

**A LEADER'S JOB  
IS CONTINUOUS  
CHANGE!**



Scott W. Zimmerman

# A LEADER'S JOB IS CONTINUOUS CHANGE!

**Leaders all too often fall into the trap of operating in familiar ways, losing sight of the never-ending change required. Reinvention requires continually exchanging current choices for better, sometimes uncomfortable ones.**

---

Scott W. Zimmerman is the CEO of five companies and the founder of Adaptive Edge. As a performance advisor, he helps leaders desperate for change transform their leadership and organizations. His clients come for results and stay for the possibilities that take them beyond where their habitual choices would lead them. General Electric (GE) ignited Scott's business acumen and leadership capabilities. Starting as a salesperson, he was promoted six times in nine years to join the top 1% of the company.

Following GE, his subsequent business leadership has created nearly \$1B in shareholder value. He views the diverse businesses he leads as performance laboratories where leaders are unlocking 25-100% growth year-over-year through novel thinking, active experimentation, and unique scaling strategies.

## My journey to business leadership

Upon graduating from college, my first nine years were in sales: Pharmaceuticals, surgical, interventional, and eventually selling enterprise-wide service agreements to hospital CEOs. I noticed that my mindset was different from most salespeople. Instead of moving products, I was obsessed with creating unique value for customers beyond my product. I focused on, *"What did they genuinely need that I could generously provide?"*

One example: Rather than spending time finding some fancy way to position my product, I invested time familiarizing myself with the problems inherent in the procedures. By observing any surgical procedure I could find, I developed a unique understanding of how various products – my own or others – could help customers solve their everyday problems. As a result, customers developed a deep respect and appreciation for my knowledge of their work, and frequently paged me for consultation in the middle of complex cases. In multiple markets, I found that customers didn't move to my product one SKU (stock-keeping unit) at a time, but rather hospitals and surgery centers made complete product line swaps, enabling me to achieve >200% year-over-year sales growth.

When I was 30, I thought, *"Hey, I'm making more than four or five hundred thousand dollars a year, but I'm going to be bored if I'm still selling ten years from now. What turns me on?"* For me, it was helping other people achieve their goals and potential. The next question was, *"What's the best place for me to do that?"*

At the time, I came across a Forbes article that compared seven former General Electric leaders to seven Harvard MBAs who had come up through consulting before running other companies. As the Forbes author assessed their relative performance, he concluded that GE was the place to learn how to run companies.

While there, I found a pace and opportunity to learn that was unparalleled. Based on performance, I was promoted six times in nine years and eventually spent time running a global business. The professional experiences—sales operations and programs, six sigma initiatives, global pricing, global product management, and sales leadership—have given me unique breadth and depth as a CEO.

In 2008, GE Healthcare was consolidating and realigning in response to regulatory changes; the remaining fully integrated businesses were going away. At that time, I was invited to lead a business outside of GE and leaped at the opportunity.

### The most impactful learning

When I reflect on the most impactful learning, Omar Ishrak's leadership stands out. Omar is, most recently, the retired CEO of Medtronic.

While leading a global business under Omar, he reinforced that the path to financial returns was through employees and customers. It was in developing the minds and skills of our employees that they would be able to take great care of our customers. When cared for, customers became promoters. They would buy more of our solutions and tell others about their experience. And through those repeat purchases and referrals, our financial results would take care of themselves.

While short-sighted organizations invest a tremendous amount of energy thinking about trapping or exploiting customers rather than creating new value for them, Omar understood the false tradeoff. That doing well was built on a foundation of doing good for all stakeholders.

Omar inspired me. **I became increasingly aware of leaders who justified or overlooked wrongdoing if it benefited them or their organization. I noticed the difference between what leaders said they stood for, and what they did when confronted with ethical dilemmas or situations that violate their professed values.**

Becoming an ethical leader necessitated thinking about how my decisions and actions, large and small, create the most value and wellbeing for all stakeholders. It required improved perspective seeking, greater collaborative capacity, more robust option development, and quality discernment. While not easy, win-win choices are achievable.

Leaders who prioritize efficiency in their decision-making will consistently struggle to discover these more powerful choices.

### The importance of cultivating ambition

When entering an underperforming business, I can immediately sense the lack of energy, the resignation rather than inspiration in leaders and teams. There are far too many leaders pushing their teams to work smarter, harder, and faster in hopes of a meaningfully improved result. But unfortunately, these well-intended choices rarely produce meaningful, much less sustained improvements. After all, the strategies that enabled a business's current success are unlikely to be the ones that take it where shareholders want it to go.

Maximizing shareholder value has less to do with working harder and more to do with materializing new possibilities for customers. Leaders need to surface and enact possibilities that convince teams their total commitment is necessary and valuable. Possibilities where the prize inspires performers and groups to take committed action even though they don't yet feel wholly prepared or confident about what's to come. A future that is so compelling that they see setbacks as obstacles to overcome rather than why what we committed to is not possible.

Until leaders invent a future worthy of their people's lives and careers, people will hold back. As a result, their daily work will lack the power and total commitment required to achieve something unique and meaningful together.

The foundation for long-term business success is making and keeping promises—internally and externally. Developing this count-on-ability requires building an organization that is fierce about telling the truth and intensely focused on providing customers 1) what they want 2) when they want it 3) with the quality desired.

### **Creating customers who buy everything you have and tell everyone they know**

Yet to build something great, something truly special, a business must go beyond expectations. The desire to delight customers must push an organization to imagine entirely new ways to support the diverse challenges their customers grapple with day-in and day-out. This means using more imagination and innovation, less rigid controls, and less doing what they have always done.

Leaders who nurture this deep care for customers can shape organizational cultures that passionately exceed customer expectations. By continually surprising customers with exceptional experiences, businesses can create customers who buy everything they have and tell everyone they know.

### **Unlocking organizational brainpower**

Most under-performing businesses are low-trust environments filled with blame. That's because so many well-intentioned leaders confuse blame with accountability.

Blame and the resulting fear it causes leads employees to invest more time in denial, coverups, and short-term patches over sustained solutions to problems. Over time, a downward cycle ensues as leaders receive less information about significant issues that remain unresolved. It also blocks conversations that would allow leaders to develop their people's problem-solving and prevention skills.

Just as importantly, if leaders shame people when things go wrong, their people will stop taking risks. And without risk, there can be no meaningful innovation or breakthroughs. Leaders who blame teach people to play small and play it safe.

To unlock an organization's brainpower, leaders must work on both truth and trust. They must become skilled in navigating top-down power dynamics, creating protected spaces for people to not only transparently share their ideas and concerns but to enable shared learning. In doing so, leaders can gain access to their people's best thinking and earnest commitment. After all, none of us is as smart as all of us, and none of us can do it alone.

## Establishing competitive advantage

While leaders invest an enormous amount of time focused on whether their teams are over-and-underperforming expectations, they spend far too little time objectively assessing if their solutions add value in a way that competitors do not.

Driving hard and demanding more on customer offerings (that are not differentiated enough) is the most pervasive cause of lackluster growth. That's because uninspiring and undifferentiated offers will struggle to gain prospects' attention and convince them to act.

Establishing a reputation for delivering new capabilities that are more valuable than those produced by competitors is vital to competing in the fastest, most technologically advanced markets in history. Otherwise, leaders are left to focus operational excellence efforts on existing products that innovative competitors are marginalizing.

While talk of strategy abounds, few leaders appreciate its significance. If we asked ten leaders to define their business strategy, the lack of compelling answers demonstrates the concept's elusiveness. And the lack of clarity regarding what makes their business and offer unique represents a significant business risk.

Regardless of a team's determination, work ethic, and collective intelligence, the failure to properly channel daily work to advance a meaningfully differentiated offer undermines today's performance while simultaneously eroding a business's future ability to compete.

A leader's most important work is envisioning new opportunities and threats to establish a clear point of view on a collection of business

capabilities that are more meaningful than those produced by competitors. Executing these novel intentions with superior skill is the key to unlocking consistent growth.

## You can't fix what you can't see

Despite good intentions, meaningful change is hard, but not for the reasons leaders think. While tough to hear at first, the cause of most difficulties is a leader's inability to see and objectively assess what's real. What leaders believe to be true invisibly alters and profoundly limits the possibilities they consider, the decisions they make, and the actions they take.

Escaping current choices requires leaders to commit to an ongoing search for superior alternatives. **If leaders are not continuously searching for possibilities beyond what is present or known, there is no impetus for change.**

Without a compelling basis for change, there will be no innovation. And without innovation, consistent next-level performances will remain elusive. Leaders must become more skilled in perceiving what's real in and around their business, developing more productive interpretations, and generating superior alternatives. Without robust options, decisions remain predictable and actions comfortable. If the new choices are not creating some discomfort, they will likely fail to deliver the breakthrough intended.

## I love jumping into challenging situations

In 2016, I had an opportunity to jump into a Healthcare IT asset that was underperforming ownership's expectations. Many professional colleagues had advised me to steer clear of the vertical market, but I was

excited about the business's possibilities. I saw an organization with the aspiration, experience, assets, and caring to enable caregivers to get back to why they fell in love with medicine in the first place.

Upon arrival, I found a business where blame's downward cycle had created significant trust issues among stakeholders. In addition, ownership had burdened and overwhelmed leaders with too many goals—a recipe for distraction (lack of focus) and slow progress (lack of speed).

While working to restore healthy relationships, tactically, my attention was on narrowing focus, raising performance standards, and bringing a sense of urgency to fewer goals. Strategically, the company needed to re-establish its external focus and get back to playing offense with its choices to include creating a platform to transform the ways our customers worked. The organization responded, creating breakthrough results in just two years: Employee NPS rose 36 points, customer NPS climbed 39 points, EBITDA dollars grew organically from \$68M to 103M (three times the growth of the previous two-year period), and EBITDA margin rose 54%. A company that had historically won industry awards was now back to winning, being recognized as the most trusted vendor, the most improved vendor, and for having a best-in-class service offering.

### **The best choices are ethical omni-considerate ones**

During this time, the private equity owners requested that I close several office locations. In speaking to other CEOs across their portfolio, I heard about both the benefits and disruption of these site consolidations.

Aware of the impact on employees who would lose their jobs and employees who remained, my values necessitated threading the needle of delivering on owner expectations while maximizing aggregate wellbeing and minimizing aggregate pain for employees and customers. I searched for an approach to strengthen business performance while taking care of our affected employees.

As leaders, we had repeatedly heard during customer conversations, employee listening tours, and surveys: *"Break down the walls. Break down the silos that are holding us back."* We recognized that the most effective way to strengthen the organization was to end our geographic and functional silos. These silos kept us from being more integrated and connected, more capable of delivering exceptional experiences for each other and the customers we serve.

My team also found ways to take care of impacted employees, offering them roles in remaining offices or creating an off-ramp that enabled more than 94% to find jobs before their final day. Board members informed us they had never seen a consolidation go so smoothly, and our improved customer experience was central to our recognition as the industry's most improved vendor.

Despite ever-present pressures and opportunities to take easier paths, every challenging situation contains the possibility for ethical, omni-considerate choices. Not surfacing and acting on those win-win choices is a failure of imagination and effort.

### **Leaving it better than I found it**

Leading exceptional return is hard work. It requires successfully navigating external and internal forces with wise decisions and actions.

It also requires continuously challenging and supporting stakeholders to stay on the edge of their current capabilities and comfort zones.

My team and I had resurrected the culture, restored the organization's customer service reputation, and addressed the incomplete integration of prior acquisitions, all while delivering superior economic returns. What we accomplished in two short years was remarkable and a performance unlikely to be matched.

Yet, in June of 2018, the razor's edge of performance I had successfully navigated ended as a board member, and a long-tenured partner let me know he wanted to lead the business. While I was disappointed, the change was not a surprise. There had been a growing sense that he wanted the role for both personal and professional reasons. Now he would shoulder the responsibility for navigating future performance.

For me, the opportunity to transition out was a gift – an opportunity for much-needed rest, rejuvenation, and the chance to play a bigger game.

## Life in the fast lane

In a world of demands, leaders' attention and choices are under constant attack. The impulse to work harder and go faster causes far too many leaders to be chronically overscheduled. Trying to do more with less quality time most often results in smaller thinking and less impactful choices. Operating from this place poses significant risks to their organizations and their impact.

Escaping the current fog of war requires leaders to regain their sovereignty.

Instead of conforming to what society has conditioned them to value – being busy, looking good, status, wealth – leaders must instead strengthen their loyalty to the mission. In addition, they must develop skills for recognizing when legacy approaches are no longer effective and begin searching for new paths forward.

Said another way, leaders need to recognize when to stop being a skilled hill climber and become a skilled valley crosser. What's the difference?

Hill climbers' schedules are filled with meetings and tasks focused on doing more of what they already know. They iterate, problem-solve, and incrementally improve on safe choices and widely accepted best practices. They orient from their to-do list and oversteer on doing work that looks good to their superiors and colleagues. Hill climbers rarely ask if the hill they are climbing is the right one.

Valley crossers recognize earlier when what worked in the past is no longer adequate. More of their time is invested in what they don't yet know or fully understand. Valley crossers have more accurate perceptions of reality because their inquiries and curiosity continuously generate new insight. They operate at the edge of accepted norms and possess the imagination to look at reality in fundamentally new ways and the courage to explore new paths filled with trial and error. They play offense rather than playing it safe, which is why they generate more breakthroughs.

**Today's world needs more valley crossers.**

## Leading the future

The speed and complexity of today's business world have created new demands that are outstripping leaders' current capabilities. Bombarded by inputs and external noise, leaders have become overly reactive in their work. And their current best practices are proving inadequate in achieving larger ambitions. As a result, feelings of overload and overwhelm are pervasive.

Leaders incorrectly assume that if they go to work and work hard inside their predictable routines, they will get better. Now, working hard is not the currency it once was, **and leaders' daily routines rarely support them in becoming skilled thinkers** or actualizing possibilities beyond what is present or known.

Like athletes or any other performer, masterful skills only grow through focused training. Ask an athlete how many hours they trained this past week, and they can give you a detailed breakdown. Likewise, ask a business leader how many hours they trained in leadership in the prior week, and you will get a puzzled look.

Becoming a potent thinker requires you to dedicate time to training your mind to see more of what you don't see today. It involves interrogating assumptions, misperceptions, and blind spots. It requires intentionally gathering and coordinating others' perspectives. It necessitates accounting for advantages and constraints in your environment, all in service to continuously exchanging your current perspective and choices for better, more powerful ones.

Cultivating this quality, this precision and discernment, of thinking is the key to making better choices and responding more effectively in today's

increasingly uncertain environments. Leaders on the steepest learning curves day-in and day-out will be in the best position to lead their teams into the future.

## Where can you start?

Set aside a minimum of one hour each week to reflect on and learn from the prior week's accomplishments and breakdowns in every critical area of organizational performance. This weekly training cycle consists of five parts:

**1. OBSERVE:** Inspect where reality does and doesn't line up with your current views by using last week's data to assess the correctness and completeness of your thinking and choices.

**2. ORIENT:** Isolate the most meaningful patterns in last week's breakthroughs and breakdowns. Use the data to assess and challenge your current beliefs. Generate a fresh perspective that better matches the existing reality.

**3. DECIDE:** Use your improved perspective to generate a robust set of action options. Among competing options, decide which ideas to initiate during the coming week and develop the requests that will put those experiments into action with your leaders and teams.

**4. ACT:** Deploy the action requests to test your evolving hypothesis. Pay particular attention to the perspectives of others and their questions in response to your requests.

**5. REPEAT:** Be intentional and disciplined. The more frequently you execute this adaptive cycle, the quicker your organization will adapt and improve.

This training cycle is a critical foundation for you when you are looking to become more skilled in cultivating accurate perceptions, generating robust choices, and responding more effectively. When you bring intensity to this practice, you will become the leader who will maximize your organization's adaptive response.

### **World Unlocked... become an adaptive leader!**

The signs are everywhere.

Conventional strategies work until they don't.

Leaders invariably double down, but ...

What got you here won't get you where you want to go.

Markets are changing faster than most organizations can adapt.

The quantity and speed of change is your biggest strategic concern.

Are your plans bold enough?

Are your leaders skilled enough? Are you?

Now is the time to drop any illusions.

Either you are exploiting new strategic opportunities,

or you are not.

Either you are installing more powerful ways of leading,

or you are not.

Either you are developing the skills to fulfill your intentions,

or you are not.

Playing offense is a choice – your choice.

You don't have to play from behind.

You can be the disruptor.

You can lead.

Will You?

Enjoy the journey,

Scott