

# THE MERLIN FACTOR:

LEADERSHIP AND STRATEGIC INTENT  
by

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## ABSTRACT:

Most attempts to improve an organisation's performance by changing its internal culture fall short of the desired results. The principal impediments to producing effective new actions through culture change are people's current beliefs about the limits of what it is possible to undertake and achieve. These self-limiting beliefs are based on experiences from the organisation's past. By contrast, executives who successfully instill a new strategic intent in their organisations' cultures share a leadership quality the author calls 'The Merlin Factor'. The reference is to the legendary sage who, according to one account, "lived backward in time". Merlin was born in the future and aged as he proceeded into the past, influencing events in King Arthur's court by drawing on his foreknowledge of their destined outcomes. Exceptional leaders cultivate the Merlin-like habit of acting in the present moment as ambassadors of a radically different future, in order to imbue their organisations with a breakthrough vision of what it is possible to achieve. The author quotes from interviews with successful visionary leaders whose commitment to future achievements that seem 'impossible' by past standards are producing extraordinary results in the present. These first-hand accounts illustrate the three action phases of the Merlin Factor: Invention, Ignition and Implementation.

## I. INTRODUCTION

### Leading Your Organisation into the Future

Preparing for the future is increasingly urgent executive responsibility. Driven by the imperatives of a turbulent business environment the top managers of the 1990's are engaged in a purposeful process of systemic change. Substantial amounts of their time and ingenuity are directed toward making their organizations more maneuverable as a means of achieving competitive advantage. Decision-making is becoming more decentralised, middle management is yielding many of its traditional control functions to the front line workforce, and Total Quality Management is ubiquitous (as a credo if not as a practice). Yet despite the most detailed strategic plans and vigorous change efforts, goals such as technology leadership, market domination, or becoming the preferred partner of one's customers often remain unfulfilled. Many executives attempting to reshape their companies for the future discover to their frustration that substantial expenditures on planning and reorganisation generate only trivial differences in performance. The experience of Jack Meizlish, President of Buckeye Industrial Supply, is typical:

"Two years ago our company came to realise that even though business was running well, it could be run better, even to the point of greatness. After attending several Total Quality Management seminars I began to preach the quality gospel. My favorite sermon was that quality management would get us out of the fire fighting business and into the fire prevention business by teaching us how to rid the company of all the incendiary problems we create.

Not only did our employees receive this message with enthusiasm, they also participated in lively discussions of those barriers that were blocking our progress. Before long we were all engaged in team building, Pareto charting and paradigm bashing. 'Look out. Baldrige,' I thought to myself. "You ain't seen nothing yet.'

Now, eighteen months later, we are as far away from quality as the day before I ever heard about it.

How could a team of committed, intelligent people collectively function at a level less than their individual abilities? Why could we talk about quality as individuals, yet not create better quality using the techniques we had all learned? Out of frustration I put our quality programme on the back burner until I could discover the secret of our failure."

At the same time we have literature replete with examples of companies that have turned a daring vision into reality, achieving extraordinary results which defy conventional analysis or prediction. What characteristics distinguish these successfully transformed companies from those which labour mightily to produce little more than business as usual?

One important factor is the possession of a long-term strategic intent that aligns the actions and beliefs of everyone in the organisation toward a challenging goal. Formulating and implementing such a strategic intent requires a particular brand of leadership. This process of organisational leadership through the use of strategic intent can be characterised as the Merlin Factor. It begins with a personal quest to cast off the shackles of old

habits of thought in order to reinvent the future. It takes hold in the present through the effort to enroll others as committed participants in the enactment of a new collective purpose. It gathers momentum with each 'impossible' obstacle that is overcome. The essence of the Merlin Factor in organisational leadership is simply stated: what you choose for your future is more important than what you know about your past or present capabilities.

### **Strategic Intent and Organisational Culture: A Leadership Perspective**

In the May-June 1989 issue of the Harvard Business Review, Gary Hamel and C.K. Prahalad analysed the exceptional success of winning competitors in a number of industries. Those companies approached business strategy from a perspective that inverted the traditional cause and effect assumptions which anchor Western thought. Instead of beginning with an analysis of current or projected conditions, they relied on a commitment to create a future which could not be reasonably extrapolated from the state of the business at the time that commitment was made. This 'unreasonable' commitment transformed the internal cultures of those corporations. It aligned the actions of people at every level of responsibility to achieve their organisations ultimate aims. Hamel and Prahalad described the effects of such a cornerstone commitment this way:

"Companies that have risen to global leadership over the past 20 years invariably began with ambitions that were out of all proportion to their resources and capabilities. But they created an obsession with winning at all levels of the organisation and then sustained that obsession over the 10- to 20-year quest for global leadership. We term this obsession 'strategic intent'.

On the one hand strategic intent envisions a desired leadership position and establishes the criterion the organisation will use to chart its progress. Komatsu set out to "Encircle Caterpillar". Canon sought to 'Beat Xerox'. Honda strove to become a second Ford — an automotive pioneer. All are expressions of strategic intent.

At the same time, strategic intent is more than simply unfettered ambition. (Many companies possess an ambitious strategic intent yet fall short of their goals). The concept also encompasses an active management process that includes: focusing the organisation's attention on the essence of winning, motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change, and using intent consistently to guide resource allocations."

What changed when the companies Hamel and Prahalad studied adopted their strategic intents? No tremors shook Xerox headquarters the day that Canon's leadership determined to 'beat' them. The marketplace was similarly unperturbed. The impact of the new strategic intent affected Canon's internal culture first. People throughout the organisation took personal responsibility for changing every aspect of the business that was inconsistent with the realisation of the new strategic intent. The extraordinary results which flowed from those changes eventually rippled outward to transform the industry.

British management consultant Anthony Turnbull offers this explanation of the process

"Commitment to a strategic intent is a powerful source of creative tension on an organisation-wide basis. It encourages everyone to coalesce around a future possibility while at the same time speaking honestly about past and present reality. People's passionate commitment to the strategic intent will reveal gaps and discrepancies in the organisation's present culture and performance. Without a strategic intent which challenges the current culture and paradigm, programmes like Total Quality Management can do no more than fix symptoms. Substantive breakthroughs to new levels of effectiveness become possible only after people change the way they think. A new strategic intent supplies the impetus for this to occur.'

What is an organisational culture that it should be capable of unleashing enormous human energies when harnessed in service of an improbable strategic intent?

MIT Professor of Management Edgar H. Schein provides a useful definition in his book *Organisational Culture and Leadership*:

"[Culture is] a pattern of basic assumptions - invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, feel, think and act in relation to those problems. Because such assumptions have worked repeatedly, they are unlikely to be taken for granted and to have dropped out of awareness.'

It is this pattern of basic, sometimes buried assumptions, that is challenged and transfigured by a radical strategic intent. If that new vision of the future is sufficiently compelling to alter the group's structure of basic assumptions and beliefs, new ways of perceiving and responding to the organisational environment become possible. Without the perspective afforded by the prospect of a different future, people often fail to notice the ways in which the existing culture holds them captive in both thought and action.

Gareth Morgan addresses this phenomenon *Images of Organisation*:

'Organisations are in essence socially constructed realities that rest as much in the minds of their members as they do in concrete sets of rules and relations.'

The formation of a group or the process of becoming a leader ultimately hinges on an ability to create a shared sense of reality. We find that cohesive groups are those that arise around shared understandings, while fragmented groups tend to be those characterised by multiple realities.

By appreciating that strategy making is a process of enactment that produces a large element of the future with which the organisation will have to deal, it is possible to overcome the false impression that organisations are adapting or reacting to a world that is independent of their own making.

In this context leadership is the art of articulating, representing and leveraging basic cultural assumptions in a way that evokes a desired group response over time. If one's intention as a leader is to sustain and mobilise

the existing organisational culture, the best source of leverage for doing so is an appeal to the beliefs and identity that the group has built up over time. If, on the other hand, one's intention is to break with the organisation's existing culture and promulgate a different set of basic assumptions, it is necessary to create a new collective reality. The most effective source of leverage for achieving this is a powerful new vision of the future. Strategic intent reshapes cultural reality by providing a new nexus of group identity organised around a shared commitment to an inspiring ambition. Leaders inculcate strategic intent in their organisations by means of a process that can be thought of as the Merlin Factor.

### The Merlin Factor. A View From the Future

Legend has it that Merlin the Magician was the great King Arthur's mentor. As depicted in The Once and Future King by T.H. White, Merlin had an uncanny ability to know the future. Occasionally he would give Arthur some insight into just how he knew what was going to happen before it did:

"Ah yes." Merlin said, "How did I know to set breakfast for two? Now ordinary people are born forwards in Time. if you understand what I mean, and nearly everything in the world goes forward too. This makes it quite easy for ordinary people to live. But unfortunately I was born at the wrong end of time, and I have to live backwards from in front, while surrounded by a lot of people living forward from behind..."

White's whimsy provides an apt metaphor for the future-first perspective adopted by those leaders who successfully instill a strategic intent in their organisations. The Merlin Factor is the process whereby leaders transform themselves and the culture of their organisations through a creative commitment to a radically different future. Leading from the premise of a strategic intent requires one to think and plan backwards from that envisioned future in order to take effective action in the present. Leaders who employ the Merlin Factor are engaged in a continual process of unconcealment of the desired future in the competitive opportunities of the present. In this sense a leader works rather like the sculptor who, when asked to explain bow he had turned a featureless block of marble into a wildlife tableau, replied: 'I just chipped off all the parts that didn't look like an elephant'.

Merlin like leaders start with a personal vision of the organisation's future that is predicated on assumptions which violate the shared reality of its existing culture. As other members of the organisation make their own commitments to this vision it becomes a strategic intent. The means for fulfilling this strategic intent may be unknown or non-existent at the time it is adopted, as in the following examples:

- Put a man on the moon by the end of the decade (NASA)
- 48 hours parts service anywhere in the world or Cat pays (Caterpillar)
- No surprises (Holiday Inns)
- 10 years of trouble-free operation (Maytag)

In each case commitment to the strategic intent preceded the development of the requisite methods for accomplishing it. Acceptance of a future vision entailing a new set of beliefs about the identity and capability of the organisation freed the creative thinking necessary to invent ways to achieve the strategic intent. Managerial 'Merlins' played a critical role in this process by consistently representing the strategic intent in an

ongoing dialogue with the existing organisational culture. The leader is an attractor in the field of creative-tension between the entrenched culture and the new strategic vision. As Peter Senge notes in *The Fifth Discipline*:

There are only two possible ways for creative tension to resolve itself: pull current reality toward the vision or pull the vision toward reality. Which occurs will depend on whether we hold steady to the vision."

The Merlin Factor in organisational leadership takes a variety of forms as strategic intent is transformed from an individual commitment to a shared reality. The remainder of this article will explore those forms and their relationship to the desired outcome of culture change.

## II. The Merlin Dialogues

The best way to illustrate the dynamics of leadership through strategic intent is to refer directly to the experiences of those executives who have inspired exceptional achievements in their own organisations. Like Merlin, these leaders seem to live in the very presence of the future. Indeed, their own effectiveness seems to derive from the future to which they are committed, and the strategic thrust of their organisations derives in large measure from their ability to impart that commitment to others.

Each of the leaders interviewed for this article had dedicated themselves and their organisation to a future that is strategically alluring, but very improbable if evaluated solely from a historical perspective. Each treats the future as something which can be called into being by speaking about it as attainable. They all gained widespread support for this strategic intent by engaging other people in dialogues about it. In most instances the leaders interviewed had to overcome numerous technical obstacles as well as stiff cultural resistance to their new strategic intent

Analysis of the experiences recounted by these visionary leaders suggests that there are three distinct stages to the process of culture change via strategic intent.

The first stage is Invention, in which the leader's vision of the future is refined and formulated as a strategic intent. Invention is essentially a personal revolution in the leader's thinking.

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The second stage is Ignition, in which the proposed strategic intent inspires commitment and enrollment from others in the organisation.

Finally, there is an Implementation stage, during which new initiatives designed to move the company from the status quo to the envisioned future encounter challenges from both the external environment and the existing organizational culture.

Each stage of the process has its own characteristic leadership tasks and critical actions. These leadership tasks will be illustrated by statements from the executives interviewed for this article:

Dr. Robert Barthelemy, Programme Director of the National Aerospace Plane Programme ("NASPi

NASP is a joint programme between the Air Force, NASA., the Navy, and the Department of Defense. Dr. Barthelmy brings to the programme a unique dedication to quantum leaps in technology and organisation His mission is to create and manage an organisation that will fly an airplane at Mach 25 (twenty five times faster than the speed of sound), a seemingly impossible technical goal from the standpoint of current knowledge.

David Clark. President of Campbell's Soup of Canada.

Well known in the canned food business. Campbell's has in recent years also taken a strong position in frozen and fresh foods. Currently the company is involved in a total transformation effort that is driven by a radical strategic intent. David Clark describes Campbell's future in the deceptively simple phrase. "Fastest Gate to Plate." In other words, "Nobody in North America will deliver fresher food faster from the farm gate to the customer's plate.

#### **Woody Beville, Executive Vice President, The Rouse Company**

The Rouse Company owns and manages 70 shopping mall complexes in the United States and Canada. It is known for showplaces of urban revitalization such as Harbourplace in Baltimore and Boston's Faneuil Hall. Beville's commitment is that the company be distinguished by "extraordinary management teams responsible for the shopping centers being great places, and all of them operating at a very high level of quality and performance, literally flying."

#### **Tony Gilroy, Managing Director, Land Rover Ltd.**

For several years Gilroy was Managing Director of Land Rover, maker of the renowned 4 wheel drive vehicle used by the British Army and famous for its uses in jungles and third world countries. Under Gilroy's leadership. Land Rover enjoyed a major financial turnaround and introduced the very successful product in North America. Today Gilroy is Managing Director of Perkins Engines, a global manufacturer and distributor of diesel engines. The interview concerned his experience at Land Rover.

### **III. STAGE 1 - INVENTION**

#### **Become More Than One's Self**

The 'ceiling' on any attempt to change the strategic direction of an organisation is the personal limitations of its senior executives. Whatever the CEO and the top management team regard as possible becomes possible for the company. Whatever proposals they cannot or do not listen to generously become effectively impossible in the future of the organisation. This executive consensus on the limits on the limits of the future, however informal, gives rise to the condition Harvard's Jay Lorsch calls 'strategic myopia':

[Managers] respond to changing events in terms of their culture. Because their beliefs have been effective guides in the past, their natural response is to stick with them. For example, (a food processing company) studiously avoided opportunities to grow internationally. Why? An early international failure convinced its top managers that such expansion was outside of the company's distinctive competence. Their vision was, 'We can succeed with consumers in the United States. We understand them'. While top managers are usually able to recognise the practical difficulties involved in accomplishing a major strategic change, they are much less likely to recognise that their deeply held 'beliefs represent an invisible barrier that must be penetrated if strategic change is to take place.'

In order to see the possibilities of the future through fresh eyes it is necessary to disentangle oneself from the shibboleths of the past. The first step toward leadership through strategic intent is to become more than oneself, to the extent that one's sense of identity is defined by the verities of the past. Author James Baldwin described this highly individual process in his book *Nobody Knows My Name*

"Any real change implies the breakup of the world as one has always known it, the loss of all that gave one identity, the end of safety. It is only when one is able, without bitterness or self pity, to surrender a dream one has long cherished, or a privilege one has long possessed, that one is set free — that one has set oneself free — for higher dreams, for greater privileges."

Each of the executives interviewed for this article reported undergoing a personal transformation that coincided with the creation of the new strategic intent. This transformation consisted of an identification of themselves with a particular vision of the future of the organisation. It occurred as a moment in which they took complete responsibility for the future of the whole organisation and its place in the world. No blinding lights or burning bushes accompanied this experience, just a decision to identify oneself with a future for which the way must be opened. This decision constituted a radical break with their previous beliefs about the possibilities of the future.

Robert Barthelemy (NASP):

I became much more than myself when I took the Mach 25 goal and made it my own. I was able to go beyond the limitations I had placed on myself as an individual. Things like a Mach 25 aircraft or other things that most people don't think are possible, become possible because it's already there before you find the way to get to it. But in order to get to it, you have to shed the humanness that ties us and stops us from taking the risk. It happens when you commit. I think the key thing is to finally commit that you're going to go for it. Then it takes on an aura of its own.'

A corollary of this identification was that these leaders came to see the future of the organisation as a vehicle for self-actualization. It became the pinnacle of the possibilities they could imagine for themselves, the highest statement that was in them of what they and their organisations could become.

### **David Clark (Campbell's)**

From the first, this strategic intent was an interesting juxtaposition of coolly rational thinking about what has to be done for the benefit of the business with an exciting personal challenge to test myself

against something I'd never done before. It is almost a Jekyll and Hyde situation. There is such a mixture of personal and corporate, cerebral and emotional, analytical and cheerleading going on "

These leaders discovered that their own willingness to be changed by their commitment to the organisation's future was instrumental to the success of their subsequent efforts to induce others to change. Identifying oneself totally with the achievement of a strategic intent means undertaking a commitment to a process one cannot entirely predict or control. Who you are is thereafter defined by the future you have chosen rather than by your past or present identity. Committing oneself to the requirements of a future not circumscribed by the axioms of the past is to choose uncertainty and paradox as a way of life.

### Think the Unthinkable

The first element of the Merlin Factor in leadership consists of an *a priori* personal commitment to a creative purpose. The second task of the Invention stage is to envision that purpose in terms of achievements beyond the prevalent cultural consensus on what is reasonable and possible. As Tom Peters notes in 'Thriving on Chaos':

"The chief job of the leader, at all levels, is to oversee the dismantling of dysfunctional old truths and to prepare people and organisations to deal with - to love, to develop affection for - change per se, as innovations are proposed, tested, rejected, modified and adopted.'

This iconoclastic role of the leader demands a willingness to think the unthinkable and mention that which cannot be mentioned in the context of the existing organisational culture. Every organisation has taboos, whether or not they are recognised as such. Ian Mitroff and Ralph Kilmann elaborate:

Taboo is so powerful because it lies at the very heart of a culture's basic sense of meaning and order. One of the principal functions of taboo is to set up clear boundaries of behavior. On one side of a boundary certain acts are permitted, and on the other side certain acts are not permitted. As a result topics and items associated with the taboos create the deepest anxiety in a culture's members. There is a fear that even by discussing, just by acknowledging, that there are certain things that are taboo, we will have committed an action that is prohibited by the action itself."

Cultural taboos can silence the imaginative thinking necessary to create a compelling strategic intent. Consider the experience of a professional strategic planner working with a group of senior executives from one of the nation's largest brokerage firms:

"It was easy to do a strategic plan when we addressed our internal concerns, but we were totally unable to come to grips with the external environment. It was almost frightening—we could talk about the present year, and maybe speculate a little about next year, but no one was willing to commit himself to anything 2 or 3 years down the road. People didn't just express uncertainty, it was like they became mute. We literally couldn't discuss the future.'

Thinking about a future that is unthinkable by current standards immediately raises the spectre of the practical difficulties separating one from its attainment. Whether those obstacles are technical, financial, or political in nature, they loom very large indeed at the inception of a new strategic intent. Whenever an ambition exceeds

the organisation's consensual limits on the future, taboos dictate that, for any number of plausible reasons you can't get there from here'. Hamel and Prahalad note that in many large companies:

'...the (strategic] planning format, reward criteria, definition of served market, and belief in accepted industry practice all work together to tightly constrain the range of available means. As a result innovation is necessarily an isolated activity.'

In companies that overcame resource constraints to build leadership positions, we see a different relationship between ends and means. While strategic intent is clear about ends, it is flexible as to means - it leaves room for improvisation. Achieving strategic intent requires enormous creativity with respect to means. But this creativity comes in the service of a clearly prescribed end."

Cultural barriers to innovation must be overcome within the thinking of the leader before they can be credibly challenged at the organisational level. The first step is to recognise that familiar, accepted ways of thinking about the business are bankrupt with regard to achieving a strategic intent.

### **Robert Barthelemy (NASP)**

"Mach 25 is unthinkably fast for an airplane. It's ten times faster than anything flying today. At that speed, a turn started over Los Angeles would still be in progress over Chicago. It's New York to Tokyo in two hours. The materials for it don't exist. You have to take in air, ignite it and eject it in a millisecond. The thought of an airplane getting that hot makes one think of oneself as a fried egg. Huge pieces of material must be tested at temperatures higher than ever before for an airplane. This material must also weigh less than any before if the plane is to reach the 'single stage to orbit' goal. The problem is so difficult that the people involved have dubbed the sought-after material 'unobtanium'. Mach 25 requires a kind of thinking that cannot be derived from what is already known.'

### **Tony Gilroy (Land Rover)**

I felt that here was an opportunity for the industrial brilliance of Britain to have a jewel that been allowed to almost die. To me the Land Rover image--that image of relentless travel in darkest Africa — was very powerful. I knew it wasn't too late, provided we did the right things with speed and with flair. We could actually take what was incredibly strong and fulfill it. But we had to put faith back into people. We had to get to the future, and the way of making us believe it was to talk about making the company the best in the world, at a time when its fortune was actually rather low.'

The two 'Merlins' quoted above exemplify what Albert Svens Gorke once called the ability to "observe what everyone has observed but think what no one has thought." Most people think about what they actually see or have seen before, in order to determine what is possible. The genius in thinking about the unthinkable is to dwell on what's missing, what's not there that could be. Thinking about the unthinkable breaks up the existing cultural interpretation of the structure of reality.

As these examples also suggest, leaders seldom generate a new strategic intent in isolation. Instead they bear in dialogue with others something no one else does. From this insight, they are able to visualise a new direction for the future. None of the executives interviewed for this article felt that they had single-handedly originated

the strategic intent with which they were identified in their organisations. Rather, they initiated dialogues with people outside their routine channels of contact. The perspective they gained from these dialogues gave rise to crucial insights about the spectrum of possibilities available outside the horizons of the organisational culture. Warren Bennis and Burt Nanus observed this in connection with their wide-ranging study on Leaders

The leader may have been the one who chose the image from those available at the moment, articulated it, gave it form and legitimacy, and focused attention on it, but the leader only rarely was the one who conceived of the vision in the first place. Therefore the leader must be a superb listener, particularly to those advocating new or different images of the emerging reality."

This attribute is an essential element of the Merlin Factor in leadership. All the executives interviewed for this article listened generously in the present for the sound of the future. Once they detected an inspirational future possibility they no longer felt as constrained by present circumstances. Far from putting them out of touch with 'reality', this future perspective proved a powerful basis for achieving a competitive edge.

By way of illustration, David Clark attributes the origins of the "Fastest Gate to Plate" strategic intent to a dialogue with Gordon McGovern, the ex CEO of the Campbell Soup Company. At the time, they were inspecting a new Pepperidge Farm warehouse in Florida. McGovern asked, "What don't you see in the warehouse?" Clark replied, "I don't see any inventory." McGovern responded, "What's inventory? It's not just money. It's damage. It's double handling, and triple handling and so on. Now," he said, "Those things apply as much to a case of canned soup as to a loaf of bread." Clark suddenly realised that by looking at what wasn't there, he saw something remarkable. "That's it," Clark says today, "The future of Campbell's Soup of Canada is in becoming the company who delivers 'Fastest Gate to Plate'."

Implicit in Clark's conversation with McGovern was the conclusion that a business which operated with 'nothing' in the warehouse would have exceptional market and operating advantages, Clark 'heard' something that was never explicitly said in the conversation, but became thinkable for him by virtue of what did get said. What was unsaid in effect, became the basis of his invention and the future of the company.

#### Become An Ambassador From the Future to the Present

Making a personal commitment to change was the first leadership task of the Merlin factor. Formulating a radical vision of the future was the second. The last task of the Invention stage is representing and enacting that vision in order to move it from the realm of private discourse into an explicit strategic intent for the organisation.

A leader who makes an internal commitment to an 'impossible' future becomes an ambassador of that future to the existing culture of the organisation. An ambassador is a spokesman for the interests of one sovereign entity to another. Ambassadors may also act as agents, negotiating treaties or executing other binding actions on behalf of the principal parties. Leaders who use the Merlin Factor, identifying themselves with a particular visionary future, must likewise act on behalf of that future in the circumstances of the present. They represent and speak for the interests of a conjectural future state of affairs, negotiating with others to bring into being.

This ambassadorship is perceptible in the way the leader listens and speaks in conversation with others. Theodore Hesburgh, former president of Notre Dame University, once remarked. "The very essence of leadership is that you have to have a vision. It's got to be a vision you articulate clearly and forcefully on every occasion. You can't blow an uncertain trumpet." Absolute confidence in the strategic intent must be balanced with openness in the manner of means. The leader sets a powerful countercurrent to work in the culture by insisting that the 'impossible' strategic intent is both achievable and urgent.

### **Woody Beville (Rouse Co.)**

"Often, I will be with some people and see something that is possible and in seeing it actually know that's it's in the bag. And, in truth, I don't have the slightest idea about how to get it done. I just know that as important as it is, it will be accomplished. It's already inevitable. All that has to happen is time has to pass so that the necessary steps can be taken. Some baseball players say that there is a time when they look out at the pitcher and then at the ball and it has home run written on it. The ball actually feels like a home run as it dashes toward them. It's the same as that"

"I tell this to people in me early stages, but nobody can accept that I'm talking about it with no question in my mind that it will be accomplished. I'm not that confident about *how* we are going to do it either. I go through a lot of questioning about that myself, and I already know that it *will* happen."

A new cultural reality is created by speaking and behaving as though it were an established fact. The challenge this presents to the leader is to keep speaking on behalf of the vision in the initial absence of evidence or agreement. Speaking passionately from the perspective of the envisioned future, the leader creates a relationship of creative tension between the vision and the present organisation. Whatever in the present culture is inconsistent with the commitment required by the vision becomes figural and distinct as a result of that tension. Recognition of these gaps leads to specific action.

One of our interviewees compared this advocacy role to building a bridge:

### **Woody Beville (Rouse Co.)**

"I am building a bridge to something that is very concrete. As a practical matter, you can only build a bridge forward. But if you know that something is out in the future — it's possible to imagine subsequent steps even before you've identified the earlier ones. Other times you find that you've jumped hurdle 6 when you didn't perceive hurdles 1, 2, 3, 4, and 5. Then it is actually possible to build the bridge backward from the future to the present.'

A bridge to the future that focuses on the conditions of the present narrows the possible actions an organisation can take because it always begins with an apparent "first" step. If people don't feel able to take that initial step, the path to the future seems blocked. When people are unable or unwilling to move in a particular strategic direction, they either do nothing or sabotage the whole initiative. Ironically the most successful organisations are often the most rigid in this respect because of their commitment to structures and formulas that have worked in the past.

On the other hand a bridge to the future that focuses on the creation of new possibilities imposes no prohibitive initial step to begin movement toward that future. Instead there are a number of possible starting points. This expanded field of possibilities enables the leader to speak authoritatively on behalf of the practicality of the future vision without being able to specify all the intervening steps between point A and point Z. The strategic intent is fixed, while the means to its attainment are opportunistic.

By way of example, Hamel and Prahalad point out that Japanese penetration into Western markets over the past two decades has followed the pattern of entering whatever portion of the field domestic industry leaders dismissed as undesirable. Having established a presence in one unexploited corner of the existing market. Japanese manufacturers consistently sought out additional gaps to fill with their growing expertise. They rarely sought to match domestic manufacturers strength for strength. Instead they applied their comparatively limited resources to creating and dominating new market segments such as small cars or VCR's. By the time American automotive or electronics manufacturers realised that the nature of the industry had changed, their Japanese competitors were already poised to dominate the new markets they had helped to create. Throughout this entire process the Japanese manufacturers picked targets of opportunity as they arose, rather than following a detailed formula or master plan. The organising principle of their efforts was a clear strategic intent, promoted endlessly by their organisational leadership and adopted with obsessive zeal by the work force at large.

As an ambassador for the organisation's future the Merlin-like leader offers a vision that appeals to the highest potential in everyone. Purely financial goals may provide a measurement of progress, but they are seldom sufficient to sustain creative effort throughout the organisation over long periods of time. Profitability, shareholder return and market share are important indicators of organisational health, but in and of themselves they provide little sense of purpose for employees who do not directly benefit from them. It takes something more fundamental to stir the blood and set a culture change in motion. According to Tom Peters:

"Rather than numbers, the most effective visions ask for the best in one way or another. The highest quality widgets, the best service in retailing history, the best customer relations in banking, the widest selection of clothing, global leadership of the telecommunications industry. Furthermore, they make it clear that "the best" will only be attained by me willing risk-taking of everyone on the payroll, starting with me just hired teller or bellhop."

The operative verb in that statement is "ask". An ambassador can advocate, represent or negotiate, but not compel. Attempts to impose a new strategic direction on an existing organisational culture from above seldom succeed. People must adopt the vision willingly, and make their own commitments to it. Before the strategic intent can truly take hold. Obtaining that commitment is the leadership focus of the next stage of the Merlin Factor.

#### IV. IGNITION

In the Invention stage of the Merlin Factor the leader undertakes a process of commitment, envisioning and advocacy- During the Ignition stage, the challenge is to engage the organisation at large in the strategic intent. Over time this internalisation produces a culture change which results in what Hamel and Prahalad call "an obsession with winning at all levels of the organisation.' For practical purposes, whatever the members of the

organisation believe constitutes winning **is** (or becomes) their strategic intent, the core of their group identity.

This future vision however, is not something employees are required to adopt as an article of faith, nor is it presented as the leader's personal credo. Employees must have the opportunity to discuss its implications for themselves, and to engage critically with the new strategic intent. Early formulations of the intent may change during this exploratory process as a result of the ongoing dialogue. In this respect, strategic leadership is assumed to be located everywhere in the organisation rather being the exclusive domain of the CEO or senior executive group. Here too the leader emulates the Merlin of legend, using his own vision of the future to influence and tutor rather than dominate others. Strategic intent can be brought to life only by infusing the organisational culture with an urgent desire to bring the envisioned future into being. Collaborative effort is the key to successful Ignition of this desire. As in the Invention stage, certain key leadership tasks are characteristic of Ignition.

#### Enroll Other People As Co-Creators

Organisation development consultant Charles Kiefer defines enrollment as "the process of becoming part of something by choice." A strategic intent is only as powerful as the level of commitment people bring to it. A commitment is only possible when there is choice. People who are enrolled or committed identify themselves with the vision and apply themselves to its realisation. By contrast, people who have someone else's vision imposed on them by fiat, experience it as a loss of control over the direction of their own lives. The result in the latter case is likely to be grudging compliance at best, if not outright non-cooperation. In enrolling others as co-creators people always have a choice. This aspect of the Merlin Factor calls for willingness on the part of the leader not to have his personal point of view prevail.

Gareth Morgan suggests that

"Democratic leaders let the reality of a situation evolve from the definitions offered by their colleagues, listening to what is being said, summarising and integrating key themes, and evoking and developing the imagery that captures the essence of the emergent system of meaning.'

The collaborative process of alignment building moves the strategic intent through the organisation acquiring shades of local meaning according to the differentiated nature of various business units. Consider the following example:

#### **David Clark (Campbell's)**

Soon after the introduction of Best Food Company in North America, Fastest Gate to Plate' as our intention, people in Campbell's began to change their point of view of what was possible. Not a lot of people at first Then some of those started to build and reinforce it with me. They expanded on the vision and saw it from a different angle. Increasingly, numbers of others were drawn to a future that promised each of them whatever had been lacking in their own sense of what the company could

become. Others restated the goal in terms that had meaning for people who could not accept the way in which it was originally said.'

The more ambitious the strategic intent you envisage, the more people will be able to design their own futures in its context. Enrolling others as collaborators begins the process of creating a culture that will support the strategic intent. As you multiply the number of hands and minds working to achieve a future vision, it takes on substance and specificity in the present. In time the strategic intent will become a point of reference: a basic cultural assumption—that will continuously focus, perception and action throughout the organisation.

The leaders interviewed for this article identified certain actions as critical to their success in enrolling other people as co-creators. Asking people directly for their support was one such action, and in many cases it elicited valuable aid from unexpected sources. Another was encouraging people to expand the future vision and create further possibilities for themselves. People found the strategic intent more compelling as a sketch to which they could contribute ideas than a finished plan they could only execute. This point bears heavily on the role of the leader during Ignition. Many bold plans have been smothered in their cradles by jealous inventors who could not abide other people tampering with their original vision. This is one reason why the person who first identifies a possibility for the future is seldom the leader who subsequently becomes identified with it in the organisation. A personal vision cannot become a strategic intent until other people make their own individual commitments to it. You must allow your vision to become bigger than you by opening it to redefinition by others. If the time required for this process to transpire tests your patience, bear in mind the late Congressman Morris Udall's comment on the repetitive speeches being given at a political convention:

"Although everything has been said, not everyone has said it."

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Three additional factors exercise an important influence on the leader's ability to enroll others as co-creators in a strategic intent. The first two factors are shared assumptions identified in a survey of failed culture change efforts by Alan Wilkens and Kerry Patterson:

'(1) Relationships among members must be seen as equitable; that is, members must feel they can trust one another because they see their personal interests as congruent with corporate interests; and (2) as a group, members must have a unique competence or skill, and each individual must be able to see how his or her work fits into this broader whole. These basic assumptions provide motivation because of the congruence of personal and corporate interests, and because people get a sense of pride from contributing to something excellent.'

The perception of equity, which Hamel and Prahalad call 'reciprocal responsibility', is critical to enrollment in strategic intent. If the future vision asks total commitment from employees, but the organisation offers no commitment to them in return, people will quickly become cynical and apathetic. Senior management must visibly share in the effort and sacrifices necessary to achieve the strategic intent: there can be no uncommitted 'observer' status or privileged insulation from setbacks. At the same time, people must be able to perceive the connection between the strategic intent and their own work. Unless that connection is clear it is difficult for employees to make a meaningful commitment, or to take a creative role in innovating new ways to achieve the strategic intent.

The final factor influencing enrollment is dialogue. Physicist David Bohm draws a useful distinction between conventional 'discussion' and 'dialogue'. In the ordinary practice of discussion differing points of view are

presented, analysed and defended. The goals of discussion are usually persuasion, vindication or problem resolution. Dialogue is a more open-ended process in that resolution is not necessarily a goal. Rather it is free and creative exploration, requiring careful, non-judgmental listening from all parties. Dialogue focuses on inquiry instead of answers. Its purpose is to create a common group understanding broader than the perspective of any individual member. This is not to be confused with the phenomenon of groupthink wherein individuals suppress their differing points of view in deference to a perceived group consensus. Dialogue is a form of collective-learning, allowing people to examine their own thinking and that of others, in order to discern shared values, biases and assumptions. It makes the existing culture accessible to awareness and change. Thus its importance when introducing a new strategic intent.

Bohm advances three conditions as prerequisites for effective dialogue. First, people must agree to suspend their assumptions- The meaning of 'suspend' in this case is to display them for examination rather than to refrain from having them. The purpose of this suspension is to make explicit the beliefs and interpretations underlying our positions. Next, people must see each other as colleagues. Bohm himself has expressed reservations whether the conditions of trust and collegiality necessary to ensure the open exchange of dialogue can be sustained in the face of organisational hierarchy. Deference to authority runs deep, as does the assumption of privilege. Dialogue can encourage enrollment only when all panics involved approach it as peers in the arena of achieving the strategic intent. Finally, a facilitator is necessary to prevent the dialogue from slipping prematurely into the safety and closure of discussion. Someone should take responsibility at the outset of each dialogue for monitoring the process and keeping the exchange exploratory rather than reductive.

When leaders are vulnerable to their own people, when they engage dialogues rather than issue directives. When they ask for commitment without having answers at the ready, there are always breakthroughs in culture as a result, and almost always subsequent breakthroughs in performance. It's not a comfortable process, but it works. When Campbell's Soup of Canada introduced the strategic aim of 'Fastest Gate to Plate', they began by assembling nine "breakthrough project' and 'continuous process improvement' teams and asking them point blank what was working and what was not under current management. At first disagreement and disaffection were the most frequently expressed sentiments. Gary Fread, Vice President and Chief Technical Officer at Campbell's of Canada, crystallises the eventual results of those early dialogues;

"In the beginning people dismissed the strategic intent as the latest management flavor of the month. Now the enrollment has become so great we have over half the people in the company voluntarily working on projects that are making an enormous difference to the company. They are telling us how to implement the key strategies in their own areas of responsibility. Our earnings have increased over 20% per year for the past two years, and we're headed into a third year increase of over 20% in profits. Everything we've done has been self-funding- All the project teams have to commit themselves value-enhanced returns on their activities."

To have ignition, the people you're trying to ignite have to re-invent for themselves the vision in which the original strategic intent was created. You can't get the commitment necessary for extraordinary results by asking them to buy into something that is already invented and for their consumption in the form of a tidy little 'vision statement'. They themselves have to wrestle with the process of invention, definition and validation of the vision, becoming co-creators and collaborators in the strategic intent. Without this generated commitment to change the existing organizational culture will stubbornly perpetuate itself at the expense of the future.

## Put People to the Test

It could be said that the Merlin Factor in leadership consists of approaching the present as a larval stage of the future: looking at a caterpillar but seeing a butterfly. This approach is particularly applicable to the other people one works with. Visionary leaders put their associates to the test. Putting people to the test means that the leader can no longer be willing to tolerate relationships in their current form. In order to achieve a higher order of performance you must be prepared to risk or discard associations as they are presently constituted. Holding people responsible for producing a future they cannot yet see creates dramatic crises - and breakthroughs - as the boundaries of possibility are pushed back and the hurdles to accomplishment are set higher. Until you put people to the test you cannot know what you or they are really committed to. Only when the challenges get extreme do people's irreducible commitments show up clearly. There are no agents or observers in the context of strategic intent: everyone is a co-creator, and shares a creator's total responsibility.

Gary Taubes writes of physicist Carlo Rubbia in Nobel Dreams:

"He would push his physicists to work on a timescale they considered impossible. He would tell them he needed some device in a weekend that they thought would need three months, and they would eventually get it to him in two weeks. They would never know quite how they were able to do it so fast."

Rubbia, while no lover of organisations, recognised that genuine creativity emerges only after people have been enticed and/or goaded beyond the limits of what they already know how to do. The special task of the future-positioned leader is to make unreasonable requests and provide appropriate conditions for fulfilling them. Edwin Land, founder of Polaroid Corp., said. The first thing you do is tell the person that the undertaking is manifestly important and nearly impossible. That draws out the kind of drives that make people strong." Putting people to a test that they meet successfully strengthens their commitment to you, to the organisation and to the strategic intent. Consider this view from an organisational 'Merlin':

### **Tony Gilroy (Land Rover)**

•We needed to completely change the internal and external perception of Land Rover. We needed a dealer network around the world to invest in completely changing their whole approach to servicing the customers. Unless they did that, no matter what we did with the product, we wouldn't sell it. And we had to convince our own employees that they were working on products that demanded a different level of commitment from them. To do this, I saw I had to ask things nobody would want to say 'yes' to at first."

Because I say to them, I will support you and you will succeed.' they are prepared to take risks. Because they see a new way of doing something, they're not going to be tied down by the restrictions of doing things as they did them in the past. It's asking people to do a miracle, and promising to support them, that opens the channel."

"The result was unheard of. The volume doubled and the price increased with introduction of the Range Rover into North America. It put us into a different sector and gave totally different levels of customer satisfaction customer satisfaction.'

As Gilroy's experience suggests, putting people to the test requires a fine degree of balance. You must be relentless in your requests and compassionate about the upset they create. Redefining the boundaries of the "expected involves a sometimes painful discarding of existing cultural beliefs about what is possible and fair. It is important to offer people all the support you can muster toward successfully fulfilling 'impossible requests. To put people to the test calls for willingness to deal with the problems and stresses it may cause, even if there are a series of successive problems to resolve before positive results are seen. Failures are to be expected at the outset of any ambitious new initiative, and the sooner you get them out of the way the sooner you can apply the lessons of the experience. A leader's attitude towards setbacks, both his own and those of other people he is putting to the test, regulates the whole organisation's tolerance for risk-taking.

As the ambassador of the future envisioned in the new strategic intent, people will be scrutinising your behavior for indications of what constitutes an acceptable performance. Edgar Schein summarises it this way.

"One of the best mechanisms that leaders have available for communicating what they believe in or care about is what they systematically pay attention to. By 'paying attention to', I mean anything from what is noticed and commented on, to what is measured, controlled, read and in other ways *systematically dealt with*. Even casual remarks and questions that are *consistently* geared to a certain area can be as potent as formal control mechanisms and measurements. If leaders are aware of this process, then being systematic in paying attention to certain things becomes a powerful way of communicating a message."

By putting people to the test the leader focuses their attention and energy on the results encompassed in the strategic intent. At the same time, the leader's support for people's successes and failures as they come to grips with the demands of the strategic intent models the collegial relationship necessary for its accomplishment. Both the testing and the support send important signals to the organisation at large about the standards of performance and behavior commitment to the strategic intent will require of them. After an initial shaking-out period these heightened expectations become cultural norms, automatically guiding and aligning people's actions. This cultural alignment is one of the great strengths of strategic intent, empowering people to act with initiative and flexibility in support of the overarching commitment without explicit direction or authorisation from above. Whereas (to quote Peter Senge):

To empower people in an unaligned organisation can be counter-productive. If people do not share common vision—about the business reality within which they operate, empowering people will only increase organisational stress and the burden on management to maintain coherence and direction.' ~

### Building Dragon slayer Teams

Ignition begins with enrolling people in the strategic intent and gains strength by pushing them to do more than they thought they could. The culminating leadership task of the Ignition stage is to tap people's collective intelligence in order to overcome the practical difficulties of the strategic intent

A strategic intent sets up an urgent challenge. It creates a stark misfit between resources and goals. This discrepancy may cause many people to react with skepticism or defensiveness. By setting up a goal that seems 'impossible', the leadership is asking for more from people than they may initially feel capable of. The Merlin-like leaders we interviewed created an environment of respect, a team spirit that honoured what people had to ask for from themselves to meet the challenge. No one attempted to minimise or gloss over the difficulties inherent in the strategic intent. Instead, they became badges of honour, in the vein of the old Seabee's motto: 'The difficult we do immediately. The impossible takes a little longer.' By emphasising the scope of the challenge, and then recognising people's extraordinary efforts to meet it, these leaders imparted a note of heroism to the entire enterprise. This inspired further prodigies of effort. In effect everybody got to be a dragon slayer, taking on responsibility for the strategic intent in its entirety, whatever their task of the moment. Every obstacle overcome increased people's confidence and raised their level of aspiration for the next challenge.

An episode from the history of the National AeroSpace Plane illustrates this principle in action:

### **Robert Barthelemy (NASP)**

"We formed a "materials consortium" in which the five prime contractors would play as a single national team. The materials consortium was an attempt to answer the criticism levied on the programme by the scientific community, which said that the materials needed to build an aerospace vehicle were at least 10 years away. According to our advertised schedule, we only had three years to pull this off. Meanwhile our budget for the entire programme was at the level that experts suggested was needed for materials alone. Even if we'd had the money and the time, transferring technology from the materials development community to the five major aerospace competitors promised to be a difficult and lengthy process."

"Faced with this dilemma, which absolutely had to be met if the programme were to continue to receive national support, the government team met with the five contractors to seek a solution. In less than a month we had come up with a remarkable answer. The five prime contractors would develop cooperatively the key materials needed for the airplane. On their part, the contractors would take full responsibility for managing the process for success, share their raw materials research and development information with each other, and essentially remove materials from the programme competition. The government would in turn work cooperatively with the contractors to this end, facilitate the contractual process in order to rapidly initiate the activity, and significantly enhance the government funding in the materials area."

"We pulled off this really innovative approach to cooperative competition, or competitive collaboration, with such speed that I really felt the possibility of the five aerospace companies pulling together into one team for the entire programme would be a cinch. Establishing the materials consortium seems an obvious solution, but it would never have happened without the combined imperative of costs, limited resources and incredible possibility."

As this example shows, teams with a shared strategic intent are capable of accomplishing feats of collaboration that would be dismissed as impossible at a lesser degree of organisational alignment. Once a team has achieved a few successes that carry them beyond the boundaries of what was considered 'possible' in the past,

their willingness to volunteer and accept risks will increase. People who consistently aim for the strategic intent in their work form the basis for sustainable development. The leader cultivates this vital human resource by setting the hurdles high, then acknowledging every achievement and lavishly recognising both individual and group contributions.

At Campbell's David Clark asked each breakthrough project team to save the company a million dollars in their first six months of operation. Acceptance of the request was the ticket of admission to participation in the –project. They set up a world class challenge—one that required ignition to play. The result was a positive 16 million dollar impact in the first year.

Using a series of incremental challenges of this type the organisation bootstraps its way toward the long term strategic intent. Hamel and Prahalad invoke the simile of a marathon race run in 400 metre sprints, each sprint representing a distinct problem or opportunity such as quality improvement, customer service, new product lines, etc. The leader is a source of support and validation for the project teams, business units and individuals tasked with making good on these challenges. Building a cadre of dragonslayers is a time consuming process that demands exceptional effort from all concerned. Communication and accountability between senior management and the people engaged in the challenge are vital. Dragonslayers have to know that they have a mandate from management to make a substantive difference in the organisation, and that their efforts will be measured against the strategic intent as well as the challenge of the moment. Mitroff and Kilmann note that this requires a very different culture from that which governs most organisations:

It demands that people be rewarded for creative, divergent thinking. It demands that people not be punished for bringing up anxiety-provoking issues. It demands that people be rewarded for anticipating issues of strategic importance to me organisation.'

With that level of support, there is little people cannot accomplish:

**Tony Gilroy (Land Rover)**

I saw that if we could change the product to meet the expectations of the American customer, this would have a spin off effect in other markets. This was a way of getting a transformation in the level of sales and people's expectations of what was possible for the company. To do that we were going to put the company to the test... People could see that the impact of success was going to be a major advance, and that the downside effect was going to be catastrophic...In one instance we had to replace a plant in record time. We essentially ripped the finishing plant down and rebuilt it in a fortnight This was unheard of. People worked 24 hours a day in both the destruction and assembly. We were able to charge people up, you see. If we keep on doing things like that. then we win succeed."

The Ignition stage of the Media Factor, though grounded in the leader's future vision, only becomes a full fledged strategic intent when that vision lodges in the hearts and beliefs of other people and restructures their collective reality. Enrolling, goading, supporting and developing others are the key to lasting culture change. The legend of Merlin has survived to our time not because of his personal vision or magic powers, but rather on account of the heroic achievements of King Arthur, his pupil.

## V. IMPLEMENTATION

One of the more daunting aspects of a strategic intent is that you never know exactly how you're going to get there. The third stage of the Merlin Factor concerns the process of continuous improvisation required to create a pathway to your goal. Thinking about the present from the Olympian perspective of the future is like standing on top of a mountain, looking down. The path up seems clear from the summit, but it is difficult to discern from the valley: From the standpoint of the strategic intent, actions may seem clear while interim steps are not. Each new achievement, discloses another set of required actions. "Where we are going" looms steadily before us, while "How to get there" unfolds like water flowing around barriers, rather than a master plan. A constant process of experimentation, entailing unexpected reverses and opposition, is an inescapable element of leadership through strategic intent.

### **Robert Barthelemy (NASP)**

"I see it as a bunch of steps. The big win is the Mach 25 flight... But I can't wait 10 years for one win, so what I've done is lay out a series of small contact points. They all have to do with the technology and pragmatics and finances and all of that, and I need to win those. When I win those I feel we've taken a step in a positive direction in terms of the big win."

Organisations can achieve their strategic aims only to the extent that they are efficient systems for tapping the creative energies generated in the Ignition process. At first they are likely to be more inefficient than otherwise, for the simple reason that some parts of the system will be working to thwart the new strategic intent. Sometimes this impedance is purposeful, and represents resistance to the loss of the old culture. Just as often the inefficiency results from a poor fit between old systems and new goals. Outdated performance appraisal systems which reinforce dependent behavior that no longer serves the organisation's strategic intent are examples of this type of structural friction. Ideally the culture, policies and systems of the organisation should all work in concert to support and reflect the strategic intent. As a practical matter, in a rapidly changing environment some elements of the organisational system and culture always lag behind the currently ascendant values and goals. Consequently an emphasis on innovation and improvisation will always be necessary to maintain the organisation's strategic momentum.

The executive Merlins we interviewed offset the inefficiencies of the existing organisational systems by keeping people's attention focused on the relationship between current challenges and the strategic intent. Once people began to see their daily work in the framework of fulfilling the strategic intent it became easier for them to independently determine what was urgent and what was not. The outcome was inspired action driven by the desire to win, rather than deference to precedent. As in the Invention and Ignition stages, certain leadership tasks were crucial to successful implementation of strategic intent.

### Maintaining the Future Focus

The executives we interviewed, while committed to a vision of the future, were not always certain about the outcome of tactical decisions. There were inevitable setbacks, reversals and breakdowns. Their experience was often one of start/stop, failure and doubts.

David Clark (Campbell's):

The work that we have done has been anything but easy. But I will also tell you that the level of breakthrough activities in this organisation has gone from the usual minimum in a large, somewhat bureaucratic organisation.... to an absolute, exponential increase."

The essence of realising strategic intent is that you have to give up control to the extent of following a nice measured, foreseeable path to the future. That's damn uncomfortable in the early stages. It's only when you start to see some of the extraordinary results that you begin to think it's worth it.

"Don't expect to collect kudos from very many people.... If you get a few early converts, you're lucky"

Clark's experience is consistent with Tom Peter's conclusions in Thriving on ("hang-

"[Leaders] must insist upon and then revel in the constant tests that re-form (expand, contract, destroy) the vision. The ship will seem somewhat out of control by the old standards. That is, the madness of thousands of simultaneous experiments - including some by the newly hired reservations clerk - is the only plausible path to survival. What once amounted to 'control' (i.e. being guided by a plodding hierarchy of bureaucrats, conservators of the past) is a design for disaster today. "In control" by the old standards is "out of control" (fast slipping behind events) by the new standards."

Problems often accompany imminent accomplishment. The bigger the problem, the greater is the likelihood that resolving it will cause your vision of the future to become more robust and closer to realisation. Big breakdowns in your plans force you to rethink your assumptions about the best path to the organisation's future and your current tactics. Analysing today's setbacks will help you identify what you don't know about the future. A certain amount of turbulence is desirable. Much as the moguls (bumps) on a snowy hill enable a skier to gain speed and turn with greater ease, turbulence and conflict can result in increased momentum and velocity toward the strategic intent. The leadership trait called for is grace under pressure. One's ability to be composed in the face of turbulence helps resolve it and allows for rational inquiry into what's possible at a given moment.

Breakthrough projects normally advance in discontinuous, non-linear stages, defying control and prediction with perfect obstinacy. Sometimes they appear to be proceeding smoothly on the intended course, while at other times they give me impression of scattering into a thousand chaotic directions. The salient task for the leader in all this is to remember and reassure others: THAT'S EXACTLY HOW IT'S SUPPOSED TO HAPPEN. Strategic intent is based on a commitment you've made, purely on the strength of your own conviction, to create a particular future. Your control over how you reach it will always be less than complete. Trust your own commitment and act as an ambassador from the future to the present in moments of crisis, as in this example:

#### **Tony Gilroy (Land Rover)**

I knew if I showed any hopelessness it would make the problem worse. So, irrespective of how difficult things looked, I had to show people that I was confident there was a solution down the road and we would find a way out of it. I had to convince them that no matter how bad things were, we

would learn something from the experience that would carry us inexorably forward to the future we intended."

To be a Merlin-like leader is to be grounded in the choice you've made for the future rather than circumstances of the moment, and to epitomise grace under pressure in your organisation.

### Convening Opposition to Momentum

Whenever a vision of the future departs radically from the past it generates opposition and resistance. The more radical the strategic intent, the more insupportable it appears to those who continue to regard the future as an extension or projection of the past. People invest something of their personal identities and self esteem in the cultures of their organisations. Even a very attractive strategic intent, fraught with the potential for an exciting future, entails some degree of loss and separation from the existing culture as well. This break in belonging can be painful to the point of arousing overt or passive resistance to the necessary changes.

Terence Deal addresses this point in his article Culture Change-Opportunity, Silent Killer or Metamorphosis

"We attribute resistance to a lack of needed skills, problems of coping with new role expectations, or conflicts deriving from shifts in power. We have defined resistance as a fundamental barrier to change without realising what the resistance is all about. We forget the epicenter of change: shifts in cultural patterns - core values, heroes and heroines, stabilising rituals and ceremonies - that create existential loss and pose a threat to meaning. ...Change produces loss, and the loss creates grief. Entire companies can be sunken in grief without anyone recognising or understanding the symptoms."

Organisational culture is a form of consensual reality, and a radical strategic intent is a blow to that reality in its present form. Small wonder that grief, loss, and confusion lead to denial, anger or resistance. If we acknowledge this pain for what it is rather than trying to suppress it, much apparent opposition simply disappears

A significant amount of what passes for resistance is merely people expressing their upset and concerns. To appreciate this gives one access to the compassionate listening necessary for healing and resolution:

### David Clark (Campbell's)

"More than any other management initiative I've ever attempted, I've had to persevere in the face of strong opposition from my colleagues within the organisation. At times I could dismiss it as being knee-jerk opposition to the unknown, by people who didn't understand yet. That's fairly easy to overcome because all I had to do was listen to their concerns and help them see the light. Once they saw I was listening they got on board.'

Engaging your opposition in dialogue will help you reduce friction and correct your own course. It costs little to acknowledge and honour what people most give up in the transition to an unexpected future, and the acknowledgement makes it easier for them to let go of the past.

Resistance is an intrinsic part of the dynamics of strategic intent. It provides valuable information about the belief system you are trying to change. Resistance is a notification that you are on the verge of leaving something (or someone) behind. Conflict and opposition are exciting and can stimulate creative thinking. A leader seeking to implement a strategic intent will benefit more from a committed adversary than a halfhearted supporter. Gregory Bateson once observed that the only way we can know anything is by observing the differences between things. Basic distinctions are often clarified in the give and take of conflict. Opposition can also provide a valuable test of the rigour of your future vision and your ability to articulate it. Ultimately your goal is to have a strategic intent big enough to encompass both your vision and that of your opponents adding their energy and commitment to your own. Getting your opponents to capitulate is a poor second to obtaining their commitment

Management consultant Ron Bynum notes in a personal communication that:

"...to gain momentum from opposition means giving up getting the edge over the other party. It means that making sure your partner in conflict does not merely submit is as important as getting what you want. You have to win together or lose together. If I allow my partner to submit, no matter how valuable the momentary reward, I have sown the seeds of strategic failure. From that point forward instead of a co-creator I have a spectator, or worse still a dependent."

Of course, not all opposition is tidily resolvable. Enrollment is a matter of choice and some people will elect to opt out of the strategic intent. The leaders we interviewed took great pains to respect other people's choices in this regard. But they also made it clear that in a breakthrough project environment you can only be in or out: conditional commitments are unacceptable:

### **Tony Gilroy (Land Rover)**

"When I suggested that we rationalise all our manufacturing plants within Land Rover, the construction engineering director, a tremendously experienced man who had always been conservative in his thinking said to me, "It will take five years and it will take well over double what it originally cost". I said to him, "If it takes five years, the business is dead, so we've got to find a different solution." He modified it and came back and said it would take four years and even more money. Finally I said, "I'm going to put together a group of other people to look at it with us". The message was 'You must break out of what you're doing. You must look a different way. But if you're not prepared to do it, then I have to find somebody else to do it'. And that's what I did."

It was a case of somebody saying 'no' to me, when I couldn't accept 'no.' I wouldn't accept 'no.' So we put together a project group and they did it for half the cost that he proposed and in a third of the time."

It was much more difficult when we came down to the crux of how much money to spend and what the chances were of a positive outcome, and whether it wasn't actually crazy to keep doing it. But if you've committed to the vision...you've got to find someway to answer those objections. And you do – you just do."

By stepping outside the normal systems for plant redesign Gilroy took on considerable in-house opposition. Using the strategic intent as his criteria for what could and must be done he was able to enroll a team that

overcame obstacles 'impossible' to surmount by existing standards. The opposition of the engineering director provided a competitive focus and benchmark against which the 'dragonslayers' could calibrate their efforts. The creative tension generated by the conflict on this specific challenge (plant rationalisation) accelerated Land Rover's progress toward attainment of the overall strategic intent.

### **Looking For Magic**

The final leadership task in the Implementation stage of the Merlin Factor was mentioned by several of the executives we interviewed. It is best described by a practicing Merlin:

Robert Barthelemy (NASP):

"When I think of the NASP and the fact of transformation of airplane to spaceplane, to me that's kind of like the Holy Grail, in the technology world. I think that conjures up images of alchemy or magic. If you look at when magic occurs in the mythologies, it's always because there's a quest in progress that forces magic to occur. No quest, no magic.'

In the quest to achieve your organisation's strategic intent, the destination is fixed but the path is opportunistic. Unpredictable things happen on quests. Helpers, hindrances and tests of resolve appear unexpectedly, as if by magic. The deadliest pitfall in the process of implementing strategic intent is to become lulled into complacency by one's plans and means. Rosabeth Moss Kanter notes in The Change Masters that:

"The art and architecture of change works through a different medium than the management of the ongoing, routinised side of an organisation's affairs. Most of the rational analytic tools *measure what already is* (or make forecasts from a logical extrapolation of what already is). But change efforts have to *mobilise people around what is not already known*. They require a leap of faith that cannot be eliminated by presentations of all the forecasts, figures and advance guarantees that can be accumulated."

Change masters are literally the right people in the right place at the right time. The right people are the ones with the ideas that move beyond the organisation's established practice, ideas they can form into visions. The right places are integrative environments that support innovation, encourage the building of coalitions and teams to support and implement visions. The right times are those moments in the flow of organisational history when it is possible to reconstruct reality on the basis of accumulated innovations to shape a more productive and successful future."

To lead through the Merlin Factor one must be a change master, sensitive to the interaction of long range strategy and emergent circumstance. You will want to be armed with all the normal panoply of quantitative business disciplines as you pursue your strategic quest, but remain alert for irregularities, exceptions and other interruptions in your plans. They may conceal the one thing you never realised you would need in order to achieve your goal. That's where the magic of strategic intent lurks: in the possibilities you couldn't have foreseen when you made your initial commitment Merlin-like leaders cultivate a mental state of search rather than certainty. If you refuse to be seduced by the understandable desire to feel in control at all times, serendipity will often assist you on your way. But you have to be looking for the magic of unanticipated opportunity before you can recognise it.

## VI. SUMMATION

Leaders can use strategic intent to transform the existing cultures of their organisations. The key to this process is the Merlin Factor: identifying oneself with a compelling future for the organisation and enrolling others in that vision even though there are no immediately evident pathways to it. This Merlin Factor occurred in three phases: Invention of the initial strategic intent, Ignition of the organisational culture with the strangle intent; and continuous attention to Implementation in conditions of turbulence, opposition and occasional 'magic' (unanticipated opportunities).

All the 'Merlins' interviewed for this article stressed the importance of re-visiting each of the three phases from time to time. They did not rely on an articulation of the strategic intent that was generated six months ago to continue to ignite people or inspire innovation. The strategic intent may have stayed the same during that time, but the cultural assumptions that embodied it changed and evolved. Ongoing dialogue was essential to keep aware of these developments.

## THE MERLIN FACTOR – PHASE 1: INVENTION

TASKS	KEY IDEAS	NECESSARY DISTINCTIONS	CRITICAL ACTIONS
1. Become more than one's self	<p>Your assumptions and beliefs about what is possible for you are based on your conclusions from past experiences. These beliefs become self-imposed limitations. Outside this predictable 'known zone' extraordinary results are possible. To achieve these results you must transcend your self-imposed limits.</p>	<p>Assumptions / beliefs Self imposed limitations Safety / Predictability Risk / Uncertainty Possibility</p>	<p>Make an a priori commitment to change Envision a future worthy of your highest effort Commit to a process you can't entirely predict or control as an avenue to transformations</p>
2. Think the unthinkable	<p>Identify potential breakthroughs you've never seriously considered before, either because you don't already know how to achieve them technical, or because you don't already know how to be the kind of leader who could make them happen.</p> <p>Recognise and reject cultural taboos about what is realistic or possible for the future</p>	<p>Breakthroughs Culture Taboo Vision in conversation Strategic intent</p>	<p>Recognise the boundaries of your current thinking Ask what breakthrough achievements your current thinking and practices could not sustain Initiate dialogues on possible breakthroughs Commit yourself to the biggest possibility you can imagine</p>
3. Be an ambassador from the future to the present	<p>Acting on the basis of what you already know will at best give you more of what you already have. Acting on the basis of what you want for the future opens the door to possibilities that could not be predicted from historical evidence. Station yourself mentally in the organisational future you are committed to bringing about, and represent its interests in the present. Become an advocate for radical possibility.</p>	<p>Ambassadorship Generous listening Creative tension</p>	<p>Imagine the surrounding conditions necessary to support the desired results Design backwards from the desired outcome to create the necessary conditions Eliminate the constraints of the past from your speaking and listening Trust the potential of what you don't yet know</p>

## THE MERLIN FACTOR – PHASE 2: IGNITION

TASKS	KEY IDEAS	NECESSARY DISTINCTIONS	CRITICAL ACTIONS
4. Enroll other people as co-creators	The bigger the future you envisage, the more people will be able to design exciting futures of their own in its context. Enrolling collaborators begins the process of creating an organizational culture that will support the desired outcome. It also yields immediate results by multiplying the hands and minds working to bring into being a future with breakthrough possibilities.	Enrolment Co-creation Choice Equity Strategic perspective Dialogue vs. discussion	Be passionate about your vision of the organisation's future  Ask others to support your vision  Encourage people to expand the vision and create further possibilities for themselves  Don't block the doorway: allow the future vision to become bigger than you  Use dialogue to encourage collective thinking
5. Put people to the test	Extraordinary results demand extraordinary commitments. There are no 'agents' in such a process": everyone is a creator, and bears a creator's responsibility. Breakthrough creativity emerges only after people have been enticed and/or goaded beyond the limits of what they already know how to produce.	Unreasonable requests Support Accountability	Make unreasonable requests  Be relentless in your expectations and compassionate about the upset they create  Offer all the support you can  Provide appropriate structures for fulfillment
6. Building dragon slayer teams	The strategic intent should be framed as a series of urgent challenges, each demanding exceptional efforts. Every obstacle successfully overcome increases people's confidence, expands their view of what is possible and raises their expectations for the future. Working in project teams can amplify this effect.	Challenge Risk as a given Recognition Teams	Make the hurdles  Set high performance standards as a condition for participation  Acknowledge every achievement

## THE MERLIN FACTOR – PHASE 3: IMPLEMENTATION

TASKS	KEY IDEAS	NECESSARY DISTINCTIONS	CRITICAL ACTIONS
7. Maintaining the future focus	<p>Problems always accompany imminent accomplishment. The bigger the breakdown, the greater is the likelihood that resolving it will cause your vision of the future to become more robust and closer to realization. Reassure people that turbulence is a normal part of the process</p>	<p>Breakdowns Non-linear processes Grace under pressure</p>	<p>Analyse today's problems to discover what you don't yet know about the future  Trust your ability to act as an ambassador from the future of crisis  Stand up for the future you are committed to</p>
8. Converting opposition to momentum	<p>Opposition is a natural and necessary part of the dynamics of transformation. It provides valuable information about the belief system you are attempting to change. Opposition indicates that you are on the verge of leaving something (or someone) behind. Engaging in dialogue with your opposition will help you reduce friction and correct your course. It can also be an exciting opportunity to test yourself and your vision.</p>	<p>Breaks in belonging Loss / grief Resistance Compliance</p>	<p>Don't fight opposition, listen to it first  Listen for the values in the defender's point of view  Acknowledge what people may lose or must give up for the possibilities of the future  Allow people to opt out of the strategic intent, but don't stop when they do</p>
9. Looking for magic	<p>The attempt to actualise your strategic intent is a quest. In a quest your goal is fixed, but your path is opportunistic. Unpredictable things occur during quests. Helpers, hinderances and tests appear at unexpected intervals, as if by magic. Be alert for irregularities, exceptions and other interruptions in your plans. That's where the magic lurks: the possibilities you couldn't have foreseen. No quest, no magic.</p>	<p>Magic Exceptions / interruptions Search vs. certainty</p>	<p>Stay in a state of search: avoid dogma  Inquire into exceptions and interruptions to your plans. They may conceal exactly what you never realised you needed.  Don't let your desire to feel in control overwhelm your strategic intent. Look for the possibility of unforeseeable opportunity (magic).</p>