



# Practically Radical

Four Simple Truths About Leading Change  
and Making a Difference | William C. Taylor

*Albert Einstein put it brilliantly:*

“Problems cannot be solved at the same level of awareness that created them.”

*Some unknown Texas genius put it simply:*

“If all you ever do is all you’ve ever done, then all you’ll ever get is all you ever got.”

It’s hard to put it any better: These two bits of timeless wisdom capture the spirit of the times in which we work, compete, and lead.

We are living through the age of disruption. You can’t do big things if you’re content with doing things a little better than everyone else or a little differently than how you did them before. In an era of hyper-competition and non-stop dislocation, the only way to stand out from the crowd is to stand for something special. Today, the most successful organizations don’t just out-compete their rivals, they redefine the terms of competition by embracing one-of-a-kind ideas in a world filled with me-too thinking.

Of course, it's hard to do—which is why so few organizations ever truly break from the pack and carve out a distinctive identity. Indeed, as the cofounder of a magazine called *Fast Company*, I've always been struck by the slow-going rate of change inside most organizations. In the earliest days of the magazine, after we had a business plan but before we published the premiere issue, we convened a conference around the theme, "How Do You Overthrow a Successful Company?" It wasn't a gathering of hotshots eager to take on the corporate establishment. It was a gathering of big-picture thinkers and change agents from illustrious big companies who sensed that there were massive shifts on the horizon, but that there wasn't a commitment among their colleagues to reckon with what was coming.

It was a great conversation, ahead of its time in many ways (this was 1994)—and the outlook was grim. Roger Martin, now dean of the Rotman School of Management at the University of Toronto, warned that "the role of big companies is to turn great people into mediocre organizations." Mort Meyerson, the much-admired CEO and philanthropist, then at the helm of Perot Systems, compared leading an organization in fast-changing times to "floating in lava in a wooden boat." His plea to the group: "We need a new model to reach the future."

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What a difference 15 years *don't* make. Are those misgivings any less relevant today than they were back then, or the prospects for genuine transformation any less daunting? There's nothing quite as exhilarating as watching a young organization reshape its field—a blank-sheet-of-paper startup that transforms an industry, a challenger brand that redefines a market. Alas, there's nothing quite as common as watching an established organization—a company that reached great heights in one era of technology, markets, and culture—struggle to regain its stature as a force for leadership in a new era. The work of deep-seated, sustainable change remains the hardest work there is.

That's why, over the past two years, I immersed myself in the struggles and triumphs of 25 organizations that are achieving dramatic results under some of the most trying conditions imaginable. I was privy to the strategies and tactics of a diverse collection of innovators in a wide variety of fields: a high-profile Internet company that reinvented customer service for the digital age and invented a powerful brand in the process; the irrepressible billionaire who rescued the Swiss watch industry from oblivion and transformed it into a global juggernaut; a 95-year-old hospital, based in one of America's most distressed cities, that has redesigned how it works and what patients experience; the leader of one of the world's most famous crime-fighting organizations, who has visited 125 countries in a crusade to transform how police respond to the threats of the 21st century.

These innovators were not paralyzed by the degree of difficulty associated with their agenda. In fact, they were *energized* by it. They were making big things happen in new ways—unleashing innovations and driving transformations that will shape the fortunes of their organizations and the future of their fields. In the process, they developed a set of principles that define the work of leaders in every field. Here are four of those principles—simple rules for transforming your company, shaking up your industry, and challenging yourself.

# 1. What you see shapes how you change.

Or, to use a term that's become popular in creativity circles, the best leaders demonstrate a capacity for *vuja dé*. We've all experienced *déjà vu*—looking at an unfamiliar situation and feeling like you've seen it before. *Vuja dé* is the flip side of that—looking at a familiar situation (an industry you've worked in for decades, products you've worked on for years) *as if you've never seen it before*, and, with that fresh perspective, developing a distinctive point of view on the future.

The cutting-edge marketers at TBWA Worldwide, the celebrated Madison Avenue agency, have learned to develop “fresh eyes” to look for disruptive ideas about what comes next. As marketing specialists, TBWA has designed memorable campaigns for some of the most glamorous brands of the last few decades, from Absolut to Adidas to Apple. As creative strategists, TBWA has invented a blueprint for organizational renewal it calls “Disruption Days”—wide-open, free-wheeling, yet highly structured examinations of the assumptions, practices, and behaviors that stand in the way of progress for a brand, a company, or an industry.

TBWA chairman Jean-Marie Dru, the figure most closely associated with the agency's disruption model, is adamant about the deep-seated changes it is designed to provoke. The process “is at once a method, a way of thinking, and a state of mind,” he says. “It is a matter of questioning the way things are, of breaking with what has been done or seen before, of rejecting the conventional.”

TBWA has conducted more than 1,500 Disruption Days around the world and the methodology has improved and evolved over the years. But certain techniques remain central to the process. For example, TBWA has developed a list of 60 what-if questions to guide strategic rethinking. What if we stop focusing on the traditional competitors and focus instead on the source of business (often indirect competition)? What if we reconsider using strategies usually considered taboo for this category? What if, instead of differentiating the brand we redefine the category experience?

What if we reverse the logic of things? The specific questions, of course, are less important than the spirit, which is to challenge conventional wisdom.

TBWA also uses what it calls the “CEO Hat” exercise to encourage organizations with tunnel vision to develop a new line of sight. Participants search for out-of-the-box answers to big strategic questions by reaching into boxes filled with hats, shirts, and other paraphernalia from breakthrough organizations such as Apple, Virgin, Target, Southwest Airlines—and then adopt the mindset of those free-thinking companies as they think about the questions with their clients. “We define possible strategies for companies through the eyes and values and under the leadership of a different CEO,” explains Laurie Coots, TBWA’s chief marketing officer. “The sheer act of being free to think like somebody else gives you permission to generate ideas that you might not get to otherwise.”

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## 2. Where you look shapes what you see.

That's the lesson of the "CEO Hat" exercise. The most creative leaders I've met don't aspire to learn from the "best in class" in their industry—especially when best in class isn't all that great. Instead, they aspire to learn from innovators far outside their industry as a way to shake things up and leapfrog the competition. Ideas that are routine in one industry can be revolutionary when they migrate to another industry, especially when those ideas challenge the prevailing assumptions that define so many industries.

Consider the transformation of Virginia Mason Medical Center (VMMC), a 90-year-old hospital in Seattle, Washington with 400 doctors and nearly 5,000 employees. For years, despite a rich history, Virginia Mason struggled with deteriorating finances, inefficient processes, and uneven quality. Its new CEO, Dr. Gary Kaplan, who took charge in February 2000, didn't focus on what other hospitals were doing. (Many of them, after all, had the same problems.) Instead, he became fascinated with the legendary Toyota Production System. Eiji Toyoda had used the Toyota Production System to drive Japan's flagship company to global prominence—and Kaplan came to believe that his organization could borrow methodologies from the automobile industry to fix its problems.

So the CEO began leading 14-day trips to Japan in which doctors, nurses, and hospital staffers get exposed in the intricacies of how Toyota organized work, tracked quality, and solved problems. There were classes and meetings, of course, but a defining piece of the experience is when doctors, nurses, and hospital staffers spent several days working eight-hour shifts in a factory. They staff the lines, do the work, and, like their Japanese counterparts, are expected to use the Toyota Production System to solve problems. "This is a real eye-opener for the team," Kaplan explains. "We stick a bunch of doctors on an assembly line. We use the methods and tools we've learned, we come up with suggestions, and the Japanese put them into place! They did things they never thought they were capable of doing. It changes the way you think."

Years of in-depth study of Toyota have transformed Virginia Mason. The hospital eliminated millions of dollars of inventory, cut the time required to deliver lab results by 85 percent, and reduced staff walking distances by 60 miles per day. One frontline team redesigned how nurses interact with patients and with each other—allowing nurses to spend 90 percent of their time at the bedside, as opposed to 35 percent before. Indeed, the student is now a teacher: The hospital has become so proficient at Toyota’s techniques that it created an institute to show other companies how to practice what it has learned.

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### 3. There's nothing wrong with your organization that can't be fixed by what's *right* with your organization.

The virtue of *vuja dé* is that it reframes how organizations make sense of their situations and build for the future. But that's different from a wholesale break with the past. For even the most determined change agents, history and tradition can be unrivaled sources of strength—as the foundation for an enduring sense of purpose that newcomers can't begin to copy; as a reservoir of professional wisdom that gets more valuable as times get more volatile; as an engine of expertise that competitors can't hope to match; as a reminder of founding principles that never go out of style, regardless of how styles change.

I'm convinced that one of the big reasons for the failure of so many change programs is that by focusing almost solely on what's *wrong* with their organizations, and by importing *off-the-shelf* strategies devised by outside experts consumed with what's new, leaders undervalue what's *right* with their organizations, and overlook *home-grown* strategies rooted in the wisdom of the past. In his first inaugural address, President Bill Clinton offered his perspective on national renewal. “There is nothing wrong with America,” he argued, “that cannot be cured by what is right with America.”

That sentiment speaks to the renewal of companies as well as countries—it's a political insight with big implications for making change in business.

The transformation of the Girl Scouts of the USA is an all-American case study of just this point. CEO Kathy Cloninger took charge in late 2003 as membership was stagnating, traditional programs felt out of sync with demographic trends, and the brand, while ubiquitous, was uncool. In other words, based on the track records of most big organizations in most fields, conditions were in place for years of slow decline, or, at best, modest progress. Instead, the CEO and her colleagues devised one of the most ambitious, far-reaching, fast-paced change programs I have seen—an agenda for transformation that should be the envy of CEOs in *every* field.

How did the Girl Scouts experience so much change so quickly? When I posed this future-focused question to Kathy Cloninger, she immediately turned to the past. Sure, she and her colleagues relied on demographic surveys, competitive mapping, market research—all the tools of “modern” management. But some of their most eye-opening insights came from getting reimmersed in the ideology, philosophy, and “business plans” of Juliette Gordon Low, the social activist who started the Girl Scouts in 1912. The CEO and her colleagues came to understand what a firebrand, risk-taker, and entrepreneur their founder was—and this appreciation for the group’s hard-charging history created a sense of permission to push harder for far-reaching change. What’s past really can be prologue.

Indeed, as Cloninger and her colleagues wrestled with an array of controversial decisions, one of their guiding mantras became WWJD—that is, What Would Juliette Do? “Even though we use the word ‘transformation’ it’s not like we’re breaking from our historical roots,” the CEO explained. “Juliette Gordon Low was a revolutionary. She founded this movement at a time when women didn’t have the right to vote. Her idea of what girls could and should be doing was way out on the cutting edge. Juliette’s work was much more ‘out there’ than what this organization eventually became.”

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## 4. Success is not just about thinking differently from the competition.

It is also about caring more than the competition. In his inspiring book *Rules of Thumb*, my friend and *Fast Company* cofounder Alan Webber identifies two questions that demand the attention of leaders. The first is familiar: What keeps you up at night? What are the problems that nag at you? The second is less familiar, but even more important: What gets you up in the morning? What keeps you and your people more committed than ever, more engaged than ever, more excited than ever, particularly as the environment around you gets tougher and more demanding than ever?

That's a question every organization needs to ask and answer if it hopes to prosper in an era of hyper-competition and nonstop dislocation. Even the most creative leaders recognize that long-term success is not just about thinking differently from other companies. It is also, and perhaps more importantly, about caring more than other companies—about customers, about colleagues, about how the organization conducts itself in a world with endless temptations to cut corners and compromise on values. For leaders, the pressing question isn't just what separates you from the competition in the marketplace. It's also what holds you together in the workplace.

Consider the transformation of DaVita, Inc., one of the great turnaround stories of the last decade. Talk about a tough business—DaVita provides about one-third of all of the kidney-dialysis treatments in the United States. Back in 1999, when CEO Kent Thiry took charge, the company was on the verge of bankruptcy. It had revenues of \$1.4 billion, losses of \$56 million, and a share price of about \$2. Less than ten years later, it had revenues of \$5.7 billion, net income of \$374 million, and a share price approaching \$60. It is one of the great business comebacks I've seen— from a market cap of \$200 million in 1999 to more than \$6 billion today.

What's important, though, is that Thiry turned around the company by turning around the culture. One of the first messages he sent to employees was: "We are going to flip the ends and means of this business. We are a community first and a company second."

Translation: If the people of DaVita could figure out how to treat patients right, and treat each other right, then the business would right itself. And that's precisely what happened.

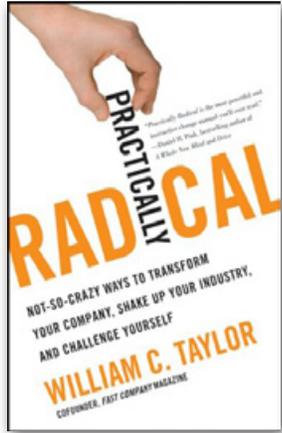
Life at DaVita is filled with symbols, rituals, and traditions that bear little resemblance to life inside conventional organizations. There's an official company song ("On DaVita," to the tune of "On Wisconsin"), which employees sing with great relish. At the DaVita offices in El Segundo, California, there's a wooden footbridge across which thousands of employees have walked to signify their passage into a new way of working. The wildly spirited Nationwide Meeting, in which thousands of employees celebrate awards, mourn the death of patients, and connect with the emotional side of their work, is truly something to behold.

Why do Thiry and his colleagues bother with such outsized gestures? Because the demands on the workforce are so relentless. The company's 35,500 employees care for more than 116,000 patients, which means they provide more than 16 million treatments per year. That's 16 million opportunities to overlook a symptom, misdiagnose a problem, or otherwise make a small mistake that could have deadly consequences. It's hard to make a purely business case for people to care as much as they need to care in order to deliver great service. You have to be motivated by something deeper—a sense of commitment not just to patients, but also to one another.

Paul Romer, the influential economist, is celebrated within the profession for his vital (albeit highly technical) contributions to our understanding of the relationship between new ideas, technological change, and growth. To us civilians, though, he may best-known for a passing quip that he made to *New York Times* columnist Thomas L. Friedman, a one-liner that has become the mantra of the moment for everyone from the White House to Silicon Valley: "A crisis," Romer famously said, "is a terrible thing to waste."

That's the spirit that animates the four principles I sketched out, and the 25 of the organizations I studied over the past two years. Change agents who aspire to make a real difference inside their organizations simply cannot use the long shadow of economic crisis and slow recovery as an excuse to downsize their dreams or stop taking chances. The challenge for leaders in every field is to emerge from turbulent times with closer connections to their customers, with more energy and creativity from their people, and with greater distance between them and their rivals. The organizations that opened my eyes and captured my imagination did so because they offered a compelling alternative to a demoralizing status quo—the only way to create a compelling future for themselves.

**Here's hoping that, following their example, you don't let this crisis go to waste. 🙏**



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Get more details or buy a copy of Bill Taylor's [Practically Radical](#).

## ABOUT THE AUTHOR

William C. Taylor is an agenda-setting writer, speaker, and entrepreneur who has shaped the global conversation about the best ways to compete, innovate, and succeed. He is the cofounder of *Fast Company*, which published its premiere issue 15 years ago, and the coauthor of *Mavericks at Work*, a *New York Times* and *Wall Street Journal* bestseller. His new project, *Practically Radical*, is the latest chapter in a two-decade career devoted to challenging conventional wisdom in business and helping business leaders win. *Practically Radical* will be published on January 4, 2011 by William Morrow, an imprint of HarperCollins. Bill blogs about the book at [practicallyradical.com](http://practicallyradical.com). A graduate of Princeton University and the MIT Sloan School of Management, he lives in Wellesley, Massachusetts, with his wife and two daughters.

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