

introduction

## THE NEXT IS NOW

**T**his is not a book about change. It is a book about THE change. The change you live through every day. The change that doesn't go away. The one you are still in denial about. This book is the wake-up call to own the change before it owns you.

The magnitude of change around us is so sweeping, we fail to see the forest for the trees. Change is no longer a few new trees in a familiar forest. It is an entirely new forest. And then a new one every day for the rest of our lives. Are you ready for it? This book is about not fearing that new forest of change, and owning it with pleasure and delight. Finding meaning in the big change and shaping it to become full of purpose. If you are ready to embrace change as a life and business accelerator, let's get going.

In 1888, Bertha Benz, wife of Mercedes-Benz founder Karl Benz, drove one of his cars more than 60 miles to visit her parents.

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She didn't bother to inform her husband that she was about to embark on the longest drive ever attempted. The trip wasn't just an impressive feat for a feisty 19<sup>th</sup> century woman; it was a true technological milestone – it marked the point when cars became a mainstream mode of transportation.

Fast-forward 125 years to 2013 – the year when another Mercedes covered the same route.

This time, without a driver.

There are still plenty of technological and regulatory hurdles to jump before driverless cars become the norm, but imagine for a moment the impact they will have on the automobile, delivery and transportation industries – to name just a few. This technology will transform not only the way we drive, but the way we build roads and design cities.

Ultimately it will offer a new way to live and be mobile. Are you ready for this change? Eager for its arrival? Or reluctant to see it coming?

But this change is not isolated. If you are among the people working in architecture, construction, and transportation, you are hardly the only one in danger of having your role usurped by new technologies. A wide range of industries – from hospitality and retail to education, music and healthcare – are undergoing radical transformations thanks to technological innovation, evolving customer tastes and new business models such as the on-demand economy. These changes are not simply passing trends. They are the new reality.

Change is no longer the exception, it's the rule. And it is going to rule you, unless you take charge.

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*transformation attempts succeed*, despite all of the well-meaning – but wholly theoretical – advice in books on change. If Strativity delivered results like that, we wouldn't have made it through our first year.

Clearly, we need a new approach.

For the past 15 years, my colleagues and I have helped companies drive deep, profound change initiatives that support both the customer journey and our clients' profitability. After leading more than 200 successful change efforts at Fortune 500 companies, one thing has become very clear to us: we must change the way we change. Broad, sweeping statements are not going to cut it. Top-down directives will not drive the desired transformation.

And it's not just executives who need this wake-up call. I've written this book for every person grappling with change, not just those leading change initiatives. (Hint: that means all of us.) Whether you're a front-line worker or a freelancer, the ability to reinvent yourself – and fast – is probably the most important skill you will need in the future. We cannot predict what the future will bring, but there is plenty of compelling evidence that those who embrace change will reap the rewards of financial stability and marketplace relevance.

While the decision to drive change may fall to a company's leaders or the clients sending us our 1099s, change itself takes place within each one of us. In other words, it's not your manager's or your customer's job to inspire you to change. It's your responsibility to learn what is arguably the most crucial 21<sup>st</sup> century skill: adaptability.

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In other words, the Next Is Now.

As you think of change, here is a question to contemplate: How much change are you resisting at the moment? At work? In life? With your health?

How much time and effort are you spending on fighting change instead of evaluating its merits? Are you even aware of the natural resistance you have toward change?

We usually fight change in many different ways: acting with reluctance, fighting it head-on, running away from it, denying it, ignoring it and behaving in a passive-aggressive way toward it. Our natural state seems to be fight-or-flight, but not to embrace it. You must admit this is exhausting, and we usually lose the fight, arriving at the finish line late and defeated. But even in the few cases where we manage to muster a victory over change, it is a lame one. Because the victory means we lost relevance. We stay behind. There must be a better way. We must stop fighting change just for the sake of resisting. We need a new way to embrace the Next and enjoy it. Is it possible to enjoy it? Welcome to the journey.



Adapting to change is absolutely critical to survival in both business and in life, yet countless studies tell us how difficult it is for individuals and organizations to change. Why?

Change creates an identity crisis. Most of us can't help but feel that 'the new way of doing things' we're being sold is a response to some failure on our part. Otherwise, why change? And so, while a new approach or habit may make rational sense,

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it can simultaneously threaten our self-esteem, our sense of financial security and our belief systems.

How many of us have spent years mastering a technique or technology only to be informed about some hot new system – and the cool young team being brought in to train us? Will we be able to keep up? Or is it just a matter of time before our company trades us in for younger, cheaper hires? How many of us have stayed in a job we hated just because the leap into the unknown was too overwhelming? Ignored our doctor's advice because old habits were too hard to break? (If you're not raising your hand, perhaps you're in more denial about your resistance to change than I imagined!)

All the data and so-called rational arguments won't penetrate the emotional wall of rejection and fear of change that we all possess. What's worse: even if you are ready to embrace change, those who work with you may not be ready to support your efforts; all it takes is a few people dragging their heels, and the millions of dollars you've spent on change-management techniques will be wasted.

For decades, leading thinkers from the world of psychology and management have tackled the tricky subject of change. But have these ideas led to any successful change initiatives? To discover the answer to that question, the consultancy I founded, Strativity, conducted a survey with the *Harvard Business Review* to understand the state of change execution. The study benchmarked 422 organizations and their current state of implementing change programs. The results were shocking.

We learned that organizational change efforts succeed a mere 9% of the time. Yes, you read that right: *fewer than one in ten*

## Are You Open to Change?

Imagine, for a moment, your favourite band. You know the one. The one you always count on to help you celebrate the highs and lift you out of the lows. When did you discover them? How old were you?

Let me guess. You were probably in your teens – maybe your twenties. If you're over 33, you probably have some very strong opinions about 'what the kids are listening to today'. If this sounds anything like you, you're not alone. A Spotify Insights and Echo Nest study discovered that most people's musical tastes evolve until the age of 25 and mature at the age of 35.

After that they get ... stuck. People cling to their old music and dismiss anything new.

Not long ago, a number of managers complained to me that they can't understand the millennial employees joining their ranks. I asked them about their favourite music; not surprisingly, their lists included mostly bands they had grown up with.

"You're not open enough to listen to their music," I said. "How could you ever understand them?"

We all think we are open to change, but the facts show us otherwise. In this book I will explore the reasons why we resist change, help you diagnose your own approach to change and reveal a proven methodology for strengthening what we refer to as your 'change resilience' – in other words, how quickly and meaningfully you or your organization implements change.

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**CHANGE RESILIENCE CHALLENGE #1**

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Stuck in a rut? Try a new technology. Go to the millennial sitting next to you and check out what tools that person uses. How does she create presentations? And then go and learn those tools. Stretch yourself out of your comfort zone and start owning new tools for your success.

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## Change Isn't an Event

Quick. Without thinking too hard, consider how you or the companies you've worked for have approached change in the past.

If you're like many of the individuals and companies we've worked with, you probably kicked things off with some planning, penciled in a day to launch your Big New Thing/Habit/Life, and ... after your excitement died down a couple weeks (or even days) later, returned to some modified version of normalcy. If you're really honest with yourself, you're not seeing anywhere near the results you'd hoped for.

Why? Because you treated change as an *event* – often an unpleasant one – that you needed to get through.

Take a moment to think about how you treat unpleasant events – for example, a root canal or your taxes. You probably put it off for as long as you can. You postpone it. You think: *I can wait*. But change isn't an event. It's not something you can postpone, because it's already here – and waiting to address it has a price.

## Return on Nothing

One of our clients learned the price of ignoring change after they called us in to help them analyse whether to purchase new customer-relationship software. The software promised to streamline the process of ordering and managing inventory to ensure reorders and renewals, but, as I'm sure you can imagine, the company's sales team already had their own methods for connecting with customers – the last thing they wanted was to change things up. Plus the software was expensive and required training that would affect the client's quarterly targets.

“Hey, we're still making our numbers,” my client told me. “Besides, our main competitor isn't even using this software yet. We'll get to it when we get to it.”

“Actually, your competition is not the other guys,” I said upon hearing this. “You're both losing to a third competitor: doing nothing.”

We created a calculator called Return on Nothing that measured sales lost to doing things the old decentralized, ad hoc way. We discovered that our client was losing potential customers at a rate of about 19% a year because they had no streamlined process for renewing orders or introducing new solutions. Our client thought doing nothing was saving them money. But in reality they were losing significant market share.

## Change Schedules Itself

You can't just schedule change into your Outlook at your convenience. It schedules itself, whether you like it or not. Sure, we can keep postponing our response to change. But there is a cost. Unless we understand that and manage change accordingly, we can anticipate a lot of unrealized expectations. Unfortunately, most of us manage change poorly – if we try to manage it at all.

More often than not, the signs that change is coming are as clear as day – and yet we pull down the shades. Is there any better example than the parents who drop their kid off at his freshman dorm and then are struck with the sudden realization that the nest is empty?

With five kids of my own, I can certainly sympathize, but you can't tell me you didn't know this was coming. This is one change you had 18 years to plan for! You've had two decades to prepare, and you're still acting like, "Oh my gosh, what just happened?"

Of course, it's a natural human reaction to push dealing with change off for as long as possible. That's why the Future Ready Impact methodology starts by taking stock of where a company is when it comes to major change endeavours. Whenever our teams start working with a new client, we frequently find a lot of works-in-progress and not a lot of success stories. One of our clients had *more than 30 change programs* they were attempting to launch in less than four years!

But before we judge them too harshly, keep in mind that they're hardly the only ones to demonstrate this lack of focus around change. Who among us doesn't have a laundry list of things we'd like to change about our careers and our lives? I'll wager that

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you've made a lot of resolutions over the years, yet only stuck to a handful of them, telling yourself, *Tomorrow, I swear...*

The challenge is: when it comes to the kind of economic changes we're all facing today, we can't keep pushing off change. And we certainly no longer have the luxury of planning for change three, four, five years out. We have to tackle new challenges head-on as they arise.

This is what it means to be future ready.

### **Great Starts, Glorious Failures**

When the *Harvard Business Review*, in conjunction with Strativity, conducted our landmark study on change, we sought answers to several questions.

1. How much change are organizations facing today?
2. How do they justify change programs?
3. How are they doing in terms of implementing change?
4. If they're not having success, why?
5. How must they adapt to increase their success rate?

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Thanks to the responses of 422 executives from companies of all sizes and a number of industries, we discovered that people are having even more difficulty than we imagined. An astonishing 86% of the respondents confirmed what we suspected: they are attempting to execute multiple change initiatives simultaneously. Different business functions – from operations and IT to marketing and finance – are trying to tackle different issues concurrently.

But this only increases the pressure on the organization. When it comes to justifying each program and allocating resources, every department can naturally point to its own very clear return on investment or productivity gain targets. And yet, 91% of those same respondents have experienced a change initiative failure in their organization. That's nearly all of them! Apparently there's a disconnect between our expectations around change and the reality.

The reasons change programs fail vary, but one theme seems to stand out. It may surprise you to learn that when participants in our survey were asked to create a list of reasons for failure, 'insufficient budget' was cited by 23% and 'insufficient time' by only 17%. Instead, participants ranked the following issues as the most critical:

- ◆ Poor communication: 62%
- ◆ Insufficient leadership sponsorship and support: 54%
- ◆ Organizational politics: 50%

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- ◆ Lack of understanding of the purpose of the change: 50%
- ◆ Lack of user buy-in: 42%
- ◆ Lack of collaboration: 40%

What do all of these issues have in common?

They are all *human* problems. Even when a strong case has been made that a change will have a positive financial impact, people aren't changing. When I talk about people, I mean you and me. It's we who are fighting it in various ways, ranging from fake embrace to completely ignoring it. We muster our creativity to stop the unstoppable and avoid the unavoidable.

As leadership, we are not driving the change; and as employees, we are not buying in. In other words, people (again, you and me) at even the most disciplined organizations are acting emotionally, not logically. And since the majority of problems are neither time- nor budget-related, changing the deadline or allocating more resources will do nothing to address the real challenge.

The study also illustrates that a large capability gap is causing widespread failure in change initiatives. With poor communication as an obstacle 62% of the time and a lack of understanding about the purpose of a change program derailing 50% of initiatives, it seems as though organizations are either ignoring the human factor or taking it for granted.

Either way, they are not anything close to future ready.

## The Sum Total of Personal Choices

Who makes the decision about whether a personal or organizational transformation will take root?

Contrary to popular perception, change is not decided at the top. It's not something we'll do just because someone in a position of authority tells us to. Accepting change is a personal choice: each person must decide whether they're on board with a change and how far they will take its implementation. Sure, top executives can mandate usage of a new technology or adopt new metrics that will force employees to act in one way and not another – but such changes are superficial and will be implemented reluctantly. Our therapists, spiritual mentors and financial coaches can give us all the clever advice in the world, but that doesn't mean we're going to do what they say.

One of the most common pitfalls of change efforts occurs when companies devote most of their resources to gaining executive-level buy-in, but do very little to engage employees early on in the change process. It is puzzling to see companies spending \$50 million on a new technology platform but less than \$100,000 on employee engagement. The assumption is that employees will blindly follow whatever top management decides. Employees are treated as passive followers who will do whatever they are being told to do.

The reality could not be more different. An organization is not simply the outcome of executives' decisions – it is the sum total of its employees' choices. Remember, in a lot of companies, the customer will never see the CEO or meet the VP of sales.

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Customers are solely in the hands of the front-line employees. If those employees do not make the choice to live the change every day, then no strategy will be executed.

But it's not just companies that make this mistake. How many of us are quick to blow a ton of money on self-help programs, transformational workshops or expensive trainers, hoping for some expert to tell us exactly how to change our lives – but as soon as we realize that changing our lives requires us to actually *change our behaviour*, we want a refund.

When we've discussed this simple truth – that change is deeply personal – with leadership at organizations, many executives refuse to accept it. Most don't want to hear that they are at the mercy of their employees. After all, they worked hard to get to where they are. They shoulder more financial responsibility than their employees and have to make choices that can have a deeper impact on the organization – why wouldn't employees trust them when they say a change needs to be made?

Then there are enlightened executives who agree that employees determine the future success of strategy and change – until it comes time to talk about budget. They fail to find room in the budget for training and empowering employees at every level of the organization. Or they argue that there is not enough time to engage all employees in this process. My answer to that is simple: think again, and do it fast. There is no alternative to engaging employees in a meaningful way as soon as possible. The sooner they get engaged and embrace it, the faster your change initiative will be implemented and the better the outcome it will deliver.

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Whatever time or money you think you will save on the front end by not engaging employees, you will waste on the back end with useless delays, political battles and reduced impact.

If you are the person being asked to change, you most likely feel like a victim. Maybe the change is being dictated from above – you’ve been given a tight deadline and little to no context. Your CEO has announced ‘the new direction’ or ‘the way of the future’ on a wide screen with complex diagrams. And you stare at all this and try to figure out: *Seriously? What is really going on here? What was wrong with the way we were doing things before? Why do we need to change, and how will this impact my plans to take the kids on a vacation to Hawaii? I am overworked as it is – and now this. It’s the last thing I need.*

Or is it?

While it’s easy to play the role of passive victim, most changes are presented to us for a reason. And unless you think your CEO is trying to run your organization into the ground, your coach is trying to sabotage your career or your doctor wants you to stay sick, there is a high likelihood that this change has an upside for everyone – including you. Most likely a proposed change is a response to circumstances beyond your control.

When there’s a storm on the horizon that requires you to steer the ship north, believe me, you don’t want to be paddling east. It doesn’t matter how impressive your previous voyages have been; you have to deal with what’s happening *now*. This book is designed to help you embrace and even help accelerate change, develop change resilience and be more relevant to the future of your industry or organization.

## **Change with an Impact**

In the pages that follow, I will share a five-step Future Ready Impact methodology that can guide anyone, regardless of their industry or role, through the process of taking ownership over change. By focusing on intrinsically motivating people at every layer of our clients' organizations, our process has helped a number of leading companies improve in ways they never imagined possible.

I wrote this book to share our unique approach to change with anyone committed to ongoing transformation. While most of my experience is drawn from working with organizations, organizations are the sum total of people and their fears, hopes and aspirations. We take a human-centric approach to developing change resilience that will be equally applicable to your personal life – whether you're learning to care for a newborn, grappling with a strong-willed teenager, handling an unexpected medical condition, or even winning the lottery. Life is full of unexpected turns and tribulations. We can't control those changes, but we can control our response to them. By cultivating change resilience, we can empower ourselves to thrive amid even the most life-altering events.

## **Change Is Personal**

My curiosity about how human beings deal with the constantly evolving nature of life preceded the launch of my consultancy. Perhaps it's because I've experienced so many changes in my own life

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– personal, professional, you name it. In fact, at times it can seem as if the one constant in my life is change!

I grew up in a neighborhood outside Tel Aviv, Israel, where we valued family and friendship above all. Visiting your friends didn't require planning a playdate four weeks in advance. You simply showed up and knocked on the door. There was camaraderie among us that you will not find in the many places where individuality reigns supreme. We consider family – not the individual – the smallest organizational unit, so we were taught to do whatever it takes to help and protect the family.

When I left home and moved to the US, I encountered a brave new world full of optimism about the power of the individual to change the world – and I experienced a true culture shock. This worldview was enticing and inspiring but, as I later discovered, it came with a price. Where I came from, we all wanted to succeed and have better lives. But we never saw this as something that would come at the expense of friendship and our joint celebrations. The obsession with individual achievements and grades and the ruthless competition for college acceptance was as foreign to me as speaking in ancient Mandarin.

Since my first move, I have lived in many cities, including Tel Aviv (again); Cleveland; Milan; London; Sunnyvale, California; and Livingston, New Jersey. Each move challenged me to find my way in a new setting – I had to adapt both culturally and geographically (as well as gastronomically).

That was hardly the only personal change I've experienced. When my first daughter was born, I felt empowered and ready.

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But as any parent will tell you, all the preparation in the world won't prepare you for the act of actual parenting. By the time my next daughter was born, I felt knowledgeable – but so many parenting techniques that worked with our first child fell disappointingly short. When my third daughter arrived, I was sure I had nailed this parenting thing. Boy, was I wrong.

Today I'm raising five children with my loving wife. But each child is different and requires a different parental and communication style. Many times, I need to switch back and forth between these styles in less than a second. One of my daughters is the ultimate introvert, speaking only when she has something meaningful to say. Another daughter speaks as a matter of thinking. Imagine sitting for dinner with both!

I've experienced a fair amount of professional changes as well. I started my career in technology sales and marketing for both start-ups and multinational corporations, including Hewlett-Packard. When, in 2003, I decided to switch my career to consulting, I didn't know the first thing about it. I knew shifting careers would require some reinvention, but I had no idea how much change I would experience. I didn't even know how to price my services – yes, some of my first clients got a bargain, but I love them for trusting me in the early days. So we both benefited from the arrangement.

Fifteen years later, I have used my fascination with change resilience to build a consultancy dedicated to helping companies embrace change from the ground up. Even after all this time, I am still amazed at how nimble I have to be when it comes to understanding the unique culture of each company. I remember when one client

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told me the secret to success at his firm: “Always walk fast and look worried.” It was, needless to say, a strange culture to be part of.

On any given day, I may start off with a discussion about the future of healthcare, shift into a talk about luxury vehicles, discuss the latest digital trends in hospitality and close the day with a tough discussion about how to motivate cynical employees at a utility company. My business requires me to travel around 200,000 miles a year. I travel so much I often forget which city I am in. Change happens all the time in my line of work – and it happens fast.

My company is still growing – and growing pains are par for the course. While I’m proud that Strativity has three times been named to *Consulting Magazine’s* list of fastest-growing firms, as well as selected as one of the magazine’s Seven Small Jewels, an award bestowed upon the most promising boutique consulting firms, the amount of change that occurs during periods of growth is daunting.

When you’ve had to adapt as much as I have, you start to see intense change as a way of life – and even as a way to build a bridge between worlds. Change means coming up with new ways to balance my family and my work, finding home in places far from where I came from. As a result, I believe change is deeply personal.

How do I handle it?

Let me tell you a story that I believe will illustrate how.

I’ve noticed that when one of my employees is criticized by a client or partner, I often jump to defend them in ways that they didn’t expect. Not long ago, a manager who’d joined our team from one of the Big Four consulting firms expressed shock when I defended the

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actions of a junior consultant and asked the client to apologize. He told me that his previous employer would have thrown that junior consultant under the bus and replaced him without argument.

It's moments like this when my core values surface. I have never forgotten the important role that family has always played in my life, and I treat my friends and employees accordingly. This value is what guides me through periods of massive change. I use it as a kind of compass. I ask myself: *How will the change help me better serve the people I care about?*

Once I have the answer to that question, my next steps are a lot clearer.

Your values, too, can guide you through the difficult but necessary changes you'll face in your life and career. That's why a key part of our methodology involves focusing on what will never change: your commitment to doing your job well, delivering a great experience to your customers, and taking care of yourself and your loved ones.

A quick note: I use the word *customers* to refer to everyone whose lives will be affected by the new change we're considering. In many instances, this may mean your company's literal customers – or it might mean the internal customers whom you serve. But while our methodology is one that's most frequently embraced in a business context, we've found that it's equally effective when grappling with change in our personal lives. It doesn't matter whether the change you're dealing with is a new IT system your manager has asked you to use or your bank's new investment app: the tools you can use to face your fears and weather the uncertainty ahead are the same.

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This methodology is all about focusing on what's most important: the positive impact we can make in the lives of others by becoming more change resilient. It's not about ditching your values – quite the contrary. It's about connecting to them on an even deeper level.

So if you're worried about the change ahead, you can take a deep breath. The work you're about to do is all about finding a firm foundation so that you can approach change from a place of strength and flexibility.

### How to Use This Book

It's a lot easier to achieve our goals when we have someone holding us accountable. A trainer, a coach – you know, the person who's tough on you but doesn't give up on you. The person who doesn't let you cut any corners. The one who challenges you to go further than you think you can.

When it comes to embracing change, we need such a trainer. We need someone who won't allow us to romanticize the past. Someone to remind us that the future is already happening. Someone who makes us stick to our New Year's resolutions.

Don't worry, that's me.

But what's a trainer without a program?

At the heart of this book is a program that will provide you with the insights, inspiration and tools to embrace the ever-changing world we live in. You will learn to adapt to the times

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without forgetting the past or losing your connection to your core values. You will learn to view change not as an identity crisis but rather as the natural evolution of the person you already are.

This book is divided into three parts. In the first, we'll explore the reasons why change can seem like such an existential threat. You'll identify your own 'change personality' – which will give you a better grasp of how to overcome any resistance to change you might have. For managers, insight into the different change personalities will give you an edge when it comes to getting your teams on board with new systems and strategies.

In the second part of the book, I'll lay out a five-step methodology for becoming future ready that is equally applicable when approaching changes at work and in your personal life. And in the third, I'll share techniques designed to help you live with change and use your increased change resilience to lead others.

If you are resolved to embrace change and face it from a place of strength, this is your book. If you recognize that change is happening faster than ever and you need a companion on the journey, you're in the right place.