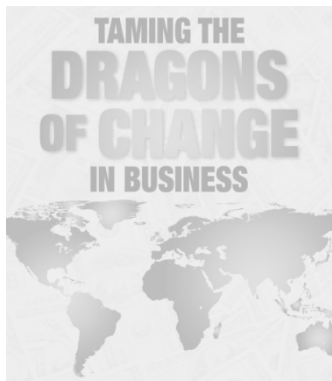


Anticipate Change by Seeing the Signs **EXIT PLAN**

***You may be spending too much time planning how to start things
and not enough planning how to end them.***



A business speaker challenged a dozen CEOs in a meeting: "If a bomb exploded right here and you were killed, who would lead your company, and how well would they do?" In most cases, there was no clear successor and, even when there was, the CEO had doubts about his ability to run the company. I was in the majority who didn't know who their successor would be. At that time, my company might have disintegrated if I had left abruptly.

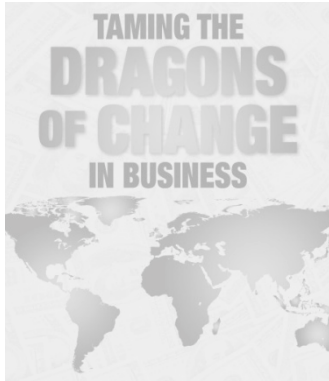
I was a jolting wake-up call. I obviously focused too much on growing the company and not enough on my exit to retirement, which was about three years away. I returned to my office and e-mailed top people in the company to ask, "If I got hit by a truck today, what part of our operation would worry you the most?" We compiled responses in a plan and prioritized actions that resolved multiple concerns. After a year, I was able to reduce my workweek to four days, and a year later to three days. Employees joked that the company operated better than when I worked full time! Even if that was not true, clearly the company was stronger when it could operate without me.

It may seem paradoxical, but your organization would be stronger if it could operate without you. In the relationship economy, your career is likely to outlive the organizations for which you work. Statistically, the average person's work life exceeds forty years, while the average life of a successful company is less than thirty years and declining. For example, my company was twenty-two years old when I sold my interests.

Tame the *I'm-so-important* dragon by ensuring that your team can operate effectively without you; and concurrently prepare yourself for new opportunities that may come your way. Your ever-increasing success in a changing world depends on your answers to the following questions: *Why am I in this position? What must I learn? When should I leave? and What new opportunity should I be preparing for?* This is something that few people do, but everyone should be doing.

UNCERTAIN TIMES

Having a clear plan is essential in uncertain times, but make it flexible enough to respond to emergent events.



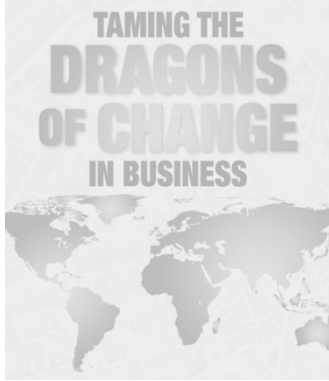
Anticipating instability in the Middle East in the mid-1970s, Royal Dutch Shell pioneered a technique called *Scenario Planning* to plot its future. Artfully constructed scenarios were defined to address potential future events. Each scenario linked possible events to actions Shell would take in response. In one scenario, for example, a pipeline rupture in Saudi Arabia disrupted oil supplies and greatly increased oil prices. The rupture never happened, but when OPEC announced an oil embargo and the price doubled, Shell already had a plan to react to the crisis. It responded faster and more effectively than competitors and, as the result, grew from the world's eighth largest oil company to the second largest. And oil was \$12 a barrel in 1975!

In the relationship economy, your organization's future is every bit as unstable as oil prices. In most cases, your future is already happening. That is, events occur periodically that don't fit the basic assumptions of your current strategic plan. However, those events are creating new possibilities. Most of us were taught that new thinking always precedes a new reality. However, the exact opposite is usually true: Incongruous events occur, and then new ideas are developed to exploit them.

Knowing your strengths and sticking to them usually is a good strategy. But sticking with what you do well turns into a dragon when you continue doing it even after events tell you to change. At first, the sneaky dragon will say, "*Why change? What we're doing is working.*" Next, the dragon will tell you, "*We don't have time to invent anything new. Let's work harder at what we do best.*" And finally, the dragon will plead, "*In uncertain times, why introduce more uncertainty with something that's new and untested?*" If you let them, these persuasive arguments will cause you to miss new opportunities. What potential scenarios are you preparing for? Which ones are already happening in your industry? How will you address them?

IMAGINE THE UNIMAGINABLE

In planning your future, consider that in ten years the world will be very different in ways you can barely imagine today.



In 1994, I helped to plan a large technology project for the Defense Department. The project stretched 1994 technologies by attempting to digitize and electronically distribute technical manuals, maintenance processes, and repair parts data for Navy, Marine Corps, Air Force, and Army systems. The project had the potential to revolutionize military operations. It was supported by everyone and was funded by Congress in the annual Defense budget. The project reached its zenith in the late 1990s, when then-available technology matched project requirements.

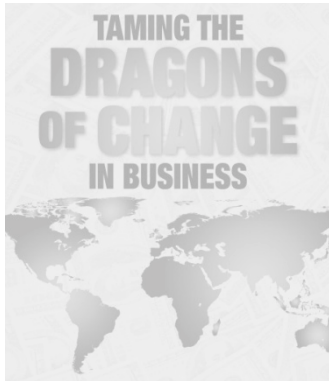
However, the project was terminated in 2004 because its cumbersome development processes were too slow to exploit rapid advances in Internet capabilities and data management technologies that continue to this day.

The relationship economy is largely propelled by the creative use of new technologies. Since a technology generation is roughly two years long, we can only imagine what the world might look like in ten years, about five technology generations from today. Your business, project, and career plans must anticipate that the world will be a very different place in ten years. Your future success depends on your ability to imagine what the world might look like then and the actions you take to prepare your organization and yourself for that new world.

The winners in the relationship economy will be those who swiftly apply new collaboration technologies to build alliances. There are no guarantees that the winners will be American. They could be in Russia, China, India, or another country that is not encumbered by yesterday's technologies. For example, China doesn't have a landline telephone system like ours, but they have many more cell phones in use. We think of such countries as lagging behind, but they can implement new collaboration techniques quickly without depending on old systems that anchor us in the past. Scary thought? What actions can you take to transform that competitive reality into a positive instead of a negative?

WHEN ALARMS RING

A paradox of the relationship economy is that even victories may be an alarm that things are changing.



My company won a million-dollar government contract in full-and-open competition. It was a sizable contract for us but relatively small by government contracting norms. As the incumbent, we were heavily favored to win the award because of our track record and relationship advantages over the competitors. The companies we beat were IBM, Booz Allen Hamilton, BearingPoint, and two companies that I had never heard of before.

As I enjoyed the victory celebration with our happy proposal team, an alarm went off in my head: *Why are those huge companies bidding against my small company? And how much threat are the two companies I never heard of?* The market for the change management services my company offered was evolving and, until that moment, I had missed the indicators of change. One paradox of the relationship economy is that victories can be an alarm that the world is changing. In my case, both large and small companies were entering my market because the government's budget for change was growing.

Even though you are successful today, that success itself may be a sign of change. There also could be other signs of change in your market, organization, and career that say, *"Be careful, your world is on fire."* Customer complaints, a dip in the number or size of orders, a new competitor, a talented employee who resigns. Each of these is an alarm that could be false or could be real. It's easy to rationalize such results with trite explanations. But what would you lose by treating these indicators as fire alarms, taking a close look at what you are doing, and changing your actions if appropriate.

Maybe you should pay more attention to the subtle alarms in your market. Don't let the *everything's okay* dragon cause you to miss a change or lull you into false security until your world crashes and burns. It's more effective and profitable to lead market change than to chase the leaders while you extinguish organizational fires that were caused by missing a significant change.