

Future Shape of the Winner

# Case Study: Producing Wow! Business Results and an Inspired Culture

## The Problem

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After the acquisition of a 900 person non-profit health benefits company, the Vice President of a major health insurance company had a challenging task ahead. As the new General Manager of the health benefits organization, he was now responsible for the integration of two cultures *and* transitioning a non-profit organization to a for-profit business. He also had to produce unprecedented business results which could only be achieved by guiding the new organization through an extensive cultural transformation.

His organization partnered with the Tom Peters Company to achieve the following outcomes based on "Six Strategic Business Goals."

Challenge	Goal	Actual
1. Operating Profit	\$14 million	\$54 million
2. Cost of Care	An increase of 7% to 9% (down from 18%)	An increase of 10.5% (saving \$12 million)
3. Service Quality	A quality rating of 96 (out of 100) by year-end	A rating of 97 for two months
4. Work Place Satisfaction	60 (out of 100) on national "Great Place to Work" survey (compared to 50 previously)	A score of 70 (with 77% participation, up from 33%)
5. Community Relations	Become leaders in the local healthcare community by launching a successful Healthcare Forum	Launched a successful Healthcare Forum attended by 300 community members that is now ongoing
6. Project Management and Prioritization of Workflow	Create viable processes for project management and workflow prioritization	Project management "toolbox" built within five months—seven months ahead of schedule



After one year the process had transformed the organization in the following dimensions, consistent with the company's commitment to a culture that was "fast, focused, flexible, and fun".

From	To
Insulated silos	Collaborative, cross-functional, employee-driven teams
Activity/process focus	Results/accountability focus
"Business as usual"	Innovative approaches implemented with inspiration and passion
Risk aversion	Thinking outside the box, with a willingness to "fail fast forwards"
Lack of direction	Clear organizational and departmental vision/direction/goals

In addition, the change initiative drew attention to the gaps and inconsistencies in the organizational infrastructure, including systems and processes, which enabled them to be more quickly integrated and regionalized. The initiative also identified the front-line leaders in the workforce, most of whom were subsequently promoted to managers. It made working for the organization less desirable for people who were not productive, many of whom left voluntarily. A year later the company was chosen as one of the top 10 "best companies to work for" in the state by a prominent business magazine. The cultural changes also spread to other organizations in the company.

## The Processes

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The Tom Peters Company engagement began with a cultural assessment. That was followed by a series of WOW! Project workshop/laboratories and the formation of cross-functional WOW! teams that received regular coaching from TPC consultants.

## The Assessment

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The Tom Peters Company conducted a "Readiness for Change Assessment" to gauge the organizational culture and its readiness for change, including the barriers and catalysts for change.

The RfC assessment identified the following barriers:

- A hierarchical structure with isolated functions
- A polite culture, where people were afraid to hold each other accountable
- A "fire-fighting" mentality, where quick fixes produced unintended consequences elsewhere in the organization.
- A poor sense of work prioritization



- Inadequate communication processes, resulting in an “insufficiently informed” workforce
- A pattern of unfinished initiatives and projects, with no official closure
- A culture characterized by “activity” rather than coordinated action, by process rather than results
- An “internal focus” in which the “customer experience” was not always considered and customer service was inconsistent
- Low morale among associates

The assessment also identified the following catalysts:

- Senior leadership was committed to, and had begun to lead, the change initiative.
- Managers and associates, though apprehensive about the future, were open and ready for change.
- There was participation in the change initiative by employees at *every* level of the organization.
- There was a *business* imperative for change, with specific, measurable, organizational goals driving the initiative.

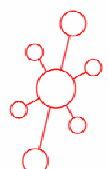
## WOW! Projects

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The Tom Peters Company, in partnership with the organization’s management team, conducted the WOW! Projects process focused on achieving aggressive, strategic business goals while transforming the culture to one that was consistent with the for-profit company. They formed cross-functional WOW! teams to address each of the six strategic business goals, providing clear, shared direction and focus. The initiative entailed an integrated process of interviews, meetings, and workshops facilitated by TPC consultants for efficiency and effectiveness, and coaching of teams and individuals. An *Oversight Team* of consultants and managers provided guidance.

The WOW! Project process included:

- Gaining clarity on the organization’s goals, along with its mission, strategies, and success factors. This was achieved through extensive one-on-one discussions with the VP.
- Reframing the purpose of each WOW! team to assure high impact and extraordinary results. For example, the team charged with improving community relations redefined its goal to “becoming a leader in the local healthcare community.” The idea was to accomplish goals that people would talk about for years to come.
- Creating a communication team, the “Ignition Team”, to ignite a quick, timely flow of information about the WOW! initiative throughout the organization. Teams addressed front-line workers through existing *All-*



*Associate* meetings. They “shook things up” in meetings, making them festive occasions that employees didn’t want to miss. WOW! teams put on outrageous skits, on one occasion dressing the VP in prison garb to convey the need to break the rules and work creatively.

- Using “rapid prototyping” to obtain quick input from various constituencies. Teams applied the technique to everything from new work processes to an invitation to the Healthcare Forum, which the Community Relations team distributed as a “straw”. The process prompted participants to “think out loud” and work iteratively and collaboratively.
- Coaching WOW! teams to address both the “tangibles” — systems, structures, metrics — and the “intangibles” — passion, creativity, design. The Service Quality team, for instance, brought about critical changes in quality measures and audits while producing fun events to focus attention on quality goals.
- Celebrating successes, large and small. Rather than waiting for the final achievement of a goal, teams celebrated the completion of phases and the attainment of milestones. This provided acknowledgement and accelerated team building. Celebrations were as simple as free coffee and doughnuts and as elaborate as a marching band parading through the building to mark the attainment of a profitability target.
- Designing project handoffs and turnovers. To avoid a collapse or loss of momentum, the consultants planned their exit after establishing appropriate support structures for the teams. They orchestrated hand-offs to the managers who would take over as coaches, after receiving coaching training from consultants.
- Ongoing meetings by the Oversight Team to assure the achievement of results.

## The Results

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In addition to achieving the quantitative outcomes already mentioned, WOW! Projects had a profound qualitative impact on the organizational culture, improving associates’ collective ability to think and act “outside the box.”

Creative, exuberant associates produced inspired results. WOW! Projects broke down artificial walls *and* ceilings in the organization, stimulated rapid prototyping and fast feedback, increased goal awareness, and allowed natural leaders to emerge from the front lines of the workforce. Visitors often commented on the new “look and feel” of the work environment. This included visual displays such as colorful team exhibits along the “Wall of WOW!” or the video monitor showing the uproarious All-Associate meetings.



There was also the noisy enthusiasm in the call center, the “theme lunches” in the cafeteria with employees in costume, and the frequent team celebrations of large and small successes.

Here are some participant quotes:

- *I never expected there would be such a cultural revolution in just 6 months. I'm really glad I didn't leave.*
- *The WOW! methodology has affected everything we do and how we think. The very first thing I think about in approaching my work is how to make it WOW!*
- *It's actually fun coming to work now. This would not have happened without WOW! teams.*
- *It's never an ordinary week at work. One day a high school marching band is parading through the customer service center to celebrate a profitable year; another day a small plane is circling the parking lot with a banner congratulating us for hitting a quality goal!*
- *I often request a video of the All-Associates Meeting so I can entertain my family with the outrageous skits of the WOW! teams and they can see for themselves what a fun place it is where their Mom works.*
- *As a customer I had problems for years with the customer service reps but that's gone. I can tell it's a different company now.*

## The Summary

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As a result of using WOW! Projects to meet the strategic business goals, associates have learned to embrace accountability; operate from a team mindset; express their passion in their work; dazzle their customers; and enable their organization to show a significant profit. WOW! Projects have helped create a fast, focused, flexible, fun culture, consistent with the vision of the for-profit company.

Customers have been the ultimate beneficiaries of the WOW! initiative and have consistently communicated that to the company.

Organizational change pursued for its own sake isn't likely to have this kind of dramatic impact on business performance. Achieving such demanding goals isn't likely to happen through “business-as-usual” performance, inadequate infrastructure, and a risk-averse, process-oriented culture. It is the focus of organizational change on business goals that is required to realize breakthrough performance, and bring about a lasting cultural transformation.

