for two reasons. One is a very personal one and goes back to my early professional experiences where I saw the extent to which the lack of shared convictions could have a negative influence on the service quality and the assignment results. The other, a more sophisticated one, is based on the very nature of the consultant's work as I view it, which is focused on the operational and human aspect. Celerant consultants do not work behind a desk but hundreds, sometimes even thousands of miles away from home. They often leave at the crack of dawn to go off to an oil rig, a factory or a site located in an unlikely place where they will each spend their working weeks for a period of time. This distance, this permanent change of environment makes it even more necessary to have shared tools and rules of conduct which help everyone at all times to know if one is right or wrong.

I firmly believe that every human being prefers to deliver good work rather than bad. That being the case, it is the absence

of shared beliefs which stops people from finding a path leading to quality – even excellence – and to know when they are right and then they are wrong.

How many times during assignments have I heard company leaders retort to me: *“But the trade unions will never accept it, they will defend their ways of doing things, the status quo and they don't want change.”* I always respond with diplomacy and firmness in equal measure that the unions, as far as they are concerned, consider that they are developing a defence mechanism against what they consider, rightly or wrongly, as the incompetence of the managers. Even if I don't always formulate it, my diagnosis can often be summarised as follows: *“If the board of directors spends its time avoiding problems, it is impossible to instil confidence and make progress within the company.”* A harsh opinion? Not really. It is a gradual gaining of awareness of the importance of shared values which no longer permit any refuge being taken behind avoidance strategies and any systematic shifting the blame from one party to the other. This vital need for values which seemed obvious to me with my clients was even more obvious in my own company, whose aim was precisely to help others carry out change and improve their results.

To create a company based on quality, all your employees, even those who have never had dinner or a drink with you, must share the values that you want to transmit and also share these very values themselves. This is how it is possible to respond to one's own concerns about quality. This framework must of course adapt

to company guidelines in the same way as a well designed garment moulds to the shape of the body. But, whatever the company, its history, its culture, its location, no firm project can be built over the long term without clear and shared values.

Over a long period of time I cultivated values without really realising it. Ten years ago we carried out a programme with INSEAD in order to try and gain a clearer vision of the relationships between the different pieces of the puzzle that we were manipulating every day, namely sales, analyses, operations, marketing, finance, legal and human resources. We had understood that we had to take responsibility ourselves for the training of our employees. But we had help in this. I asked my INSEAD contacts who was the best person in this field. They gave me the contact details of Jerry Porras, a professor at Stanford and co-author of the best seller “Built to Last”¹.

After devoting a bit of energy to the task and making use of a few networks, I found myself at Stanford, in Jerry Porras’ office who said to me: *“I am very flattered by your visit, but I’m really sorry as here at Stanford we do not provide any training for consultants.”* I replied immediately: *“Well, that’s perfect then as we are not consultants.”* This – at first sight – incongruous response, came to me spontaneously. I had tried to imply that our horizons were quite far removed from the basic and depressing idea of making money, as much money as possible and at all costs, and that our concerns went far and beyond the fact of maximising the profitability of our assignments. We wanted to carry out our

¹ Jerry Porras and James Collins, *Built to Last: Successful Habits of Visionary Companies*, HarperCollins, 1994.

tasks to the best of our abilities whilst imposing on ourselves the obligation to achieve a result, because a company leader had called us in and was in a way placing part of his destiny in our hands. We do not have the right to play with that.

Jerry Porras finally agreed to work with us, not in prescribed sessions, but through informal discussions. The first conclusion that he enabled us to draw from these exchanges was essential. A real value in a company is recognised above all by the fact that it has a cost, whether of time, money, efforts or energy. Otherwise, it is not really a value, but a means of having fun for little expense.

The six values that we identified and retained are collaboration, integrity, respect, humility, obsession with the result and optimism. None of these values make any real sense if they are considered separately. For instance, optimism that could be roughly summarised as “where there’s a will there’s a way” is absolutely essential for the person who is focussed on results. How can one have the mindset that the assignment will and must succeed if one is not driven by the conviction that one can succeed?

Similarly, respect is inextricably linked to integrity and humility. How can one respect the other person who is doing the work on a daily basis on a production line or on an oil rig if one does not attach specific importance to integrity and even more so to humility?

As for collaboration, this cannot be envisaged without respect which is a pre-requisite for opening up to others.

7. OPTIMISM

Does optimism have a cost? Of course it does. It is a state of mind which requires financial resources and energy. Being in contact with someone and supporting him when one is convinced he will succeed, and in particular, to convince other people also to support him are some of the many approaches which require resources and commitment.

Ever since the start of my professional life I have been struck by a strange phenomenon. If men and women when at work were to devote only half of the energy to advancing change that they expend to resisting it, all businesses would achieve spectacular progress. This has always been – and still is – a mystery to me, yet my intuition tells me that to some extent everyone is a prisoner of his own thought processes. Engineers, for example, have a deductive thought-process which has difficulty in adapting to reforms based on intuition. However, it is not a question of making all forms of resistance disappear, because to resist is healthy. Can one imagine an environment in which everybody accepted every change proposed to him without uttering a single word? Such docility would in all likelihood harm global creativity and would

precipitate bad decision-making.

No. Optimism is a state of mind in which the capacity to resist must be tempered by pragmatism and the desire to advance; it is an attitude which at the same time enables failure to be managed and the impact of success to be heightened.

But optimism is not made to order. Its generation requires an attractive working environment, a collective commitment to do the best one can, a shared conviction that there is no problem for which there is no solution and that when faced with a major difficulty, it is always possible to find someone in the company who will say: *“Ok, have a seat and let’s talk about it.”*

Optimism also entails a collective dimension, if half the group has a belief in optimism and the other half doesn’t the outcome of any challenge is polarisation in most cases whereas optimism should be fuelling a “can do/where there’s a will there’s a way” mentality. This also has an influence on the fear of failure - the optimist only expects to be right 60-70% of the time and is therefore less risk averse.

I remember attending a dinner debate in Paris with some opinion leaders who asked me questions about “the creation of value through the human factor” and the values that I championed. When I started talking about optimism, Jean Kaspar, the former leader of the French trade union, the CFDT, and today an expert in industrial relations, smiled and said that it had been too long in France since he had heard a business leader placing optimism at the top of the list of values he championed.

It is also this character trait that led me to bringing about Celerrant's Management Buy-Out. Generally speaking, optimism has always guided my life. However, by no means does this imply that I am infallible. But I consider that, in the medium term, I must take at least 6 correct decisions out of 10. If I manage 7, then that's great, and if it's 8 then that's even better. But let's not start day-dreaming!

One of the only things capable of wearing down my optimism is idleness. I have never been able to understand this sterile behaviour. It seems to me that idleness can only be caused by low esteem of oneself and of others. In the consultancy company where I first started work, everybody thought the worst about everyone – colleagues but also clients and suppliers. Therefore, everybody expected that nobody was inclined to work properly. This perception leads in time to a form of idleness linked to disenchantment. Two people who are laughing together in a corridor are not necessarily plotting something, as imagined by pessimists, but it is instead a sign of a good cohesion in the team.

Over the years I have begun to understand how difficult it is to transmit optimism as a value because it originates at the deepest level of our behaviours, even within our states of mind. It also requires real internal discipline as it is not possible to achieve it without also having worked on one own self-confidence, an open-minded approach to others and respect.

8. RESPECT

Respect is indivisible. It is impossible to be respectful to one's colleagues but not to one's clients, or vice versa. It applies equally to big ideas and to little everyday gestures. When people are working hard at Celerant, and when at the end of the day, an employee responsible for the cleaning comes into the office, it must seem obvious to everyone that they take a short break to enable this person to do their job and to welcome them courteously. In the same way the situation has also arisen – and it will do again – when a junior Celerant consultant can make a senior consultant change his mind about a decision that he has already taken. Respect applies in all directions.

When we spend so much time close to our clients, it is very important to keep respect in mind, especially for a consultant. I have seen so many of them arrive at the client and written all over their face and their behaviour is the view that the client is less intelligent than them.

A frequent occurrence is when clients ask questions about the competences of one or other of their employees. This is always a difficult moment as we could be in placed in a situation where

through a phrase, a word or even an intonation, the professional fate of someone could be turned upside down. One of my strictest principles, and I believe this also holds true for all Celerant employees, is never to utter any value judgements. *"I cannot pass any comment on Mr. or Mrs. X as a person, but I can say to you that with the right processes and the right systems you will be able to take the decisions yourselves."* This is not a means of prevaricating but on the contrary of making the manager face a dual responsibility, namely of reforming what is not working in his management style and of assuming his responsibilities without having recourse to the opinion of the consultant.

Respecting each human being at work, whatever their position, seems to me to be a cardinal rule. But this conviction has a cost. It is more difficult to spend time with an employee to understand his role in the chain, his concerns, and his observations than to have a coffee with his manager to deplore the mediocre quality of his employees. Only in the first case does one have any chance of improving the existing situation whereas in the second, one is merely content to play the role of sycophant before pocketing the money from the assignment, knowing deep down that one has served no purpose whatsoever. I cannot bear this.

Respect of the other person requires a lot of self-work. Impatient by nature I like things to progress quickly. Yet I must often hold myself back and remind myself at all times that it is not my job to provide the solution, but for the parties involved to find it. This is also respect.

9. INTEGRITY

Daily life unfortunately offers us many many examples of broken promises made by businesses to the general public, such as the hamburger so appetising in the photograph and so much less so when you open the box, or dream holidays highly praised by a brochure with a blue lagoon in the background which are transformed into a nightmare once you arrive. How many films and comic sketches have been written around this inexhaustible subject?

Integrity is just the opposite. It is a behaviour which prefers what is just rather than what is easy, even if the road to achieve it is painful. For years now society has been drifting towards what is easy because the work value has waned and mass consumption has led some people to believe that they could choose to overlook quality and that everybody will end up accustomed to this discrepancy between promise and the reality.

In my daily life I have at times also been a resigned consumer. But I am, I believe, uncompromising on questions of integrity in a business. In fact, how can one claim to build a value-based management system if the most elementary ethic is not respected?

It is not only a question of grand principles but of extremely practical actions. When a mistake is made during an assignment, everybody must accept their responsibility rather than trying to dilute it or worse, to deny it. When a consultant has a meeting with a client he should be there on time even if the person that he is due to meet is not part of the management team.

The value of integrity is explained to our consultants in the following way: You must conduct yourselves as if you are a setting an example for each employee of the company where you are on assignment. Integrity is therefore the other side of the coin to respect. And this is why we refrain from making judgements on the employees in the companies for whom we are working. Our reports never contain any references to any specific individual, and even less, any value judgements.

I remember an assignment for a very large client in the UK. We had compiled a progress report, for which we had been given access to quite a few documents. One of them included a paragraph stating that the factory director was not performing very well and but that he was proud of his role in the local community. One day, during a head-to-head meeting, this director quoted these lines. He had found the pages of the report forgotten in a photocopier. Understanding that these lines had upset him, I immediately apologised most sincerely. As soon as I had returned to the office, I telephoned his manager to tell him about this rather disagreeable meeting. He was annoyed but did appreciate the fact that I had had the courage to tell him about this unfortunate incident which

was not to our benefit at all. And at least when the factory director telephoned him to express his indignation, he was informed of the incident and was able to anticipate the call.

Integrity can also lead to a situation where one has to dissuade a client from continuing any further, even if that represents a loss of earnings. This attitude is of course costly, but less than it appears, as it seems that it is also appreciated. During a presentation in which we were proposing the terms of an assignment to a very important client, a Celerant team was asked if we had wide experience in the banking sector. The person responsible for the project did not hesitate for one moment before replying that we did not. We won the bid and later our client told us that it had been this honesty that had made the difference.

10. OBSESSION WITH THE RESULT



his is particularly relevant in the context of creating a service business. What really matters in a service business is the outcome or result of the consulting engagement for the client. There exists a crucial hierarchy in my mind that for the client to come first then the most important priority for a consultant is to be obsessed with the delivery of the right result for the client. As in Maslow's hierarchy of needs that is the basic need on which all other needs may be satisfied. We can then consider the profitability of the assignment and other issues that have to do with less basic needs but without a fundamental obsession with results for the customer you may create something of value but it will always be transient in nature.

This is why I believe that we must do everything to succeed. It is the shared value which is the easiest for everyone to understand, whatever the sensitivity differences may be. It is in fact the most tangible value and where respect is at its most visible. One of my employees said one day that it was the most obvious part of our DNA. That expresses it precisely – success is our *raison d'être* after all.

Or expressed in another way it means that one must do what one says and say what one does. Easier said than done, the sceptics will reply. No. It is a question of conviction and determination. A real value, we remind them, is costly to respect!

This cost can be very easily measured. As long as we have not achieved the result for which we were hired, we stay. A few years ago Celerant undertook a large project in a semi-conductor factory in China. It was a mouth-watering point of entry into the Chinese market. I'd like to mention an anecdote at this point. We had launched an appeal to all the Celerant offices worldwide to find consultants who spoke Mandarin. 22 responded to our appeal – proof of our internationalisation. We don't just play lip service to a mixing of cultures and nationalities in our company.

When we compiled the quotation we estimated the price of this assignment as if it had been taking place on the East coast of the USA. This was without taking into account the cultural differences but also those relating to commercial and structural practices. We had to understand the parallel practices in order to better grasp them and therefore help our client eradicate them. And the result was that we lost a lot of money. But we succeeded in our assignment. I am very proud of this as all the Celerant colleagues learnt a lot from this experience which can be analysed as a source of losses, but also as an investment. Our reputation in China was positively impacted by this.

But even if these significant losses, caused due to our respect for the obsession with the result, had not yielded any beneficial

results, I would not abandon this value for anything in the world.

This way of seeing things and acting also makes it easier to accept disappointments and irritations which do not fail to occur. In the early days of the company in the 1980s a client of the company owed us 100,000 euros – a significant debt for a young company. I sent the financial director and the project director to try and recover the money. The two of them sat down opposite the client and presented their arguments to convince him to pay. At the end of their explanation, he was prepared to pay. He got out his cheque book and took the cap off his pen. He lifted his head and said to my colleagues: *“I agree totally with you...”* Good News! Then he added: *“But I could still instigate legal proceedings against you...”*

The two directors made a faint grimace of annoyance. Fatal error! The client succeeded in reducing the bill by 40,000 euros. When they returned to the office I said to them: *“From one point of view, 40,000 euros is not all that expensive as I could have spent days explaining to you how you should have reacted to this experience, but instead this was a good lesson for you so I think that the 40,000 euro lesson has borne its fruits!”*

What should they have done in my opinion? When the client raised the possibility of legal proceedings, they should have responded to him *“Well, yes, that is indeed one option. But I’m not sure that this is the best way of improving our ability to solve this difficult situation that has arisen between the two of us.”*

The obsession of the result is above all to always remember

that the client is in the centre of everything – that he has the right to change his opinion and that we have the duty to change direction if the objectives risk not being achieved. It is a difficult exercise which requires both having the end in mind and being capable at all times of changing the route which will lead to this end. Nothing can explain this better than this testimonial from a consultant who was supervising a sensitive project: Ten weeks away from the end of the assignment we decided to change strategy in order to be able to achieve the expected results. The client was also advised of this immediately and during a meeting he made a list of the areas on which we should focus our attention. For each of these points he wrote down the success criteria marking down that the result had been achieved. At the end he had outlined the envisaged success scenario ten weeks later. Starting with the end in mind is for me the very definition of an obsession with the result.

II. HUMILITY

In a consultancy environment, humility is a value that is all the more fundamental a sense of superiority has a tendency to prevail. Most consultants are totally convinced that they are more intelligent than their clients, under the pretext that it is the clients who have called them in to sort out specific or recurring problems or even to improve certain aspects of their production or their organisation. It is our job to be humble and to remember at all times that one is a simple catalyst and it is all those people who are working every day in a business who are creating the value, even if they do need consultants from time to time. In other words, instead of saying to oneself and implying: *“If you were intelligent, you wouldn't need me”* it is imperative to think and say: *“You have a fantastic business, but some aspects could be improved even further.”*

Eradicating this arrogance is not easy to do. Practising humility on a daily basis does not only apply to client-relationships. It also applies within the company as a means of demonstrating that personal attitude and the quality of relationships are more important than hierarchical positions. I hope that every consultant, before going to the coffee machine, thinks for example to walk

past the secretaries' office and ask them if he can bring them a hot drink. This sort of gesture is noticed because it doesn't happen very often. It shows that everyone is treated equally and is testament to an authentic spirit of collaboration.

Humility also requires that everybody shares their success with their whole team, rather than keeping it all for themselves. Conversely, it means that one must keep one's cool and not argue with an unhappy client, even if he is being disagreeable, even hurtful, but to get back to work immediately and without making any comments. In any case, it must always be remembered that as consultants, most of us are not experts in every area. This self-evident fact is there to remind us, in every assignment, that we also have a lot to learn from the businesses in which we are working.

In a world where communication often prevails over reality, it is evident that humility suffers from two disadvantages, namely that it is not very "trendy" and it does not permit us to describe what we are capable of doing in extravagant superlatives. We have lost a few tenders for this reason, but we have won some too. It seems to me that our clients also sense it and are more loyal to us than the average. For example, we have been working with some clients in the chemicals and energy sectors for more than 15 years. Last year 70% of our revenues originated from repeat business, or in other words, from businesses who had already asked us to work for them before. As most of our clients are international groups, there is no shortage of divisions, factories or subsidiaries that are likely to call us in.

12. COLLABORATION

It was in bringing this value to light where the contribution of Jerry Porras, our professor at Stanford, was the most valuable. He was the one who formalised the idea that five people together can do better than ten separately, or in human terms, one plus one does not equal two but often more, and that a network is a more efficient organisation than a hierarchy. Indeed, collaboration enables flexibility and transparency. So for instance a situation could arise where one team member involved in an assignment has to come to the assistance of another team as he has the specific expertise. His initial team must in this case reschedule its activity and planning in accordance with this forced defection and undertake this together with the client. And in return, at the end of the day, everyone is happy. At least, this is my experience after more than twenty years of working in this sector

This collaboration is all the more efficient as our organisation is international and flexible. Finding a Portuguese-speaking innovation specialist to support a project in Brazil, or sending an Arabic-speaking Private Equity analyst to Egypt or even replacing a consultant on an oil platform in the North Sea, forms part

of our daily work. 80% of our assignments are multi-skilled and multicultural. Each person brings his knowledge and inter-personal skills to the table.

This cooperation between us all liberates creativity and removes inhibitions. I have often noticed that most people, even if they are carrying out a rewarding profession, do not have confidence in what they say. Speaking in public is often very difficult for them, unless they feel they are being understood and listened to. This comfort factor therefore enables them to totally dedicate themselves to their assignment instead of focusing on the impact of their attitude and their image in the group.

Here again, this value has a cost. It is measured in terms of time, since bringing people together, helping them get to know and appreciate each other better does not happen in the blink of an eye. But the result is worth the effort. Very quickly each person is convinced that they can build something that is bigger and better.

PART IV: CHANGES

13. CHANGING TOGETHER

It is human diversity, different ways of reasoning, sensitivities and different approaches to reality which create the richness in organisations. But this is also what makes our intervention necessary. Every business leader is tempted to consider the strategy that he has developed as an exact science. Then he discovers that the reality is more complex due to the involvement of the human factor, which makes it illusory to want to stick to the model.

Around a meeting table some people will be thinking in numbers, others in images. Some use deductive reasoning, others proceed using analogy. Some are capable of envisaging the future – both their own and that of the company – over a fairly broad time horizon – whereas others are incapable of even imagining what the next hour will look like. None of these attitudes are in themselves, good or bad. Quite simply a human organisation in a way resembles a colour palette which must be harmonious so that information circulates in the best way possible so that each person feels useful and recognised in this work. A consultant can therefore deliver a perfect solution which will not work at all because the

profile of the persons involved will not allow it to work.

In a change programme that is working well, one knows what behaviours one wants to change. But even if it is fairly easy to exert some influence at an individual level, it is much more difficult to find the levers likely to motivate a group and by extension a factory or a company. These can be found specifically in the interaction between the processes, the systems and the human factor. What makes the difference is to know how to observe these accurately.

Nature or nurture?

I have been asked several times whether the acuity required to perceive these interactions is an innate or an acquired skill. Is it an intrinsic ability that one has like some musicians have perfect pitch? My answer isn't really a proper answer. It seems to me that the two indispensable ingredients are firstly curiosity, which tends to be innate, even if it can be developed, and secondly work. It also seems clear to me that country-specific education systems develop particular aptitudes – and inaptitudes. For instance the French model is based on competition and never on collaboration. The English model is also very competitive, but compensates for this aspect by its emphasis from a very young age on collective sports which develop a team spirit.

These moulds have a real effect on people's behaviour at work. In France twenty years ago, two foremen who had been working together for years continued to address each other, even when they were alone, as Mr. X and Mr. Y. But the French are

also very open to debate and controversy, even if they remain very formal in the process. This is an undeniable collective quality which the English should envy them for as the English often ardently wish that a problem would disappear of its own accord, whereas the Germans wait for the just the right person to deliver the perfect solution.

Did you say rational?

And having said all that some people still like to imagine that the business world is governed by rationality! As far as I am concerned, I have always wanted to rise above this idea as the motivations of each individual person far exceed mere rational details.

Is there any other explanation for the increase in the power of greed that has pervaded – and still pervades – our companies despite the global crisis? How can we understand the rationale of a leader of a major company on whom life has always smiled because he was talented and has achieved a magnificent career securing a formidable position of power and then find an explanation for why this manager, who has already earned more money than he could ever spend, continues to disburse profuse gratifications to himself when his company is announcing cataclysmic losses? If reason was the only force at work, this would lead him to renounce these unjustified and indecent privileges. His own conscience would have put him in a position to face his social responsibilities, namely not to work solely to earn money but also to increase his contribution

as regards society at large and to move closer to what is fair. The only excuse to be found for such an attitude is obviously a lack of rationality, not to mention stupidity.

To help an organisation implement change requires this variable to be kept in mind at all times. Each person who makes up the organisation is not rational and acts for reasons that he himself is often unaware of. To guide all these rather irrational individuals to change their vision of their work and their way of doing it, is therefore an arduous – even a very arduous – task. This is however a crucial mission. In a perpetually changing environment, the management of perpetual change represents a permanent challenge and its success constitutes an inestimable competitive advantage.

Why therefore do most companies find it difficult to manage change effectively? According to a survey carried out by “The Economist Intelligence Unit” on behalf of Celerant , 58% of the people questioned recognised that over the last five years, they had not been able to complete more than half of their change initiatives. Furthermore, the most frequently cited obstacle affecting the successful implementation of change related to bad management of the human factor. 51% of the leaders questioned underlined the difficulty of securing the buy-in of the personnel, 31% the involvement of local management teams and 27% cited cultural problems. But take note. All of them underlined the goodwill shown by each employee, who wished, allowing for exceptions, to be a player in the change ahead. So, everything comes down to

1 Investigation carried out by The Economist Intelligence Unit, on behalf of Celerant with more than 600 leading executives in Europe and North America, 18 June 2008.

the implementation – the ability to modify behaviours over the long term. This was also underlined by Professor John P. Kotter, at the Harvard Business School and a recognised specialist in implementing change. *“In a typical large change programme, it is not a matter of sending out the new organisation chart or the new budget or the new strategy with a few projects. It is about changing people’s behaviour, often a lot of people, and this is not trivial.”*

A few clues on the road to success

Not only is implementing change not a simple thing to do, it is also impossible to provide a standard recipe to achieve it. The investigation carried out by The Economist Intelligence Unit reminds us of a few salutary fundamentals. Firstly, the real nature of leadership. Those who have experienced the best results in change implementation programmes did not impose their plans, but the very opposite. They communicated the overall guidelines of a motivating vision for others, which enabled them to appropriate the project for themselves, to make proposals and to participate fully in it. This result confirmed the validity of what we have been practising at Celerant for over twenty years by sharing the daily life and therefore the experience and knowledge of all those who occupy the key positions and whose buy-in is indispensable. But buy-in is not enough. The “makeup” of the team must also be harmonious. An individual can intrinsically be very motivated and competent, but may see his potential reduced because he cannot, for reasons which, here again, go above and beyond what

is rational, agree with the others. This is a pity for him and a loss of earnings for the company. Implementing change can even go as far as a creating a whole new generation of employees. It is not a question of denouncing some and raising others up, but on the contrary of building teams by thinking collectively as a theatre director or football or rugby selector would. These psychological factors play a more important role than one imagines and their good management may become a formidable success accelerator. As Ralph Hargrow, director of human resources at Molson Coors said: *“People like to win and know that they are progressing. Change is in essence the fruit of a personal process. You have to engage with people on a personal basis and ensure that they understand and commit themselves personally to the prospect of change. That requires a lot of work.”* More work than financial resources, in any case, since change programmes do not require a high level of investment – between 0.1 and 0.4% of annual revenues of a company depending on its size and needs.

Cultural factors?

Many managers mentioned “cultural problems” when they listed the obstacles to implementing change. This expression conceals various types of difficulties including reticence at local level to buy into a model imposed on them from the top of the pyramid, but also problems subsequent to a merger or an acquisition or a transfer which modifies the sphere of activities. When in 2005, Adolph Coors, the third largest brewer in the USA merged

with Molson Coors, the largest Canadian brewer to become, under the name of Molson Coors Brewing Co., the fifth largest brewer worldwide, many high level executives left the new structure creating an acute leadership problem. There was a simultaneous requirement to recruit new managers who would forge a closely-knit team and to integrate the “patchwork” of the two entities which were merging. Moreover, managers do not only instigate change, they are also subject to its consequences. For example, after a merger most of them have reduced responsibilities within a larger entity. *“They have to learn to cooperate with a new partner and to work with a hierarchical superior who was not necessarily in the original company,”* underlines Ralph Hargrow. *“For them change is really something very personal. People often define themselves through their professional activity, namely the occupation to which they devote the majority of their time.”*

This is why the cultural dimension of change must be the focus of specific attention. And this is all the more crucial when a company has sites in different regions of the world, but also when diversification has led it to operating in different sectors, each of which has developed its own culture. How can these so very different environments be unified? This is where the role of common values comes into play – values that everyone can buy into whatever their nationality or professional specialism.

14. CHANGE FOR IT'S OWN SAKE

Change within an organisation often represents an unexpected challenge for the players involved who discover at such a time how much each of them is attached to the existing procedures and resists, even unconsciously, any extensive reorientations. This resistance is, however, not just a negative factor. Over the years I have noticed that those people who were apparently the most receptive to any modifications, were in fact those very people who protected themselves the most or were not sufficiently sure of themselves or legitimate enough to “come out of the woods” and to assert their objections. Resisting in an organisation can also be existing!

One of the most commonly admitted reasons for resisting change relates to the collective effect. It seems so much simpler to lead one sole individual to question things. I am however convinced that change, on a personal level, is also an ambitious undertaking which requires courage as everything urges us to retain the status quo, starting with the interactions that we have with our environment – the constraints linked to our work, our family, our age, our uncertainties for the future etc. Within each of

us there is an individual, more or less imperious, who silently but constantly praises conservatism. Change on an individual level is however the only way of improving each period of one's life.

The thrill of success

It is not a pointless exercise to wonder from time to time what is the main purpose of one's life. I believe that most men and women come to the conclusion that what matters is to contribute as much as possible to the common good. This is what we all do every day when making all manner of decisions, small and large, which have an impact on society around us, such as bringing up our children, showing an interest in our surroundings, and of course our work. Admittedly drug traffickers or arms dealers do not fit this description at all, but there are exceptions to every rule! As for me I cannot imagine devoting my days to an activity that is harmful to my contemporaries, even if – and especially if it made me a lot of money in the process.

I have always said – and I really do believe this! – that it is always better to feel the thrill of success than the fear of failure. On occasions I have had to endure sarcastic comments as a caricature of *“American blabla on success”*. I use quotation marks here as I specifically remember several of the people I was dealing with making this explicit reference. I responded to them all that this was primarily to do with good literature, good music and more generally with all human achievements based on personal demands, work, the quest for excellence, talent – with genius being reserved

to a few which was a good thing. I don't believe at all that one can experience the thrill of success over the long term by contributing nothing or even negatively to society.

All these convictions which have guided me over the years were born early in my life on those university benches. After having experienced exhilarating intellectual fulfilment at school, my impression of higher education was lacklustre, bland and not very demanding. I took a bit of time to understand that this is where the origins of my dissatisfaction were to be found. I started to observe my lecturers who had an unbelievable opportunity to be able to work day after day in their particular field of interest and to transmit their knowledge, and even their discoveries, to an educated and motivated audience. Why then did most of them behave on a daily basis like disillusioned officials? Why were they not driven by the desire to be the best in their specialist fields? Why were they not driven by the desire to write a book, to hold conferences and to mentor the students as much as possible?

Simply because with the upheavals following the end of the Second World War, they were no longer sure what it meant "to be a good teacher". The values of those university lecturers were no longer current and hadn't been replaced with anything else, apart from a huge collective question mark.

Furthermore, it is impossible to change, or to move towards improvement, without any values to base it on. This is as true for an organisation as it is for an individual because they both interact constantly with their environments.

Back to values!

On an individual level, values need to be defined less precisely than within a group. But they do have to exist and be in harmony with the environment.

For instance, let's take the the cardinal value of optimism, which in my opinion, is all too often totally abandoned by businesses. This value is equally important on an individual level. How many people get up in the morning and count their blessings simply for being able to breathe, move around as they wish and be in contact with those who love them? Very few, too few!

Respect is also indispensable for self-improvement. In fact, taking someone else into consideration, in the prime meaning of the term, and being convinced of ones abilities, is a genuine prerequisite of change. Let's go back to the example of my university lecturers. Why should they want to be the best if they did not feel any respect for their students, the prime recipients of their knowledge or for the readers that they could affect by their books, if they decided to write any? That being said, respect is a value that is easier to implement within a business framework than on an individual level as our own personality with its tendencies for impatience (often not very compatible with the respect of others) or for empathy (which goes beyond the notion of respect by putting ourselves in someone else's place), can interfere with this very value of respect. For instance a large hotel chain can ask its staff to smile, be friendly and listen to all the customers' grievances. This is the translation of the notion of respect in this business

sector. On the other hand we cannot function throughout the day with these types of dogmatic rules, purely and simply because that would be unbearable.

Integrity assumes a behaviour which favours the just over the easy, even if the road to achieve it is painful. No change on an individual level can take effect without referring to it. Having integrity is to respect ones values and especially to live them on a daily basis!

Humility could be defined as the opposite to arrogance. How can anyone even envisage changing if one is convinced that one is more intelligent and more talented than other people? Self-satisfaction denies the very idea of improvement. But humility can also become a handicap. At an American university the students had to evaluate themselves at the end of the semester. The few Europeans who were in the room gave themselves reasonable marks whereas most of the Americans gave themselves genuine star ratings, not hesitating to give themselves 10 out of 10. They were right because their marks were taken at face value!

As far as collaboration was concerned, the correlation is not as clear-cut. It is indeed possible to change on one's own. But are we really motivated to launch into this personal adventure if we are not listening to others? If we exchange ideas or work with someone else we often finish up with a better solution than if we had remained in our little corner on our own. The rule of $1 + 1 = 3$ applies here too. When I was young I remember all the consultants looking at each other with distrust

and thinking “*he’s hopeless*” “*he only develops bad projects.*” This attitude always surprised me because we can learn a great deal from people who are “hopeless” and from things that are not working. This is useful for those people who know how to use such observations in order to avoid making the same mistakes. To take the time to try and understand how other people think is never a waste of time.

“Know yourself”

The obsession with the result is the value that adapts the least pertinently from change within a company to self-improvement on an individual level. It may perhaps be replaced more beneficially by pragmatism. Things must be changed that can be changed but without fixing goals which are impossible to achieve. Once written down, this seems obvious. Yet in my eyes it is the main reason for failure. In fact one must recognise in oneself some character constants that can only be modified a little. At a collective level this is less important as the strengths and weaknesses of each person can be used according to the attribution of skills and expertise. It is an impossible compromise for an individual to find. The famous quote from the French luminary Montaigne “know yourself” still holds true today.

In a similar vein, clients often ask me: “*How long will the change take?*” The answer depends of course on the degree of urgency and the severity of the situation. A smoker who is told that he is likely to die in the next few months if he does not stop smoking

cigarettes immediately will be more motivated than someone else who is foretold of serious health problems at an indeterminate point in the future.

This is why personal development books are a little like diet books. They demolish all the other methods before declaring THE solution which sounds just like a fairy tale. Of course this hardly ever works as the book never takes into account the reader's personality, his taste for change and the urgency with which he has to undertake this approach.

The Four Point Rule

This is why it is always apposite to start by drawing up a list of one's personal values and taking care to append them with a specific definition. The easiest way to do this is to start by what seems good to us and what isn't.

For me for example amongst "the good" I would classify without hesitation the fact of earning money whilst rendering a positive service to society and amongst "the bad" the fact of paying for a service which does not lead to any result whatsoever. If the banks had asked themselves this sort of question more often, the financial crisis of 2008 would not perhaps have blown up so fiercely. How many mergers and acquisitions have been carried out because they benefited the companies which carried them out? And conversely how many turned out to be a disaster and which only served to enrich the banks? Were bankers guided by their desire to do a good job, to work towards collective improvements

or simply by their bonuses?

Once this work has been completed, the environment in which we are evolving must be fully understood. We all have family members or friends around us who are facing difficulties. We are often astonished by their lack of realism and think of everything that we would do if we were in their position. We are even tempted to give them advice and sometimes we do. It may reveal itself to be very illuminating to reflect on our own situation in the same critical, detached and benevolent manner.

And this is the only way that we can move to the third phase – the identification of problems. Once the values have been recognised and the environment defined, it is much clearer to identify what is going well and what requires improvement, or even a change of course.

The fourth, and last, aspect is the search for solutions. This is paradoxically the easiest, provided that no mistakes have been made in the three preceding steps. We must remember that some problems cannot be solved. A person who is unsuited to communicating will never transform himself into the life and soul of the party even if he throws himself wholeheartedly into this battle lost from the outset. He can on the other hand try to progress by setting himself some modest, yet realistic objectives and by trying to minimise the consequences of this lack of communication.

The famous DILO “One Day In the Life Of” that I ask all Celerant consultants to practice during their assignments is

perfectly transferable to change on an individual level. All that is required is to spend one day alone. But to really spend it alone by banishing all automatic reflexes and by observing ones own way of operating is a much more difficult exercise that one would imagine. We are all used to thinking and acting by relying on these support structures which are a force of habit and a comforting reflex. And even if we do not formulate it specifically, our implicit reasoning encourages us to repeat at all times what we know and what we have already explored. This familiarity gives us a false sense of security.

But the effort is worth it as the results are often surprising and salutary as our way of describing what happens and of deciphering how our environment has an impact on events, does influence the course of those events.

CONCLUSION

Moroseness is the worst enemy of change. Reinstating optimism as a cardinal value seems to me to be an absolute imperative for any company – or indeed country – wishing to move forward. As we have always done at Celerant since its creation, citizens and their leaders must know, without any complexes or partisan spirit, how to reward and celebrate success appropriately. It is only under this condition, on both an individual and collective level, that the implementation of change can adapt to a world that is evolving faster with each day that passes.

*To move towards this result, it is not without purpose to remember the article from *The New Yorker* on the practical application of the ceasefire in Sarajevo under siege. Those in charge on the ground there were of the opinion that the road to the airport could not be re-opened despite the official commitments, because there were still some dangerous passing points which were easy targets for snipers waiting in ambush. But in such conditions, what is the purpose of a negotiation and then the signature of an agreement at the highest level? Nothing if it is only to discredit the word of the various countries who had worked on its compilation. What was actually required was*

to go down on to this very road and examine in great detail to align the facts on the ground with the commitments made.

It is exactly the same thing in every organisation, even if the context is fortunately less tragic. It is illusory to decree change at the top without ensuring in advance that the conditions for reform are met at each level and that mindsets have been prepared for everything which will modify the ways of doing things. This is the only way that the change that is so necessary can materialise.

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Promoting talents both in Celerant and at client side and values such as optimism and humility are ones of my best satisfactions in my consulting career.



ABOUT THE AUTHOR

Ian Clarkson is founder and CEO of Celerant. Building on a belief that people have both desire and ability to improve their performance, he has led continuous, sustainable and profitable growth for Celerant since its foundation as Peter Chadwick Ltd, through Cambridge Management Consulting to Celerant today. Over some 26 years as a business leader, Ian has successfully managed change, expansion and consultation. Today, he remains dedicated to building Celerant's ability to embed deep and positive behavioural change within client operations, communicating a clear vision to employees and instilling strong values to fuel sustainable growth.