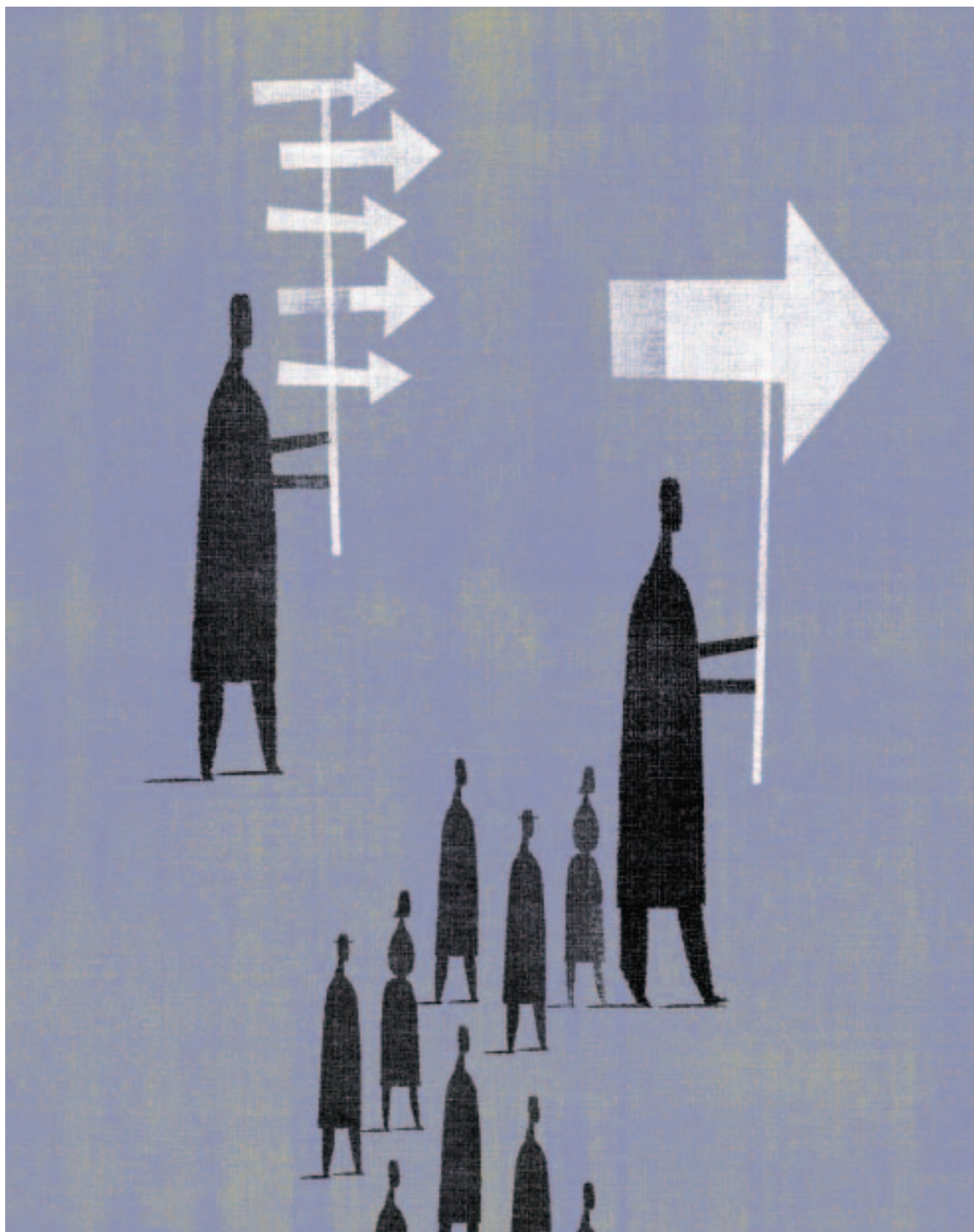


# THE ROADMAP TO NIRVANA



DR. ANDRÉ A. DE WAAL MBA





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# PREFACE

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In 2003 the research paper on creating a real adaptive enterprise using performance management, titled '*On the road to Nirvana, creating the real enterprise*', was published. The big question since then has been: how to get to Nirvana? Just as with the first paper, I have asked experienced people their opinion on this, by asking them the following questions: Which of the Nirvana aspects should be implemented first? Should the aspects be implemented consecutively or simultaneously? Which barriers can be expected during the creation of Nirvana? How should these barriers be dealt with?

Based on the results of an extensive range of interviews with academics and practitioners and another elaborate literature review, a roadmap to Nirvana is now emerging. This roadmap, describing the way (or ways) an organization can realize Nirvana, indicates all six aspects of Nirvana need to be implemented almost simultaneously but to different degrees, depending on the status of your organization. However, creating a performance-driven culture is on top of the implementation list of almost everyone! This white paper describes the roadmap by listing and discussing the most important steps of how to get to Nirvana.

I am very grateful for all the support received and I would like to thank in particular the following persons for their time and input: J. Arets (Blue Note Consultants), P. van Alphen (KPN), T. Boutesteijn (Sara Lee/DE), L. Breukelman (Tempo-Team Group), R. Bruhns (Hyperion Solutions International), J. Derckx (Akzo Nobel), C. Dickmann, W. van Esveld, S. Foster (Maastricht School of Management), M. Geleedst (Schuitema), D. Greven (De Lage Landen), T. Geuzinge (Geuzinge & Groeneveld), M. de Haas (Wolters Kluwer), v. Heijnen (Blue Note Consultants), G. Heins (Atos KPMG Consulting), H. Heslinga (Firm Solutions), F. van Heurn (KLM Catering Services), D. Hoogenboom (Accenture), A. Hoogland (Philips Lighting), B. van Iddekinge (Stork), P. Jansen (Vrije Universiteit Amsterdam), H. de Jong (Celerant Consulting), P. Kollner (HP), J. Koster (Holland Consulting Group), K. van der Maaten (Accenture), A. Meingast (Tempo-Team Group), I. Melchior (Technische Unie), A. Olivier (Generali Verzekeringsgroep), E. van Os

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The purpose of this roadmap is to assist you on the road to Nirvana, to help you turn your company into an adaptable and high-performing organization. Keep in mind, however, that implementing the concept of the adaptive enterprise strongly depends on the specific situation of your organization. A single roadmap therefore is not possible. I have drawn a map based on the main thread of the interviews and the literature review, which gave me the most important steps of implementing Nirvana. It is now up to you and your organization to tailor the activities to your particular circumstances and to decide which form the best fit. I welcome any comments you have about the contents of this paper and about your experiences with using the roadmap in practice. By the way, if you like the comparison of seeing the implementation of Nirvana as climbing a mountain, I can strongly recommend the book '*Beyond The Summit, Setting and Surpassing Extraordinary Business Goals*' (Random House, 2003) by the world's foremost free climber Todd Skinner. In this book he researches in an inventive way the analogy between free climbing the 20,500-foot Trango Tower in the Himalayas and doing business. Enjoy!

**André de Waal**  
**Leiden, August 2003**

**e-mail: [andredewaal@planet.nl](mailto:andredewaal@planet.nl)**  
**website: [www.andredewaal.nl](http://www.andredewaal.nl)**

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# THE ROAD TO THE MOUNTAIN LODGE

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Hesitantly Tanya looked from the map to the dusty side road and back. She scratched her head in confusion. 'I'm sure I'm lost', she thought. A week ago she had received a call from Nirvana's chief executive officer Pete Mueller in response to her inquiries for a follow-up meeting, to discuss the way he had created and implemented Nirvana. Pete had invited her not to his office but to something he called the big M.L. He refused to tell her more and had urged to 'just come along next Saturday'. And here she was, in the middle of this deserted hilly country. With a sigh, she turned the wheel and drove up the side road. 'Let's see where this takes me', she wondered. At least it gave her some time to mentally prepare for the meeting. She remembered clearly the interesting and invigorating discussion about the adaptive enterprise. She had asked Pete how he defined adaptiveness. The CEO had answered that it is 'the ability of all people in the organization to anticipate, react and capitalize on changes that take place in the environment, regardless of the type, nature or content of those changes.' Naturally she had challenged him to make concrete how one can make an organization really adaptive and the CEO, undeterred, had listed the six processes needed to create Nirvana, by means of performance management. She recalled his words: "The first thing a company has to do is to create a performance-driven culture. This means making sure that everybody in the organization is geared towards the same objectives and goals and strives for the best results and continuous improvement. The second process is increasing people's knowledge and understanding about the planning & control cycle and the strategy of the organization. The third and fourth processes in creating an adaptive enterprise are integrating a company's business processes while at the same time promoting adaptiveness and flexibility of its people. The fifth process is making sure that the reliability and relevance of information is high so it can support the business processes and the people who are applying them. Finally, in the sixth process a company installs high quality information and communication technology systems which are needed to support all the integrated and adaptive business processes in the enterprise."

Tanya had found this all very interesting but she was dying to know how Pete had actually implemented Nirvana. Without this, she could not finish her article. So she had dragged herself out of her warm bed at an uncharacteristically early hour on a weekend. 'It better be good', she thought grimly.

After another twenty minutes hobbling along the bumpy and winding dirt road she turned a corner and her spirit

was lifted immediately. A glorious view welcomed her. A beautiful light blue lake in front of an impressive mountain range, with a meadow covered with poppy fields rolling for as far as the eye could see. Spot in the middle there was a large wooden cabin, with big letters M.L. over the front door. 'I guess this is it', Tanya murmured. She pulled up next to the other cars that were parked in front of the house. While she stepped out, she heard a thunderous voice behind her. "Welcome to the Mountain Lodge, m'am. My name is Fielding but my friends call me Mountain Bob."

Tanya turned and was greeted by the sight of a large fellow with an even larger beard, who shook her hand vigorously. Behind him, Tanya saw the familiar face of Pete who was grinning widely. "Quiet a surprise, isn't it," he said extending his arms. "You didn't expect this, did you?" Tanya could only stammer a bit. "Well, yes, no, uh, what is this place?"

"This my dear is my mountaineering lodge," Mountain Bob answered proudly. "Come, let's get you inside out of the cold."

The three of them stepped into the log cabin where the first thing the reporter noticed was the huge fireplace, roaring away. "Nice", she exclaimed.

"Sit down, sit down," the mountain man ushered her into a comfortable couch. Pete sat down next to her. "I'll be right back with some cocoa. You do like cocoa, don't you?"

Tanya and Pete both nodded and then looked at each other.

"This is all very nice," Tanya said. "But why have you called me all the way out here?"

Pete laughed. "I see you haven't changed since our last meeting. Still the eager and impatient journalist." Before Tanya could answer, he continued. "Let me explain. Remember that at the end of our meeting I promised you a high-level activity plan which describes the actual activities a company should perform to implement Nirvana."

"I sure do."

"Well, instead of just handing over this plan to you, I thought it would be a good idea to invite you to the place where the plan was devised."

Tanya looked disbelievingly at the CEO. "Here?"

"Yes, here. This is where it all started about five years ago." At that moment Mountain Bob returned with three cups of steaming cocoa, which they sipped quietly, enjoying the flames which danced in the old fireplace for the moment.

After a while, the young woman started fidgeting. Pete winked at Mountain Bob. "Ah, the young, always restless." Bob roared with laughter. "You better explain yourself quickly, before she really gets upset!"

Pete turned to Tanya. "Bob and I have been friends a long time, ever since high school. After college we each have gone our own way. You know all about me. Bob started travelling the world and when he came back he set up this place."

Bob stroked his beard. "I have been to many places but this is still the best one."

"Anyway," Pete continued. "Since high school we have both been avid mountain climbers so when Bob set up this lodge about ... what was it Bob, six, seven years ago?"

Bob shook his head. "More like eight years, Pete."

"Okay, eight years, time flies. Well, since then I have been coming out here regularly to do a bit of rock climbing. It is very relaxing you know, you tend to forget your troubles for a while."

Tanya wrinkled her nose.

"Don't make fun of me," Pete said, pretending to be offended. "I did have some troubles at that time at my company. We were doing quite well but I saw things changing, both in our environment and inside the company. It meant I had to act to improve our organization, but I wasn't really sure yet which way to go. There were so many options, so many improvement projects possible and in fact we already had a lot of them running. But I was missing a focus, a clear goal where our company should go. And that is when my buddy Bob came to the rescue."

Mountain Bob leaned forward. "Lady, I don't know the first thing about management but I sure do know how to organize an expedition up a mountain."

Tanya could not control herself any longer and jumped off the couch. "Wait a minute, wait a minute, are you saying the implementation of Nirvana is like climbing a mountain?"

Bob winked at Pete. "She *does* catch on quickly."

Pete nodded. "That's right Tanya, although it's not the complete story. Through my conversations with Bob and the trip he took me on, up the mountain, it all became clear to me. Before it was like my only goal was running the base camp, but I forgot to set out for my real target: the lifelong ascent."

"The lifelong ascent?"

"That's a philosophy I learned from Bob. He basically says that it is not the top but the continuous journey that is important. Each climb up a mountain increases your skills so that you not only can but want to tackle a more difficult mountain next time. All the while you are working at reaching your ultimate potential, the maximum development of your ability, the farthest point you can push yourself."<sup>1</sup>

Bob intervened. "Success is still all too often measured in terms of money, promotion, fame, prestige, applause. But that is not what it's all about, all that is fleeting and much too dependant on what others think. True success is knowing that you have done something really well,

knowing that you can be proud of yourself. You are not measuring yourself against others but foremost against your own potential. To gain applause, you just have to go a little further than other climbers, to stand a little higher. But that brings your journey to a standstill, you will not ascent to the level of your ultimate potential."

Tanya nodded. "This all sounds like the equivalent of continuous improvement in the business world, getting the most out of your organization."

"Exactly," exclaimed Pete enthusiastically. "And there is much more that is similar. Here, let me show you." He grabbed a piece of paper and started drawing. "There are basically four steps when you want to get up a mountain. First, you make the decision that you want to reach a certain mountain top. You envision where you want to go and you make people enthusiastic to join you for the climb. Then you start to prepare for the journey. You assemble a team of the right people who are able to make the climb. You plot the route and make sure you have the right equipment to make it to the top. Then you just do it. I mean, you start climbing. You reach the first plateau and set up a base camp there. Then you climb to the next level and set up the next camp. And so on and so on, until you reach the summit."

"I don't know much about mountaineering but it sounds too easy to me." Tanya said disbelievingly.

Mountain Bob cut in. "It isn't. You have to adapt all the time during the trip. You encounter barriers like unexpected snow or avalanches which block the way. Sometimes you have to make a detour and take another route. You often have to go back to a lower camp to get extra supplies. If a route proves unsuccessful, instead of continuing going up, you go back to a lower camp to find a better route. And unfortunately you sometimes have to leave people behind at a camp because they are not able to go on. But when you finally reach the top, it has been worth all the hardship. And besides, it is just fun." Bob laughed his thunderous laugh once more. "It sure is a challenge," Pete agreed.

Tanya sat down and took out her notebook from her backpack. "Hold on, let me take some notes. Explain it to me once more how a mountain expedition relates to Nirvana."

Mountain Bob stood up. "While you do that Pete, I'll go for another round of cocoa. Or would you guys like something stronger?"

"Not just yet Bob," Pete said. "You go on, and I'll explain my drawing."

While Bob headed off in the direction of the kitchen, Pete made himself more comfortable on the couch. "Tanya, basically the roadmap to Nirvana consists of the same four steps as when going up a mountain. You kick off the journey to Nirvana by painting a picture of the need for it and a vision of what Nirvana looks like (start). Then you

<sup>1</sup> Skinner (2003), *Beyond The Summit, Setting and Surpassing Extraordinary Business Goals* (Random House)



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assemble the right team of people to undertake the journey with, develop a strategy for the change, and draft an implementation plan (preparation). Next you decide on the implementation order of the six Nirvana aspects and implement these (execution). After arriving at the summit, that is the state of Nirvana, you celebrate the achievement and set new goals and targets (arrival). And all the way you keep identifying barriers and devise ways to overcome these. The way the organization carries out these steps will decide the success of the journey.”

Tanya looked up from her notebook. “But how ...”

At that moment the door opened and two familiar faces came in. “Howdy partners, how is it going?” Rob, the chief performance officer, exclaimed.

“I really love this place,” Helen, the chief information officer, said elatedly.

“Wow, like one big happy family,” Bob’s voice boomed from the kitchen. “You guys got lost again?”

“No, we didn’t, we just enjoyed the drive over here so we took our time.”

Pete noticed the look on Tanya’s face. “You remember Rob and Helen, don’t you?”

The journalist nodded.

“I have asked them to join us, so we could give you a better rundown of all the activities needed to get to Nirvana. After all, they were also part of the expedition up the mountain!”

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## START: PAINT THE PICTURE

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“So, how did you start your journey?” Tanya inquired eagerly.

“Don’t make yourself too comfortable just yet,” Pete answered. He offered the young woman his hand and helped her to her feet. “Come with me, I want to show you something.”

They walked outside. Pete pointed at the mountain range. “A magnificent sight, isn’t it?”

“Yes, it is,” Tanya replied, admiring the view.

“Do you see the mountain top to the left? That’s the summit Bob talked me into climbing!”

“It was more like I had to drag him to it,” the deep voice of Mountain Bob rumbled behind them.

Startled Tanya turned around. “Stop doing that,” she said slightly annoyed.

“I’m sorry m’am, an old habit from my younger days,” the big man snickered.

Tanya decided not to go further into that. Instead, she turned back to Pete. “What does he mean?”

“I hate to admit it, but Bob has a point. I didn’t really want to go up there at first.”

“Why not, it’s beautiful?”

“I can tell you never did serious climbing,” Bob interjected. “Mister CEO here was too comfortable clambering up little hills.”

“Ho, ho,” Pete protested. “They weren’t that small.”

“Well, I thought you were ready for some real slopes.”

“But why would you not want to go up there?” Tanya asked.

“Because I was too comfortable. I had perfected climbing a certain type of peak so I could almost do it with my eyes closed. And I felt good doing it too. But Bob convinced me ...”

“.. eventually..”

“Yes, thank you Bob, why don’t you go back inside now? Anyway, eventually Bob persuaded me I needed a new challenge before I got too complacent. He used some pretty convincing arguments. You know what he did?”

The reporter shook her head.

“He dared me to race up that hill over there, next to that stream. He said I would not be able to do that within a specific time. I tried it and he was right, I couldn’t. Then I realized that, although it seemed I was doing quite well, I was slowly getting out of shape for a real competition.”

“But I did more,” the mountaineer huffily said.

“Bob, are you still here? Just kidding. You did help me more.”

Both men fell silent and gazed towards the mountain range, lost in thought.

After a few minutes Tanya breached the silence.

“Are you going to tell me what Bob did or is it a secret?”

Pete came out of his reverie. “He did what I’m doing right

now to you.”

The young woman gazed at him with a look of incomprehension.

“Look at that mountain peak. Isn’t it a sight? Bob painted the picture of me standing on top of it. He made it so appealing I couldn’t refuse. In fact, I hardly was able to wait before we started our expedition.”

“I see,” Tanya reacted. “I don’t want to be rude, but what does this have to do with Nirvana?”

“Don’t you see the parallel?”

“I guess it has something to do with climbing?”

Mountain Bob could not contain himself any longer and burst out laughing. “You see Pete, I told you, everything in life can be traced back to mountain climbing.”

“Don’t mind him, there is not enough oxygen on these peaks so he sometimes reacts strangely,” Pete answered patiently. “Come back inside then I’ll explain it to you, with the help of the others.”

The three of them walked into the cabin where Helen and Rob were waiting, amidst papers spread out on the massive wooden table.

“You were part of the initial expedition, Helen,” Pete said.

“Can you explain the parallel between what started our trip and the journey to Nirvana?”

“I sure can,” the blonde woman said enthusiastically. Tanya sat down opposite her.

“Pete told you about his run to that ant hill, didn’t he?”

Helen said, pretending not to see Pete wince.

“Yes, he did.”

“Well, that was all about feeling the need to change.”

“You mean you first have to feel pain before you want to make a change?”

Helen nodded encouragingly. “Not necessarily pain, you have to feel a particular need. This is not only valid for individuals in their private life but also in their working life. As an organization we first had to feel and accept that need.”

Tanya nodded understandingly.

“Our sense of need, of urgency if you will, started when we came across research which stated that most companies operate well below their true capability<sup>2</sup>,” the chief information officer continued. “It was calculated that on average companies have a productivity of 61% of their optimum capacity. The main causes for this reduced productivity turned out to be insufficient management planning & control, inadequate supervision, poor working morale, an inappropriately qualified workforce, information technology related problems and ineffective communication. This comes down to a staggering 87

<sup>2</sup> Proudfoot Consulting (2003), Missing millions, how companies mismanage their most valuable resource, International labour productivity study, October



working days lost per person per year.”

Tanya shook her head disbelievingly. “I didn’t know that.”

“Neither did we,” the CEO reacted. “It however gave base to my feeling that we could and should do better, there certainly was a lot of improvement potential. It also helped me combat a mentality that is around in many companies: thinking there is no reason to change because everything seems to be running smoothly.”

Helen continued. “So we decided, after talking with Pete and the management team, to calculate the cost of our performance to provide insight into the degree of improvement potential. Rob, can you show Tanya?”

Rob put a piece of paper before the reporter. “This is our original calculation, I kept it all these years as a memento.”

“What a hoarder,” Pete teased.

Undaunted Rob continued. “We made our own assessment of the things that were wrong in our company or that could be improved. Of course we first looked at the loss of productivity. Because we felt that it was difficult to completely turn these 87 days into productive time, we conservatively took a loss of 40 days per employee. As we

gave us a lot of rework.”

“What does this come down to?” Tanya asked with a trembling voice.

“Look at the paper,” Rob replied. “I have calculated the opportunity cost of our company by consistently comparing the cost of current performance to the cost of desired performance.” Tanya swallowed. “That is an enormous amount of, what did you call it ...”

“Opportunity cost,” Pete cut in. “Basically our improvement potential, what we could gain by improving our organization. Mind you, every year, so you see, the need for Nirvana was clearly there.”

‘Hear, hear,’ the others concurred.

Helen took over again. “Now that we showed the organization the necessity for improvement, next we needed to show the people a way forward. Mountain Bob once again came to the rescue, by showing Pete this magnificent peak and painting him the picture of how it would feel when he conquered this summit. So we started imagining what our company should look like in say five

• <b>Productivity loss:</b>	36 jobs x €30.000 salary = €1.080.000
• <b>Absenteeism:</b>	3% of 200 employees who work 225 days = 1.350 days = 6 jobs = €180.000
• <b>Mistakes:</b>	3% loss of customer base of 250 customers who spend on average 25.000 per year = €187.500
• <b>Turnover:</b>	costs of hiring and training new personnel = 1 full-time job = €30.000
• <b>Rework:</b>	it takes 2 full-time jobs to correct mistakes = 2 x €30.000 = €60.000
<b>Total opportunity cost: €1.537.500 per year</b>	
<b>Turnover</b>	<b>: €6.250.000</b>
<b>Opportunity cost as percentage of turnover : 24,6%!</b>	

were at that time a company of 200 people this was a loss of 8,000 days or 36 jobs, assuming there are 225 days available per year per employee. Then we had a absenteeism percentage of 8 percent, which should be 5 percent. The mistakes we made in our processes could cost us customers, after all unsatisfied customers don’t return. This we estimated as 3 percent loss per year of our client base. Are you still following this?”

Although she had started to get giddy, the journalist bravely urged Rob to go on.

“I’m sorry but I’m not finished yet. Our employee turnover was 15 percent, which was also way too high, it had to come down. Finally, we had to correct our mistakes which

years time. We asked ourselves the question how the organization would operate when everything went as we wanted it. In your terminology Tanya, we depicted Nirvana.”

Pete rubbed his chin circumspectly. “It sure would have helped us if we had had Tanya’s white paper on Nirvana at our disposal, wouldn’t it?”

Tanya laughed. “You might be right, but there wasn’t a Nirvana yet, remember, so how could I ever have written that piece? I’m not a clairvoyant and this notebook is not a crystal ball!”

The others joined in the laughter and decided to take another cup of cocoa.

# ACTIVITIES AT THE START

- Create awareness of the need for Nirvana – The need for the intended change to the Nirvana state is conveyed to everyone in the organization by defining and articulating a succinct and compelling reason for change. This reason is based on a sense of urgency or on a desire of aspiration. The most obvious case is a 'burning platform' (caused by severe problems) or a compelling event (for example a change in strategy or a change in the execution of the current strategy), then there is no alternative but to change. However, even in a seemingly complacent situation urgencies and chances for improvement can and will exist. The reasons for change are brought about by: showing how other organizations (preferably competitors) have made successful turnarounds, using benchmark figures to show the comparative performance of the organization, showing the negative difference in performance that exists between the organization and its main competitors, talking about current bottlenecks and failed projects and what the costs of these are to the organization, discussing how the urge to be the best requires the transition, and by indicating the organization is not ready (enough) for the increasing dynamics of the economy and the environment. The gap between performance in the current state and performance in the desired Nirvana state is quantified in monetary terms, to show the potential and opportunity that exist within the organization. However, you do not have to focus only on the negative things. A positive way to create awareness is to appeal to the ambition of people in the organization. Aspiration, the desire to want to become a better person, is a great motivational force and Nirvana will certainly appeal to this desire. An added benefit is that an appealing picture is a vision, a dream, which can pull people farther than they ever thought they could go.
- Paint an appealing picture of the future – A positive and inspiring picture of Nirvana is created which makes people enthusiastic and in which they can believe. The Nirvana story contains the purpose for the change and the reasons why it is worth undertaking, and describes the positive differences between the current and the desired state. Emotional elements of communication are used in creating and conveying an appealing picture of Nirvana. Emotional arguments are used: strong negative consequences when the change fails are described, words with emotional and positive connotation are applied, metaphors are used. The message is made appealing by using an alluring name, images, pictures, slogans,

music, colours and humor, to create a good feeling about Nirvana. Active language is used to convey the dynamics of the change. When delivering the message, emotions are shown to carry across warmth and sincere commitment. Fears about the change are reduced by emphasizing the opportunities Nirvana brings. People can 'smell' and almost 'touch' Nirvana. They can start the journey with an image of the end goal in their mind.

- Translate Nirvana to each organizational level – The consequences of what Nirvana means is made tangible and concrete for every level of the organization, by discussing in a positive way the practical implications for the structure, processes and people of those levels. Make clear what is and what is not going to change for them and emphasize that good things will not be tweaked (like certain social security arrangements). Management has to anticipate conflicting interests and resolve these in a swift and clear manner. The role every level and individual can play in the transition to Nirvana is discussed. A clear strategy, with short term and long term objectives, for the change is set so that the transition is steadfastly guided. People can picture what Nirvana will bring for them, how they will personally benefit from it ('what's in it for me') and how they can contribute to it. They might not necessarily understand all the ins and outs of Nirvana and its implications, but they can certainly believe in it.
- Choose the priorities and make resources available for these – As Nirvana is going to improve the value drivers of the organization, and by definition the organization's performance, make this the most important priority for the coming year(s). Therefore, top management makes a clear choice by designating the three most important things to achieve in the next year(s). These should address the value drivers and high priority issues of the organization. Nirvana is one of these priorities. Potential (and even running) projects are evaluated on their contribution to the Nirvana course. Projects that have added value to Nirvana are incorporated, the other projects are not commenced or continued, to free up the organization's time and resources. Enough resources are made available on a continuous basis to fund the transition to Nirvana. Preferably the road to Nirvana is started in good times, when enough funds are available and the attention of the organization is not on 'just surviving' but on building for the future. Nirvana means innovation, takes time and should therefore be started from a position of strength.

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- Appoint one or more sponsors for the Nirvana journey – A sponsor from top management is appointed who supervises the road to Nirvana and who takes responsibility for a successful journey. This person has to be acceptable to the organization based on experience, seniority, credibility, likeability and objectivity. If the sponsor is not accepted by the organization, this individual will not be able to influence the Nirvana activities enough to make sure the summit can be reached successfully. If the sponsor has been accepted, he or she must make sure to spend enough time on Nirvana. Then, the organization sees the promoter (and therefore the management team) takes Nirvana seriously and the willingness of management team to go on the journey to Nirvana. Because the implementation takes a lot of the organization's effort, active and visible support by top management, and budget made available by them for the transition, is essential to convey the importance of Nirvana to the organization. The sponsor regularly communicates progress and results to the organization. For instance, this can be done by

regularly scheduling meetings to discuss Nirvana results. Top management clearly drives the transformation, and helps people to make this transition by creating the conditions which make it possible for them to make the change and excel. Top management (and especially the sponsor) leads by example, it expresses its belief in Nirvana not only in formal communications but continuously and explicitly in all its actions.

- Seek sponsors for Nirvana throughout the organization– On every management level and in every part of the organization, people are sought out that believe in Nirvana. They function as ambassadors of the idea and are kept informed at all times on the status of the transition, its difficulties and its progress. The sponsors appeal to the pride of people in their work and stimulate a mentality and a drive to increase the quality of processes, products and services. They create a feeling of unity and a winning spirit among the people in the organization: 'we are all going for it!' After all, everybody wants to belong to an excellent company.

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## PREPARATION: ASSEMBLE THE RESOURCES

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After a brisk walk in the beautiful surroundings of the mountain lodge, the party returned to sit around the warm fireplace in the comfortable cabin.

"It is quite clear to me how you created awareness and a support base for Nirvana," Tanya commenced the discussion. "What is the next step you took?"

"I think my buddy Bob is in the best position to tell you this. After all, he is the expedition leader," Pete answered. The mountaineer shifted his large frame in the chair which protested creakingly. "Yes m'am, Pete is quite right. An experienced leader knows what is the most important activity before you start going up a mountain ... " He paused.

"Go on," the young woman urged him on.

"It is assembling the right team. If you do not have the right people, you'll never get there."

"How do you define 'right'?"

"Right means people who have the skills and capabilities to make the journey."

Helen cut in. "In business terms we would say: people who have the right competencies."

"The team has to have different abilities so that the team as a whole can adapt to changing conditions during the climb," the big man continued. "The people have to be flexible. I always say: flexibility of the mind leads to flexibility of the team."

"And surely of the organization also," Tanya said thoughtfully. "But surely having the right team is not enough to get to the top?"

"No, it isn't," Mountain Bob responded. "The next activity is to make a plan of how to get to the summit. Where you are going to set up the base camp, how fast you will go up the mountain to set up the next camp, and so on. A mountain is not conquered in one leap but in small manageable steps." He put his hand on the reporter's arm, to stress his point. "Mind you, I'm not only talking about the route you take to conquer the big hill. The plan is stipulated by the starting point of the journey: is it from an experienced-based point or from a readiness-based point?"

"Excuse me, what are these?" Tanya wondered.

"Pretty good, uh" Bob grinned. "It means that it makes a lot of difference whether your climbing team is experienced or not. If they are, they only need half a word to understand what needs to be done. If they are not experienced, you have to rely more on their initial enthusiasm and readiness and how much they are willing to actually reach the top."

"When you guys went up that mountain, which approach

did you take?"

"We took a mixed one," Pete answered. He pointed at Helen and Rob. "These two were not experienced in this kind of expedition, while Mountain Bob obviously was. I had medium experience."

Tanya turned towards Helen and Rob. "How did these two seasoned fellows convince you to undertake the trip?"

Rob answered for the both of them. "They were pretty convincing in their arguments. When we asked why we should climb that mountain they quoted Sir Edmund Hillary, who responded when he was asked why he climbed Mount Everest: because it is there."

"Another important thing is that we had a role model in Mountain Bob at the start and during the expedition," Helen added. "He showed us what it takes to make it to the top and he lead the way during the entire trip. Pete did the same on the road to Nirvana, he was the shining beacon during the implementation and a real role model."

"It's crucial to choose the right role model, we saw plenty of bad examples at companies in those days," Rob agreed. "You mean those highly visible and well respected CEOs who turned out to be crooks?"

"Exactly. You don't want these to become role models for your own people!"

"How did you go to the top?" Tanya changed the direction of the discussion. "Did you go there with the complete group in one go, or what?"

"You don't do it that way," Mountain Bob said gruffly. "You assemble a small team which you send ahead to prepare the way. The team used ropes, climbing hooks and wire bridges to make 'the big push' easier."

"The big push?"

"When the whole team comes up the mountain."

"You do the same during the Nirvana implementation," Pete commented. "You use a small preparation team of committed people."

"Speaking of committed people, what is the role of the employees?" the journalist asked.

"Let me answer this," Pete cut in. "You know, people don't go to their work with the preconceived notion to make a complete mess of things. You have to capitalize on this by giving them a vision of the change, by showing them the way you want to go with the organization and by letting them help you build Nirvana. Then and only then can you expect to get real commitment."

"We certainly showed commitment," Helen and Rob laughed. "We made it to the top, didn't we?"

"And we also made it to Nirvana," Pete responded proudly.

# ACTIVITIES DURING PREPARATION

- Assemble the right team of people willing and capable of going to Nirvana – The core competencies (with accompanying patterns of behavior) are identified that are required to get to Nirvana and to stay in the Nirvana state. These competencies do not only relate to skills and intelligence but also to mentality and attitude. People inside the organization are selected and new people are hired, based on the match between their characteristics and these competencies. This might mean that the organization has to part from people who lack the needed capacities and who probably cannot learn these (fast enough) or who lack the willingness to make the transition. A core team that guides the transition is put together from good, strong people who are supported by personal coaches. Make sure this is a cross-functional team consisting of people with different backgrounds, genders, cultures, ages, experiences and organizational functions, to get a good mix of ideas, flexibility of thought and different opinions. The ‘booster’ of Nirvana is the CEO who appoints a process manager to manage the day-to-day activities. This process manager is preferably an expert in implementations and knows how to deal with the pitfalls and opportunities of this type of transition. This person can become the chief performance officer (CPO). Make sure people from the marketing (for the communication side) and human resources (for the people side) departments are part of the team.
- Apply a mix of the experience-based and readiness-based approach – The transition approach is chosen based on the experience the organization has with similar change processes and the level of acceptance that exists in the organization for Nirvana. It is what management knows about managing what has to be done and how far others are open to it that decides the mix between the experience-based and the readiness-based approach<sup>3</sup>. In the experience-based approach management knows enough to assess correctly what the aims of going to Nirvana are, specifies accurately what has to be done to get to Nirvana, and resources these activities in the right manner (planned option). This creates acceptance for Nirvana from all concerned. In the readiness-based approach the climate in the organization for going to Nirvana is receptive but experience with this type of transition is relatively lacking. Management moves forward by making sure there are no structural obstacles (like departmental structures and authority

structures) that prevent people from working on Nirvana activities. Management also ensures focussed priority for the Nirvana implementation so that other issues do not intrude too much and managerial attention is held by the process (prioritized option). This way, the organization chooses for the ‘go-ahead and learn by doing’ way. Because Nirvana is new for many organizations, the prioritized option is the most obvious choice. However, by identifying people in the organization that have previous experience with similar types of change processes (for example at previous employers) and giving these people a leading role during the journey, a combination of both approaches can be made. This is the best choice: the planned option gives stability to the process while the prioritized option makes the organization open to new experiences and learning.

- Make a flexible and adaptive implementation plan – Set implementation goals and a timeline for these, to build momentum and to show progress from day one. Do not schedule giant leaps but small steps (preferably with a maximum time span of one year) to keep the activities manageable and adaptive to changing circumstances. Take your time to get to Nirvana, build in some slack so unexpected setbacks or delays can be dealt with without having to change the complete schedule, but do not falter in getting to the end result which is beyond discussion. Take current Nirvana-like activities into account and use these as starting point for the plan. Do not only deal with changes in the current organization (with its current processes) but also anticipate (fundamental) changes in the environment which might affect (the transition to) Nirvana. Involve people in deciding how to get to Nirvana, give them a say in the set up of the implementation plan and in the starting time for the journey. Mobilize in this way the collective knowledge of the organization and increase its brainpower and thereby the self-confidence. Obtain employees ideas to increase the quality of the plan and to gain their support for the plan. Give everybody in the organization a role in the transition.
- Continuously train the organization – Introduce ‘change eager management’ training sessions to help people make the transition to Nirvana. People start to understand what Nirvana means for their activities, performance and behavior. They start speaking the same language and adhere to the same performance driven values. Set up a strategy to deal with ‘the noise’

<sup>3</sup>Hickson, D.J., S.J. Miller & D.C. Wilson (2003), *Planned or prioritized? Two options in managing the implementation of strategic decisions*, Journal of Management Studies, 40:7, November

in the organization: the political games that are played, the egos that come into play during a change process. Celebrate the start of the road to Nirvana by celebrating the past before departing from it ('look at what we have achieved') and then introduce stimulating content ('and now we are going to become even better').

- Establish and execute a tailored communication strategy – Establish a communication strategy to create shared expectations and to report progress. Tailor the communication to the type of the organization: use words, images and symbols which are aligned with the organization's current culture and which resonate with people. Convey the message that Nirvana is definitely coming and that it is not just a toy of management, and emphasize that Nirvana will make the organization the frontrunner in its industry. Stress that the road to Nirvana is a joint voyage of discovery. Make sure the communication has the shape of a real dialogue: people really listening to each other and speaking with each other. Identify who's losing what and make sure the communication addresses this. Set up a dedicated intranet site with a forum where employees can actively

discuss Nirvana with executives.

- Establish 'the tone at the top' - In every change, the role model of management is crucial for its success. By guarding the 'tone at the top' there is always alignment between the pronouncements, statements and declarations of top management and its actual deeds and behavior. When management walks its talk, does what it says, shows the organization that Nirvana is really important by paying continuous attention to it, and also gets 'dirty hands' by involving itself in some of the day-to-day transition activities, then the organization will follow suit. Define a key set of transition principles at the outset of the transition. These principles stipulate for example that management always treats people in the organization with respect and in a fair and honest way during the transition to the new situation, that people can raise objections to and criticize certain parts of Nirvana or to the route towards it, that management will sympathize with people's needs, that management will always hold each other and employees accountable in a constructive way for results, and that everybody will persevere on the road to Nirvana.



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## EXECUTION: JUST DO IT!

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“When I look back at the article I wrote last time, I notice there are quite a lot of activities that have to be performed before you have created Nirvana,” Tanya continued the discussion. “Which Nirvana aspect did you start with?”

“A very good question to which there unfortunately is not a single answer that holds true for all organizations,” Pete answered. “It depends on the state of the organization, its life cycle, the projects going on, the strength of its management and employees and a host of other things.” Tanya raised her hands in desperation. “So what should I tell my readers?”

“I think I can help there,” Rob reacted. “There is one basic rule which one has to keep in mind while implementing Nirvana.”

“Which is?”

“To always balance the attention for the structural, technical side of the implementation with the behavioral side. Let me give you an example.”

“Please do!”

“After our initial discussions about Nirvana it became clear that creating a performance-driven culture was at the front of our managers’ minds. However, in order for people to behave in a performance oriented way, they first need the information which tells them where to act and how to act. So it was imperative to simultaneously work on the aspects of increasing the relevancy and quality of information as well as creating the desired culture.”

Helen joined in. “This was a pattern that repeated itself all through Nirvana. All the time we had to concurrently work on structure and behavior. For us the next pair of aspects we worked on were fostering performance management knowledge and understanding and increasing the adaptiveness and flexibility of the organization. Finally we worked on integrating the performance management processes while at the same time installing high-quality information and communication technology systems.”

“Mind you, Rob warned. “We found out that after having implemented a pair of aspects you could not afford to leave these alone. Through advancing insights gained during the process we regularly had to go back to update these aspects to better align them with the newly implemented aspects.”

“By the way, did you start with a pilot?” the journalist asked.

“No we didn’t,” Pete responded. “How can you start with a pilot in a specific part of your organization while Nirvana is all about getting the complete company aligned towards becoming result oriented?” he asked rhetorically. “What you can do, as we talked about earlier, is to start with one or even more implementation teams, which start in several parts of the organization but which are all aligned and coordinated towards the same goal: implementing Nirvana

in the complete organization.”

“How does all this relate to your mountaineering expedition?” the reporter asked.

Just then Mountain Bob returned with a fresh round of drinks and a bowl of marshmallows to toast over the fire. Everybody threw themselves upon this delicacy. They were busy for a while, enjoying the good life.

Pete spoke up. “What was the question again, Tanya?”

“Until now you have been able to compare the road to Nirvana with the road to that mountain top. Where is the analogy here?”

“Oh, it isn’t so much about the order of implementing the aspects. It has more to do with how you get there. Bob, can you explain?”

The big man winked at the others. “Sorry, let me first wash this down.” He took a big gulp and wiped his lips. “You never know when you need your strength, so I advise you all to take some more while I educate this young woman here.”

Tanya winced.

“I’m just teasing you,” Bob hastened to add. “What I have to say is in fact dead serious.”

“Go ahead, surprise me.”

“Well, we gain most not by reaching our destination but by bringing others with us on the climb. Unfortunately, when you go up the mountain it regularly happens that somebody cannot make it to the next camp. Depending on his situation we then decide whether he stays at the lower camp to make himself useful, or whether he has to go down all the way to return to the point of departure. The point is that as leader of the expedition you have to be quite firm with this, otherwise your team will not make it to the top.”

“Of course,” Tanya understood. “The same is true when going to Nirvana. Not everybody has the competencies to make it there, despite coaching and extra training.”

“Exactly,” Rob agreed. “But that doesn’t mean they cannot make themselves useful, at their own level. Also, maybe after additional training they might be ready to participate in the next expedition.”

“What is also important,” Mountain Bob continued, “is the shape and condition of your crew. As team leader you have to regularly check whether your team members are still up to the task, if you can speed up the pace or if you have to slow down. Sometimes you even have to stay put in a camp for a while, to let everybody recuperate and get back their strength, before you can start the next leg of the journey.”

“In Nirvana we call that: measuring the rate of change,”

Helen added.

“I have another question for you Bob,” the reporter carried on the conversation. “How much room, I mean in the

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sense of freedom, do you give your team members?”

“Do you mean during the trip?”

Tanya nodded.

Bob stroked his beard once more. “I involve them explicitly in deciding which route we are going to take that day. That changes, depending on circumstances like the weather and the condition of the mountain. I want to take advantage of the experience and skill of every team member. Mind you, they do not have a say in the final goal of the journey. At the beginning we have set a clear vision of that and we

stick to that, it’s not under discussion.”

“And what if somebody dares to question the goal after all?” the journalist inquired slyly.

The big man roared with laughter. “Then I beat them silly with my boots, why do you think they look so worn out?”

“That doesn’t sound very Nirvana to me!” the reporter exclaimed.

Bob looked guilty. “You’ve got me there. What we do in reality is that we ask these people to leave the expedition. You’re either in it all the way or not at all.”

# ACTIVITIES DURING THE EXECUTION

- Pay equal attention to structure and behavior, by implementing two aspects at the same time – A manager needs to be able to juggle several balls simultaneously. Also, there is not one aspect more important than another. This calls for implementing all aspects at the same time, you need all the ingredients to make a tasty dish. Implementing the aspects is therefore done more simultaneously than sequentially. However, to stay practical and keep the process manageable, one has to choose a certain implementation order. Choose the sequence based on the life cycle of the organization (what needs to be ‘rejuvenated’ now), the current situation of the organization (what needs to be ‘fixed’ right away), Nirvana-like projects that are currently going on (where can you follow on), the size of the organization (multi process and multi business will require a different order and approach than single process and single unit), and the culture of the organization (the amount of change an organization can ‘take’ stipulates the speed of the process). Make sure that in the order of implementation structural change goes hand-in-hand with behavioral change. Based on interviews the following order comes out as the preferred one (although the final sequence of course depends on the organization): (1) increase relevancy and quality of information (structure) & create a performance-driven culture (behavior); (2) foster performance management knowledge and understanding (behavior) & increase adaptiveness and flexibility of the organization (structure); (3) integrate the performance management processes (structure/behavior) & install high-quality information and communication technology systems (structure). Increase relevancy and quality of information comes as first because metrics are needed to track the organization’s journey towards Nirvana.
- Apply the 80 – 20 % rule – Start before everything is perfectly thought out and before everybody completely understands everything about the process. If you wait until every last detail of the roadmap is in place, chances are you will never start the journey at all. The time you spent on discussing achieving a hundred percent complete view of Nirvana while you are not even on eighty percent Nirvana in reality, is basically wasted time. Besides, experience is the best teacher, so the sooner you start the more you are able to learn. Starting on time has the advantage that the tempo of change, if needed, can be a bit slower, rather a steady pace which brings you to the finish line than a quick dash. During the journey there will be plenty

of time to change and adapt activities and maybe even the implementation approach, if needed. But you need to get going, remember that you cannot steer a car that stands still.

- Do not start with a pilot– It does not make sense to start with a traditional pilot (e.g. a pilot which in isolation is executed in a stand-alone part of the organization), because Nirvana is foremost a ‘state of mind’ which cannot and should not be contained to a part of the organization. Creating a performance-driven culture requires that everybody in the organization has to be part of this culture. It is also difficult to envision that parts of the organization want to be left ‘behind’ when top management has shown its support for Nirvana. However, in different organizational units the order of implementation of the Nirvana aspects can be different, or the pace of implementation can vary, depending on the local circumstances.
- Create a culture of dialogue and co-operation – During the execution, individuals and groups have, and take, the opportunity to question, challenge, interpret and ultimately clarify the goals of the different activities that need to be performed to get to Nirvana. They regularly engage in a dialogue to monitor behavior and ensure it is aligned with the goals of the Nirvana process and with the transition principles. This is real two-way communication. Top management takes the lead to instigate the dialogue and to guard the transition principles, and at the same time it is willing to be addressed by employees on its own behavior. There are regular discussions, for example during management team meetings, in which progress of the journey is openly discussed, including the wrong turns that have been taken, and where suggestions for adaptations of the transition approach can be made. Top management also makes sure it creates a temporary evaluation and reward system for the implementation, so the implementation team can be evaluated and rewarded for its effort and progress during the change and the organizational members can be assessed and remunerated for their support during the transition to Nirvana. For this to be possible, performance indicators are used that monitor the transition process itself.
- Regularly measure the ‘rate of change’ – ‘Organizational change speedometers’ are regularly used in which small samples of the employees and managers are surveyed to measure the current rate of organizational change, degree of organizational

stability, interference of the transition process with daily routine operations, time spent on the initiative, and possible damage of excessive change and changes going to fast. Appropriate follow-up action is taken to either slow down or speed up the process. Continued delivery of service is balanced with implementation activities, making sure that delivery of regular services is not disrupted by the transformation activities. Clients need to be serviced no matter what internal things are going on, so the organization has to stay externally oriented. The different stages in the implementation process (the plateaus) are acknowledged by: celebrating that the organization completed a stage successfully, reviewing the way forward, and reviewing the required team competencies for the next stage. After completing a stage, it is maintained and its quality is guarded while the other stages are implemented.

- Create a training environment – Create an environment in which people can safely practice the Nirvana principles and train together with colleagues. They learn how to perform old processes (like budgeting and forecasting) in new ways, to read and use new types of reports, to act in new ways (by using role plays), and to speak the same ‘Nirvana language’. Implementing Nirvana is not just about transferring knowledge on new processes and techniques but also about practicing and incorporating these new ideas and the accompanying behavior (proficiency training). This practice environment increases self-confidence of people and creates the trust that they are up for the new demands put upon them by the Nirvana state. The ultimate goal is of course to bring what you’ve learned into practice as soon as possible.

- Balance coaching with resolution and firmness – Management treats people with respect by listening to them with an open mind (management does not know everything), actively involving them in the implementation activities, giving them room to plot their own way (within boundaries set by management) towards Nirvana, not immediately nagging about each and every detail that goes wrong, reserving enough time for progress reviews and actively coaching people during the implementation. Management sets the example and is a role model by being interested in people’s results, continuously improving its own performance during the process, and consistently appeals to people and fellow managers about their performance in a positive critical manner. This might mean management team members themselves use a personal coach, for an extended period of time, to help them change and adapt to their new role and to regularly reflect on themselves. Management keeps its eyes firmly on the destination of the journey and maintains discipline. Management does not ignore information but faces the facts, especially negative ones, and bites the bullet to immediately deal with the consequences of this negative information. Management monitors the transition team closely and makes personnel changes (in a dignified way) when necessary, without delay. Negative obstructionists are bought off quickly so they do not take up more management time than necessary. If needed, extra or more tailored communication is deployed. Management is consistent in its vision, execution and application of the ‘expect and inspect’ principle (expect a lot of your people but make sure you inspect results regularly).

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## ARRIVAL: CELEBRATE AND CONTINUE

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After the laughter died down everybody got busy preparing dinner. Mountain Bob, together with Helen and Rob, disappeared in the kitchen while Pete and Tanya got industrious setting the table. They continued their conversation.

“I was wondering, what’s next when you have finally reached Nirvana?” Tanya asked.

“Well, what do you do when you reach the top of a mountain?” Pete responded, looking at the reporter quizzically.

“I guess you take some pictures and then a rest,” she responded.

“Yes, indeed, you first celebrate your achievement. But you also start envisioning where you’re going to go after you get down this mountain. After all, on the top you have the best view of what other mountains there are to conquer. You are pondering the answer to the question: where can we go from here?”

Tanya laid down the cutlery with a lot of jangling. “Wait a minute, it sounds to me as if you’re regressing. I mean, you are going back to where you started from.”

“Certainly not. Remember, we climb the mountain not to stand on the top but to gain from the ascent. True success is measured not by how far you got at this moment in time, but how much farther the skills gained during the climb will allow you to go<sup>4</sup>. Of course, you have to get down the mountain but that is simply because you want to start a new, more difficult journey. You have been transformed by the experience, you have acquired new skills and achieved a new level of performance so you are

now looking for a new challenge to apply these. You have the habit of ascent, you want to keep climbing, keep improving. Maybe after you have returned, you travel to a higher or a more difficult mountain. Maybe halfway through the return trip you take a side road up to a different part of the mountain range. The possibilities are endless. The point is: after reaching your target you set a new one. It will be a higher one because you have improved your skills, experience and condition so you are ready for a new challenge. And because you have learned so much during the trip, you have developed an eye for unintended changes, things you don’t want to happen the next time. So you make adaptations to the approach and to the team.”

“But why would you want to get higher on a new mountain, when you’ve already been so high?” Tanya asked.

“Because where you are is not where you want to be. You can still do and become better.”

“That means Nirvana never ends,” the reporter said, almost knocking over a glass of freshly poured water.

“Watch it, Tanya. I agree with you, Nirvana can never end because it is not a status, it is a state of mind. After all, we learn every day, we are on a continuous journey of improvement. But don’t worry, it doesn’t mean that as soon as you’ve come down you have to start hastening up a new mountain. Everybody needs to take some time out to recover.”

“Indeed, now we are going to take time out to improve our taste buds,” Mountain Bob shouted while carrying in a pan of steaming hot stew. Stop your yapping and tuck in!”

<sup>4</sup>Skinner (2003), *Beyond The Summit, Setting and Surpassing Extraordinary Business Goals* (Random House)

## ACTIVITIES DURING THE ARRIVAL ACTIVITIES

- Update the evaluation and reward system – To reflect the new Nirvana state, a new or updated evaluation and reward system is installed that is aligned with the changed culture and new organizational goals. In this system, people who are willing to take (calculated) risks and who want to be creative, are visibly rewarded. The temporary evaluation and reward system established for the implementation can be the basis for the new or updated system.

- After celebration, set new goals and targets – When Nirvana is reached, the organization takes time out to celebrate its achievements, to recuperate, and to enjoy its success. After the celebration, management takes stock and sets its sight on new objectives. In the spirit of continuous improvement, the new goals and targets are higher and more difficult than the old ones. Management starts to think of new journeys and starts preparing the organization for these. To be continued ....

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## BARRIERS: HOW TO OVERCOME THESE

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They were quiet for a while, hungrily wolfing down the square meal the rugged mountaineer had prepared for them. The only sound to be heard was the scraping of spoons on tin plates. Mountain Bob dished up extra servings until they could eat no more. With a collective sigh they all leaned back in their chairs.

“Phew, what a meal,” Helen said.

“A typical mountain dish,” Pete commented. “It’s one of the reasons I like coming over here so much.”

Mountain Bob tapped his friend’s belly. “Which is very evident.”

“And now for something completely different,” Rob intervened. “I would like to add something to what we’ve told Tanya.”

“Go ahead,” Pete nodded.

The chief performance officer pulled a serious face while looking at the reporter. “Thus far it might seem easy-peasy to get to Nirvana.”

“Or to the top of a mountain, for that matter,” Bob muttered.

Undaunted Rob continued. “Indeed, we pick challenging mountains because that’s where we gain most in skills and experience. But that doesn’t mean we should ignore the problems difficult climbs can and will present us with. Just as there are quite some barriers which an organization has to overcome in order to get to the desired Nirvana state”

Helen continued. “What Rob basically is saying is that we encountered several problems, some small some large, on our way to Nirvana.”

“Fortunately we were able to solve most of them along the way,” Pete stressed.

“I’d love to hear about them,” Tanya reacted. “Let me get my note book, hold on.”

After firing up her trusted machine, she signalled Helen to continue telling her about the barriers and how they had overcome these. They discussed these extensively while enjoying the ice cream desert Bob had also fixed for them.

‘Rather fun,’ Pete thought. ‘Enjoying the best part of the meal while listening to all the problems, it’s like sweet and sour management. Hmm, could be a good book title ...’



# BARRIERS AND HOW TO OVERCOME THEM

- Repetitive change syndrome – Repetitive change syndrome<sup>5</sup> occurs when excessive levels of change bring about so much stress in the organization that change comes slower, is more expensive and is much more likely to fail than when change levels were more reasonable. There are three symptoms of the syndrome: (1) initiative overload, when more change initiatives are launched than any organization can ever reasonably handle; (2) change-related chaos, when there are so many waves of initiatives that hardly anyone knows which change is being implemented and why; and (3) employee cynicism/burn-out, when people begin to fake participation in the change while at the same time venting ‘gallows humor’ and spreading around Dilbert cartoons.
- Changing focus – The picture painted of Nirvana is not set in stone and will be subject to changes during the transition, based on fresh insights, knowledge and skills achieved. However, this does not mean that during the implementation the basic assumptions and the goals of Nirvana can be questioned again, or that new initiatives and projects are started before the Nirvana state has been fully reached.
- ‘Overstretching’ the process – There are many ways to overstretch the organization during the road to Nirvana: (1) starting too soon, when the organization feels it is too busy and there is no time for another transition; (2) the pace of the process is too fast, so organizational members cannot adjust and keep up with the change; (3) the activities take so much time from people, that they cannot pay enough attention to routine operations; (4) management wants too much too fast while in reality the resources (both in time and investments) are not sufficient for this ambition; (5) expectations of the results of the process are too high so people get disappointed when they do not see results soon enough; and (6) the organization wants to implement too many characteristics of the Nirvana aspects at the same time.

➤➤ *These three barriers can be overcome by breaking up the journey into small, uncomplicated and manageable steps with clear and fixed objectives, non negotiable goals and sufficient resources. Manage the expectations regarding the results of those activities actively. Strive for small but continuous and consistent improvement. Do not go too fast. Pay special attention that changes in people’s behavior occur at the same time as the organizational changes in the*

*company. Assign a leading role in the change process to people who have had positive experiences with similar change processes previously: they will act as ‘ambassadors’ for change. Hang on and continue the journey until the required results are achieved. Never assume that a change will sell itself and only needs specific attention from you in the early stages. Celebrate (small) achievements and regularly evaluate and take stock of the situation. This gives the energy to go on into the next activity and eventually start the next step. Don’t be impatient!*

- No clarity of process – It is unclear to the organization: (1) what the reasons, objectives, goals and benefits of Nirvana are; (2) what is in the process for them; (3) what role they have to play in the transition; (4) what the results of Nirvana should be and how these can be measured. Therefore there is a lot of confusion over Nirvana. Also, different fractions within the organization can have conflicting interests in the process so dissension starts to appear. Priorities have not clearly been set regarding: (1) Nirvana being the most important transition; (2) whether processes have to be effective or efficient (both is not possible); and (3) what the objectives of Nirvana and the organization should be. The logical consequence is that many compromises have to be made (e.g. the Dutch polder model) so the maximum benefit from Nirvana is not achieved.
- Not enough letting go of the past – Although in general an organization is a hierarchy, management must put enough effort into dismantling the old ‘kingdoms’. Otherwise old power structures stay in place in Nirvana, rendering it less effective. The evaluation and reward structures are not changed (enough) to reflect the new situation and what is now important to the organization.

➤➤ *These two barriers can be overcome by creating a positive and encouraging environment in which it is safe to discuss the change process. Make it safe for people to bring old ways of doing up for discussion. Promote a learning environment. Encourage and reward participation in the change process. Constantly involve people in the Nirvana activities. Establish cross-functional teams to break down the barriers of old kingdoms. Create transparency with regard to the change process. Continuously inform all stakeholders about the objectives and goals of*

<sup>5</sup>Abrahamson, E. (2004), *Avoiding repetitive change syndrome*, MIT Sloan Management Review, Winter 2004, vol. 45, issue 2

*Nirvana, the next activities and steps, and the consequences of Nirvana for processes, systems and behaviors. Encourage taking responsibility for the results of the change process, discourage victim behavior.*

*Reward pro-active behavior. Immediately reward people when they take ownership of certain Nirvana activities. Emphasize the things you will do, instead of the things you won't do. Describe a change process in terms of the advantages connected to it, but at the same time, be open about possible disadvantages (and how you plan to deal with them). Clearly indicate what will not change, thus creating security.*

- Trusting systems and processes more than people – Because people are (in the beginning) reluctant to change and notoriously difficult to deal with, the organization focuses on the technical side of the journey. Another reason for this can be the organization mistakenly thinks it should focus on the most expensive asset, the systems, while in reality people are more valuable to the company. Management implicitly shows that it thinks that by changing the aspects that deal with changing the systems and processes, it has a greater chance to bring Nirvana about, than by dealing with the human side of the change process. This is a big mistake because the most important goal of creating a performance-driven culture, will not be brought about.
- No perseverance – The organization shows no perseverance and resilience in seeing the journey to Nirvana right through to the end, because: (1) the short-term view of management cannot cope with the two to five year span of the transition; (2) people do not have enough belief in others and themselves that they can deal with the coming changes; (3) running projects, daily operations and issues of the day sway people and become of a higher priority; (4) there are too many doubters who have the skills to make the transition but who constantly doubt all aspects of Nirvana (until management also starts to doubt and waiver); (5) every change brings with it a temporary decrease in performance and this constantly happens on the road to Nirvana (because the aspects are not implemented all at once), people can get discouraged by this; (6) management shows too much understanding for people who do not reach the implementation goals (and therefore does not take corrective action); and (7) management gives too much room to the bureaucracy so it can continue doing what it always did. As a result, the organization does not free up enough resources to achieve Nirvana, and both people

and the organization do not bother to invest in their own education to be prepared for Nirvana. Top management shows uncertainty with all the negative consequences for the commitment of the organization.

- Deal with the unintended consequences of the change – On the road to Nirvana there is a risk of unintended consequences of the change efforts deployed. These are:<sup>6</sup> ritualisation of change (annual long-term plans for change become ritualized), a hijacked process (others use the change process for their own purposes), cultural erosion (change ideals erode by subsequent events), cultural reinvention (the change program repackages the old culture under a veneer of 'new'), ivory tower culture change (change plans which are divorced from organizational reality or are not implementable), inattention to symbolism (symbols which denote inconsistent management actions and reward systems), uncontrolled and uncoordinated efforts (lack of centralized control of the change effort) and behavioral compliance (evolutionary changes in behavior which are not designed and controlled by management).

➤➤ *These three barriers can be overcome by making sure that, before starting on the road to Nirvana, all management team members have committed themselves a hundred percent to the way forward. If not, either the journey is not started or obstructivists are asked to leave. Then management team members coach each other in being consistent and persistent, and show 'enlightened leadership': always walking in front, not being afraid to get 'dirty hands', showing passion for Nirvana. Create effective leadership by: (i) setting clear priorities and acting according to these priorities, (ii) providing a clear framework and set of transition principles, (iii) communicating on the change process throughout the organization on a regular basis, (iv) motivating employees by setting challenging, yet realistic goals, (v) supervising and motivating employees during the change process, and (vi) showing real interest in the progress of the change process.*

*The organization deals without hesitation with the transition people have to make when going to Nirvana<sup>7</sup>: (a) accepting the reality and importance of the (subjective) losses people are feeling, (b) not being surprised and shocked by the overreaction of certain people, (c) acknowledging the losses openly and sympathetically, (d) expecting and accepting signs of grieving, (e) compensating as much as possible for these*

<sup>6</sup>Harris, L.C. & E. Ogbonna (2002), *The unintended consequences of culture interventions: a study of unexpected outcomes*, British Journal of Management, vol. 13, 31-49

<sup>7</sup>Bridges, W. (2003), *Managing transitions, making the most of change*, 2<sup>nd</sup> edition, Nicholas Brealey Publishing

losses, (f) giving people information continuously (and checking whether people have understood the messages), (g) defining what is over and what is not (compared to the old situation), (h) marking the endings (of what is over), (i) treating the past with respect, (j) letting people take a piece of the old way with them (as long as this is

not at odds with the Nirvana way), and (k) showing how endings ensure the continuity of what really matters to the organization. It is also important that people realize that the greatest gain does not come from the first 90 percent but from finishing the last 10 percent, because then is when you really reach your goal.

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## EPILOGUE: THE ROADMAP

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After dinner the group took some time off to do whatever they wanted. Tanya withdrew in a corner of the cabin and started to type away on her notebook. After an hour she yawned, stood up and stretched.

“Finished?” the by now familiar voice of Mountain Bob boomed behind her.

Tanya gave a little yelp. “What did I ask you?” she said, piqued.

“I’m sorry m’am, this time it’s my slippers,” Bob said while pointing at the shabby pair. “I know they look awful, but boy, are they comfortable,” he grinned. “Anyway, are you finished?”

“I am,” the soothed Tanya answered. She could not stay mad at this likeable fellow. “Would you take a look at this? I prepared a summary of the activities and barriers we have discussed today, so I can give my readers an overview of what is needed to get to Nirvana.”

The big man leaned over to take a look at the screen.

“That’s quite impressive, don’t you think guys?”

He addressed the others who by now had assembled around Tanya and the mountaineer.

“This sums it up quite nicely,” Helen agreed.

“Thanks,” the reporter said while putting away her notebook in its protective case. “Before I go home however, I have one more request.”

“What’s that?” Pete asked.

“Last time we met, you mentioned a high-level activity plan which could be very helpful to my readers. So I

wondered ...”

“I thought after today you would be able to make such a plan yourself,” the CEO interrupted her with an evil smile. “And looking at your overview, you certainly can do that.” Tanya looked glum. “But, but ...”

Pete laughed and the others joined in when they saw the pouting face of the journalist. “Just kidding, Tanya. I knew you would ask me about the plan so Rob, our keeper of the archives, has brought one with him for you.”

The young woman looked relieved when the chief performance officer put a sheet of paper in front of her.

“Here it is,” he said. “This is our official roadmap to Nirvana. Mind you, this is the one we used in our situation. Make sure your readers know that.”

“That’s very important,” Helen added. “Your readers should take the overview and the roadmap and tailor these to their own circumstances. They shouldn’t blindly copy what we’ve done.”

“Thanks guys for all your help and information,” Tanya said happily while tucking away the paper in her case. “I’m sure I can make another excellent article from this and I’ll make sure I stress the point of the need to adapt the roadmap.” She chuckled. “They have to adapt to become adaptable, that’s quite funny.”

The journalist shook everybody’s hand and headed for the door. At the doorpost she turned towards Mountain Bob and said with an embarrassed smile: “Uh Bob, do you have a roadmap out of this place? I’m afraid I might get lost again ...”

Step	Start	Preparation	Execution	Arrival
Focus on	Creating awareness and buy-in	Creating the right conditions	Implementing the Nirvana aspects	Setting new goals
Resources	<ul style="list-style-type: none"> <li>• Choose priorities among current projects</li> <li>• Make sufficient resources available</li> </ul>	<ul style="list-style-type: none"> <li>• Assemble the right (cross-functional &amp; skilled) team</li> </ul>	<ul style="list-style-type: none"> <li>• Divided resources in a balanced way over structural and behavioral aspects</li> </ul>	<ul style="list-style-type: none"> <li>• Look for resources for a new process</li> </ul>
Structural consequences	<ul style="list-style-type: none"> <li>• Translate what Nirvana means for each organizational level</li> </ul>	<ul style="list-style-type: none"> <li>• Make an implementation plan for all organizational levels</li> </ul>	<ul style="list-style-type: none"> <li>• Implement the six Nirvana aspects in the complete organization</li> </ul>	<ul style="list-style-type: none"> <li>• Set new goals for structural changes</li> </ul>
People consequences	<ul style="list-style-type: none"> <li>• Appoint sponsor from top management</li> <li>• Seek sponsors in the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Train the organization</li> <li>• Establish 'tone at the top'</li> </ul>	<ul style="list-style-type: none"> <li>• Train the organization</li> <li>• Apply a mix of coaching and resolution</li> <li>• Measure rate of change</li> </ul>	<ul style="list-style-type: none"> <li>• Set new goals for process changes</li> </ul>
Process consequences	<ul style="list-style-type: none"> <li>• Paint appealing picture of Nirvana</li> </ul>	<ul style="list-style-type: none"> <li>• Set-up a communication strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Create a process for communication &amp; dialogue</li> </ul>	<ul style="list-style-type: none"> <li>• Set new goals for behavioral changes</li> <li>• Update evaluation &amp; reward system</li> </ul>
Methodology used	<ul style="list-style-type: none"> <li>• Performance Management Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Mix of experience &amp; resource based approaches</li> </ul>	<ul style="list-style-type: none"> <li>• 80-20% rule</li> </ul>	
Barriers encountered	<ul style="list-style-type: none"> <li>• Repetitive change syndrome</li> </ul>	<ul style="list-style-type: none"> <li>• Overstretching the process</li> <li>• No clarity of process</li> </ul>	<ul style="list-style-type: none"> <li>• Changing focus</li> <li>• Trusting systems and processes more than people</li> <li>• No perseverance</li> </ul>	<ul style="list-style-type: none"> <li>• Not enough letting go of the past</li> <li>• Unintended consequences of the change</li> </ul>
Timeframe	1 – 3 months	4 – 6 months	7 months – 3 years	3+ years

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## EXAMPLE OF A NIRVANA HIGH-LEVEL ACTIVITY PLAN

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Step	Activities
<b>Start</b>	<ul style="list-style-type: none"> <li>• Identify need and reasons for Nirvana.</li> <li>• Collect (benchmark) information.</li> <li>• Perform the performance management analysis®</li> <li>• Calculate benefits of Nirvana.</li> <li>• Compose a vision of how Nirvana looks.</li> <li>• Communicate to and discuss Nirvana vision with the organization.</li> <li>• Translate vision to concrete consequences for each organizational level.</li> <li>• Identify benefits of Nirvana for each organizational level.</li> <li>• Make Nirvana the top priority of the organization.</li> <li>• Set clear objectives and goals for the road to Nirvana.</li> <li>• Secure the resources needed to get to Nirvana.</li> <li>• Determine starting point for the journey.</li> <li>• Appoint a management team member as sponsor for Nirvana.</li> <li>• Seek sponsors for the transition on the different organizational levels.</li> </ul>
<b>Preparation</b>	<ul style="list-style-type: none"> <li>• Define competencies needed for Nirvana.</li> <li>• Identify suitable people.</li> <li>• Put together the process team.</li> <li>• Identify people with previous experience in Nirvana-type processes.</li> <li>• Identify current Nirvana-type projects going on in the organization.</li> <li>• Identify the readiness of the organization for Nirvana.</li> <li>• Decide on the balance between experience- and readiness-based approaches.</li> <li>• Make the implementation plan (making sure all levels play a part).</li> <li>• Set-up a training schedule.</li> <li>• Draw up a communication plan.</li> <li>• Define a key set of transition principles.</li> <li>• Inform the organization.</li> <li>• Commence with the first training session (starting with the process team).</li> <li>• Establish characteristics of the needed behavior in Nirvana.</li> <li>• Translate this into a tangible 'tone at the top' document.</li> </ul>
<b>Execution</b>	<ul style="list-style-type: none"> <li>• Decide on order of implementation of Nirvana aspects.</li> <li>• Start the implementation on the predetermined starting date.</li> <li>• Implement measuring &amp; reporting mechanisms to obtain reliable information.</li> <li>• Install a temporary evaluation &amp; reward system.</li> <li>• Set-up feedback mechanisms (to support the dialogue with people).</li> <li>• Conduct feedback sessions.</li> <li>• Create a practice environment in which people can 'play around' with Nirvana.</li> <li>• Monitor progress of the implementation closely.</li> <li>• Celebrate intermediate successes.</li> <li>• Measure the rate and speed of change (and take corrective actions if needed).</li> <li>• Make updates to order of to implementation of aspects and/or speed of implementation, if needed.</li> </ul>
<b>Arrival</b>	<ul style="list-style-type: none"> <li>• Evaluate the results of the transition.</li> <li>• Celebrate successes.</li> <li>• Update the evaluation &amp; reward system.</li> <li>• Make adjustments.</li> <li>• Develop a vision for the way forward.</li> <li>• Set new goals and targets for the organization.</li> </ul>



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## ABOUT HYPERION

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Hyperion is the global leader in Business Performance Management software. More than 9,000 customers – including 91 of the Fortune 100 – rely on Hyperion software to translate strategies into plans, monitor execution and provide insight to improve financial and operational performance. Hyperion combines the most complete set of interoperable applications with the leading Business Intelligence platform to support and create Business Performance Management solutions. A network

of more than 600 partners provides the company's innovative and specialized solutions and services. Named one of the FORTUNE 100 Best Companies to Work For 2004, Hyperion employs approximately 2,500 people in 20 countries. Distributors represent Hyperion in an additional 25 countries. Headquartered in Sunnyvale, California, Hyperion generated annual revenues of \$622 million for the 12 months that ended June 30, 2004. Hyperion is traded under the Nasdaq symbol HYSL.

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## ABOUT THE AUTHOR

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Dr. André A. de Waal MBA was born in 1960 in Rotterdam, the Netherlands. He is a management consultant and an associate professor of strategic management at the Maastricht School of Management. André is also a lecturer in management accounting at the University of Amsterdam and Erasmus University Rotterdam.

He holds an MSc in chemistry from the University of Leiden (the Netherlands), an MBA from Northeastern University (Boston, USA), and a PhD in economics from the Vrije Universiteit Amsterdam (the Netherlands). His PhD thesis was on the topic of the role of behavioral aspects in the successful implementation and use of performance management systems.

André has seventeen years experience as a consultant and a partner with Arthur Andersen and Holland Consulting Group. He currently has his own consulting practice which specializes in performance management, improvement of

production, logistic, financial and management reporting processes, and benchmark studies. André has published over 120 articles and 17 books, including *Cijfers zeggen niet alles!* (Kluwer, 1995), *Meten moet* (Kluwer, 1998), *Power of performance management, how leading companies create sustained value* (John Wiley & Sons, 2001), *Presteren is mensenwerk* (Kluwer, 2001), *Minder is meer, competitief voordeel door beyond budgeting* (Holland Business Press, 2002), *Quest for balance, the human element in performance management systems* (John Wiley & Sons, 2002), *Management rages, 35 managementconcepten ontrafeld* (Kluwer, 2002), *Ontwikkelingen en trends in de financiële functie* (Kluwer, 2003), *Prestatiegericht gedrag* (Kluwer, 2003), *Beyond budgeting, het praktische alternatief voor budgetteren* (Kluwer, 2004) and *De resultaatgerichte overheid, op weg naar de prestatiegedreven overheidsorganisatie* (SDU, 2004). Many of his publications can be found on [www.andredewaal.nl](http://www.andredewaal.nl).

You can contact André by phone: + 31 - 6 - 51 23 23 22, or by e-mail: [andredewaal@planet.nl](mailto:andredewaal@planet.nl).

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### CONTACT

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**Hyperion Solutions Nederland BV**  
Savannahweg 71  
3542 AW Utrecht  
Tel: +31 (0)30-29 88 100  
Fax: +31 (0)30-29 88 101