

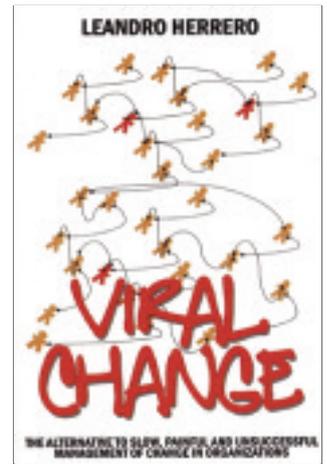
Spreading Change

The Power of Networking



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Based on the book by **Leandro Herrero**, meetingminds, 2006



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Key Ideas

The end of tedious organizational change: This is what the Spaniard Leandro Herrero promises readers in his work *Viral Change*. By relying on personal networks in the company, he seeks to spread change like a virus, creating new behaviors in order to change the company culture.

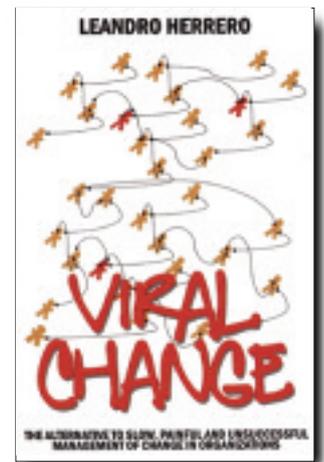
Viral change is a response to mechanistic approaches to change where the impetus is given at the top and deployed downward, cascading throughout the rest of the company. By concentrating on a small number of “champions”, if these few set a good example and adopt the new attitude, change is likely to spread throughout the entire company through networking, and at the speed of an airborne infection.

How do you implement viral change? Philip Watts and Pierre Morgon, two business unit directors for Pfizer Limited and Schering-Plough respectively, have opted for this method. Their testimony illustrates the force behind viral change for profoundly changing behavior and corporate culture.

Viral Change

VIEWPOINT

Nonconformist in its writing as in its ideas, Viral Change stands out from other literature on change. The author, who was a practising psychiatrist for many years, believes that epidemiology is central to change, and whets the reader's appetite by promising "the alternative to slow, painful, and unsuccessful management of change in organizations".



Leandro Herrero sets the scene with a story. Andrew is a young and talented CEO, recently appointed as the head of a pharmaceutical company. He is replacing Dr. Peter, whose leadership style was quite different: where Dr. P. had multiple and crowded meetings, Andrew prefers one-to-one interactions. The former CEO loved to communicate by e-mail, while Andrew keeps his messages to a maximum of two lines, without writing formalities like hello or thank you; finally, the former director, a bit of a preacher, visited the subsidiaries whenever he could. For Andrew nothing beats a straightforward teleconference! Andrew is not better or worse than his predecessor, just "different".

Two months later, e-mail traffic had fallen by 25%, the number of meetings by 30%, and for the first time travel expenditures stayed within the budget. Feedback from his managers included: "Andrew has made it very clear that we should be more agile and fast and that there was a bit of a waste in the way we were doing things. Nothing wrong, but, hey, new times"; "He wants straight, simple communications, and to involve only those who need to be involved? Frankly, it's great!"; "He wants less meetings and more work done! And he is right!"

At the same time, Andrew did not orchestrate anything: there was no definition of clear and precise objectives, no plan, not even a team put in charge of change. And after learning that he had earned the reputation of being a "transformational leader", he was the first to laugh about it, saying that he just "used a bit of common sense".

Transformational or not, he changed the company in two months! What mechanisms were at work? Can we direct them? And if that's the case, does that mean an end to the sluggishness, the complexity, and the accompanying army of external consultants associated with the change? Welcome to the world of "viral change".



WHY DO SO MANY ATTEMPTS AT CHANGE FAIL?

The intentions are good, the communication plan is well cared for, and the associated consultants are excellent; the objective is unambiguous and the roles are clearly assigned. Why then has its implementation ended in an exploded budget and end-

less delays? And worse yet the project has been thoroughly rejected by its recipients. For Herrero, the reasons for a fiasco have nothing to do with the description of the priorities, the planning, or even the implementation of new procedures.

Three reasons for a fiasco

1. For Herrero, only 15% of failures can be blamed on technological factors or procedures (however, these encompass, generally, 85% of assigned budgets). Therefore the remaining 85% of failures are related to vision and individuals. This is the "soft stuff" which, according to the author, is overlooked because it is scary for managers who do not know how "to navigate through the muddy social and psychological waters".
2. We wrongly think that it's from new procedures and systems that new behaviors are acquired which eventually accept change. On the contrary, you need to have new behaviors in the system so that they can sustain the new processes and systems", explains the author.
3. The organizational environment is encumbered with new initiatives, sprouting out like the branches of a tree in dozens of missions. The "realignment" of the corporate strategy resembles an empty shell, and scepticism reigns.

How do organizations really work?

All these problems, according to Herrero, come from "a mechanistic view of the organization and its management of change that is conventional, traditional, old and totally unsuitable to today's environment".

The mechanistic view of the organization is comfortable: this organizational scaffolding impeccably designed for structures, systems, reporting lines, organizational charts and departments has the advantage of being visible. It can be measured, and is therefore manageable.

The traditional approach to change commits the same "sin" of rationality, linearity, and mixed character, testifying to only a certain number of accepted and largely shared ideas on change management (see box "Accepted Ideas on Change Management").

But the company resembles more of a monumental network of disordered relations and passing information rather than a smoothly running machine!

••• These networks, the author continues, can either be official and manufactured: teams, task forces, and committees, or non-structured and self-generated by informal interactions. It is this second category of networks that create 75% of valuable human interactions in the company: informal problem solving, knowledge transfer, brainstorming, innovation, information, and communication flow.

Contrary to the traditional approach, which concentrates on the obvious 25% of interactions, “viral change” bases itself on the forces at work in the hidden area, which is such an integral part of any organization.

➔ NETWORKING VIRAL CHANGE

For Leandro Herrero, a change good to its name should include a cultural change as well. However, there cannot be a cultural change within the organization without a real and durable change in individual behavior. Viral change, capable of transforming behavior (see section: “Viral Change: implementation”), consists of using already existing relationships within a network to create and diffuse change.

Networks enable us to understand how real change functions

Recent research on social networks and Social Network Analysis (SNA) have allowed for a better visualization of these phenomena as well as opening the door to understanding how they function.

- A small, single group, called a cluster, can have a lot of connections (not all networks are equal!). It is endowed with a potentially large influence (positive or negative) on the rest of the organization. This small group can be artificially constructed.
- Those who have the most connections are those who will advance the most (networks are not democratic!). It is possible to win over all of the organization through the viral influence of a few. Management can facilitate this phenomenon.
- New behavior, habits, and ideas, which are transmitted through networking by a few actors, appear more or less spontaneously (tipping points).

According to Herrero, it is possible to rapidly instigate, create, and diffuse cultural change by concentrating on networking.

The tsunami and the butterfly, opposing styles of change management

Traditional change management explains the author, resembles a tsunami: it is visible; the causes and effects are proportional (i.e. “big changes, big actions”) and it is all encompassing (“everyone is involved”). This is a rational method: the change is quantifiable, and the approach is linear (but the reality is that the company is not).

Viral change is like a butterfly: invisible, it operates through a few small actions, which are destined to bring about much larger changes. It is not linear; however, viral change is capable of provoking radical changes. It is transmitted by imitation, influence, and connections.

The Author



Spanish-born **Leandro HERRERO** was a practising psychiatrist for many years before holding senior leadership positions in top-league European and American business organizations. He is co-founder and CEO of the Chalfont Project Ltd, an international consultancy firm that helps

companies implement change projects. He is also author of *The Leader with Seven Faces* (meetingminds, June 2006).

➔ VIRAL CHANGE: IMPLEMENTATION

How is viral change implemented? Who are the principal actors? How is it possible to diffuse new, durable and accepted behavior throughout the organization?

Required behavior

“Under certain conditions, big changes may require a small set of key and meaningful actions or behaviors”, explains Herrero when defining the essence of viral change.

➔ In order to be stable, all behavior has to be properly reinforced (recognition and reward).

➔ It is impossible to reinforce behavior of this nature without first explaining what it is in detailed, unequivocal, and concrete terms. Cooperation is a behavior, but two people can have entirely different interpretations of it. Herrero speaks first of the macromolecular concept, in an analogy with biology. At this conceptual level, it is difficult to reinforce behavior that is not clearly defined! In the second, or molecular level: X sees cooperation as the sharing of information between teams; while for Y, cooperation is the spontaneous sharing of resources. In the third, or atomic level: the members of team A agree to send a weekly e-mail to the members of team B in order to update customer information; while the team leaders will also meet every Monday in order to “loan” resources.

➔ How did we get here? By using good judgment and imagination! Question: “Imagine that everyone has an ‘atomic behavior’; that it has become the norm. Then what type of organization will we be in the process of becoming?” This test of “imagine if...” enables the visualization of the behaviors that are capable of bringing about major changes.

➔ Finally, choose between four and six of these behaviors. Be careful to choose and not prioritize! Take the most promising ideas and not those that are the most realistic. Because, as the author emphasizes, “behavioral methods, unlike •••

••• procedural methods, can accomplish a lot, even without controlling certain resources”.

How can this small collection of behaviors bring about large changes?

Spreading acknowledged behaviors: the power of networking

As the theory of networking is taught, any number of individual constraints can influence the rest of the organization. “If very influential people accept to spread these new behaviors while adopting and encouraging them themselves, at the same time seeing that others have adopted them, then we have reached a “phase of social transition”(tipping point) where the new behaviors will become the accepted norm”. The people who were influenced can likewise “contaminate” others. The change then begins to resemble an internal epidemic of new behavior, far from training programs, top-down presentations, and workshops.

The champions of viral change

Who are the influential people? How do we find them and gain their support? SNA can pinpoint the people the best connected in the organization, those who have a strong influential power. But a much simpler technique can be used to find them: ask your managers who, in their opinion, is listened to and respected the most by their peers (no matter what their level of the hierarchy). They “could come up with a list very quickly”, says Herrero.

Every viral change begins by accepting the behaviors advocated by the “change champions”; who are the first to adopt them and through imitation and influence capable of spreading them.

Spreading the virus: the role of storytelling

At the micro-social level, spreading the virus works by imitation. At the macro-social level, the principal vehicle is storytelling, which involves relating successes and failures. For example, the champion can tell one of his colleagues how

team X overcame its bureaucracy problem and how John knew how to convince a sceptical customer. “Stories (...) travel faster than Key Performance Indicators“, remarks Herrero. They are also the easiest to remember and imitate. Contrary to best practices, they are continuously being transmitted, producing a constant flow of “things which are happening now that didn’t happen before”.

A vehicle of distributed leadership

In viral mode, the change needs the support of champions capable of spreading the new behaviors. The organization enriches itself with each champion, a new leader. Top down leadership’s role is to facilitate their invisible work.

Infection is informal and hidden: no workshops where the managers brief the champions. No ground-breaking declarations presenting a new program or corporate initiative. “The more the viral change is visible and formalized, the less chance it has of succeeding”, insists Herrero.

The champions discreetly work for change through their informal contacts. But invisibility does not mean opacity. The objectives can be clearly identified by the directors at the start of the project. However, the less we talk about it, the more we act on it! Informality does not necessarily imply chaos either. A certain degree of planning and coordination is required to identify the champions, solicit their support, and bring them together to present them with the new behaviors and their mission. The community will meet periodically in order to swap stories and assess any progress.

Viral change, therefore, proposes a different framework for managing change. From a theoretical point of view, it is based on certain fundamentals of social and behavioral sciences as well as network theory. From a practical point of view, several companies have implemented it with success, as outlined in this dossier’s two interviews. ■

Based on *Viral Change*, Leandro Herrero, meetingminds, December 2006.

Accepted Ideas on Change Management

And you... do you agree?

L. Herrero challenges readers to maintain their preconceived ideas about change after reading *Viral Change*.

- Making big changes requires a lot of resources.
- Cultural change is slow and difficult.
- Everyone needs to be involved in the change process.
- Communication and training are integral parts of change.
- The new required behaviors will come from the new procedures and systems put in place.
- The sceptics and opponents of change should be isolated.
- The change’s vision should come from the top and filter down, and so on.

TESTIMONY

The "Behavior Champions" at Pfizer Ltd

Interview with **Philip WATTS**, customer marketing director, Pfizer Limited (UK)

Pfizer Ltd, the UK branch of the American pharmaceutical company, has around 120 "behavior champions". They are the driving force behind cultural change, and work from within the company's field force – in all areas – to inspire a process of "viral change" in terms of the individual behavior that needs to be adopted to enhance performance. Everything began in 2005, in the sales department.

The results of the annual employee review, which is carried out every autumn by Pfizer Ltd, were published in September 2005. "It's an assessment of the way in which we put our values into action", Mr Watts explains. Feedback from the sales force, of which he was then director, was mixed – the teams said they understood Pfizer Ltd's mission and their role in the company, but remained vague about the culture in the sales department. "The reps didn't really have a clear idea of exactly how they should behave with colleagues and customers", Mr Watts explains.

Philip Watts then met Leandro Herrero*, who was working as a consultant in the company, and was very interested to hear his assessment of the situation: "Many organizations that want to establish a specific culture begin by describing it and then try out various action plans to implement it. On the contrary, the culture is a product of the behaviors that the team has succeeded in developing". So, how can companies identify and then implement these behaviors?

Defining the new behavioral imperatives

At the beginning of 2006, Philip Watts began the process with three to four days of intensive brainstorming with his immediate reports: "We discussed all the important issues in our company – our environment and what it means to work at Pfizer, and so on". The results of these discussions were then condensed into four "key behavioral imperatives":

1. "Business results come first"
2. "Feedback and recognition"
3. "Keeping promises"
4. "Living a shared agenda with the customer"

"We realized that if we were able to implement these imperatives, we'd be able to develop the culture we need to make progress", Mr Watts explains.

Biography



Philip WATTS graduated in zoology from the University of London, and is a biologist by profession. He began his career in the pharmaceutical industry in 1984, in the sales department at Pfizer Ltd, the UK subsidiary of the American pharmaceutical giant. Having been responsible for sales, he became the department's manager and then director in

2000. In 2006, Philip Watts was appointed customer marketing director at Pfizer Ltd. With 122,000 employees in 60 countries, Pfizer is the world's leading private investor in biomedical research and markets its drugs in more than 150 countries. Pfizer has been present in England since the 1950s, and has 6000 employees. After Pfizer's acquisition of Pharmacia, it became the country's largest pharmaceutical company in 2003.

A new methodology: viral change

The four policies then needed to be translated into "clear and concrete actions" for the teams. This involved deciding which methodology to use to explain the importance of these behavioral imperatives and promote them in the sales department. The task force took two major decisions:

1. To implement the four imperatives sequentially to avoid burdening the employees with too much change at any one time.
2. To avoid traditional channels of communication whereby, following the initial briefing by Philip Watts' leadership ●●

... team, the directives would be passed down to the respective leaders, the managers, and then the sales reps. The behavioral imperatives were going to be implemented in a more ad hoc way – by "behavior champions". This is how the process of viral change would be set in motion.

The "Behavior Champions"

In the spring of 2006, Philip Watts held a meeting with twenty or so senior sales managers to explain the methods that had been chosen and obtain their support. A discussion then followed about the profile of these "champions". Ideally, they would have a large network of contacts, be able to sell their ideas, have all the right experience, and be respected by their colleagues. "I asked the managers to send me a list of people they thought matched this description. To my great surprise, each manager immediately made a note of two or three people and I received a list of sixty people, 95% of whom were sales reps in the field".

Philip Watts then held a meeting with the people whose names had been put forward to explain the project, its stage of development, and tell them that he needed their help to implement it step by step. "But, there was no question of making them feel like they were the "voicepiece" of management. They had the choice to accept or refuse to take part in the project. We also told them about the special conditions that would make the task easier – unlimited mobile phone calls to their colleagues, the possibility of covering the costs of any future informal working sessions, and so on". At the end of the meeting, all the people present agreed to take part in the project.

Their mandate:

- To describe in detail what "business results come first" actually means in terms of behaviors in the field.

- Once identified, to discuss the necessary behaviors with all those around them – their colleagues and managers. "They collected success stories from people who began to take a different approach in an attempt to spread the message that "business results take precedence over everything else", Philip Watts explains. "As these stories have spread, they've become part of the company folklore and, after only a month, many people have integrated this new language into their daily working lives. Starting with only 66 people, we've been able to "infect" all the sales forces and, soon afterwards, the whole company".

The whole company took these steps

This pilot scheme was adopted throughout Pfizer Limited to introduce an entirely new corporate culture. Pfizer Limited has just undergone a major transformation after a restructuring programme. "We had to make tough decisions. In the United Kingdom we had to transform our entire structure and processes. Changing behaviors has facilitated the management of this transformation, enabled it to work in the long term, and become an integral part of the organization".

There are around 120 "behavioral champions" spread throughout the company. The concept is the same – it involves defining behaviors identified by the management, promoting these behaviors and introducing the teams to a new culture". We didn't want an operation that's only effective in the short term. Today, 18 months after the launch of this operation, our champions are still here –motivated, involved, and very positive", concludes Philip Watts. ■

* Author of *Viral Change*, see the summary of the book on p. 3.

What lessons has Philip Watts learnt from this experience?

- The people we approached were committed in their involvement. When their director gave them a direct mission, they understood that we were placing our trust in them and that top management was directly involved. This sponsorship is a vital component in the operation's success and more specifically in motivating the "champions".
- We opted for a viral communication process based on storytelling rather than through PowerPoint slides. The exchange is far more effective, because the Participant understands what needs to be done to adopt the new behavior.
- There was no detailed roadmap or specific tools, and everyone was free to choose their modus operandi. They could organise meetings, invite people to take part in impromptu discussions in the cafeteria, conduct telephone interviews, and so on. This point is particularly important: you must not over-formalize the process.
- Lastly, we made a mistake by only briefing the "champions". On the ground, certain people felt hampered by line managers, who felt excluded. If I could change something, I would involve them to a greater degree, explain our objectives, and why we were pursuing them.

TESTIMONY

A Passionate Architect of Viral Change

Interview with **Pierre MORGON**, Director, Primary Care Business Unit, Schering-Plough (France)

Pierre Morgon's career is characterised by two passions: teams and their dynamics, and the challenges posed by "dangerous" changes. He remembers the last transformation where he was the change architect: at Bristol-Myers Squibb, between 2004 and 2006. He implemented some of the main tenets of viral change to bring together 180 employees, who until then were isolated in four independent spheres.

Pierre Morgon knows how to manage delicate changes! And he readily embraces the resulting human challenges. Several times he has gone through the difficult exercise of having to "get a team to do things differently at the same time as making them create the right environment for fostering ideas and business profitability". And, as he continues, "every time, my mission has been to take over from disastrous, or at least tricky, situations characterized by poorly functioning teams and the necessity for real transformation".

In 2001, he met Leandro Herrero, while preparing *The Leader With Seven Faces**, which already broached an essential issue addressed in *Viral Change*: How can we convince others to change? "The leader has to demonstrate that he can take on a role that he would not necessarily have been inclined to adopt". And, in doing so, others would be more inclined to do likewise, comments Pierre Morgon. When he joined Bristol-Myers Squibb in 2004, he decided to implement this characteristic of viral change in order to surpass the challenges that were awaiting him.

The Bristol-Myers Squibb case

Three business units were operating successfully, each independent of each other: Oncology, Virology, and the Neurosciences (alcohol rehabilitation and schizophrenia treatment). Each unit comprised three poles: Marketing, Sales, and Specific Programs. The hospital sales department was composed of two posts: field managers; charged with controlling hospital markets, and those responsible for contract-based solutions on the market. Pierre Morgon's mandate was to regroup these four departments (180 people) under the same umbrella: Direction of Hospital Operations of which he was the head. "Some people would see their assignments and/or reporting lines change. Others would have to work closely with new people, or at least in a more formalized way and more productively".

Biography



Pierre MORGON is a Doctor of Pharmacy, holds a doctorate in Business and Economic Law, and has a MBA from Essec (a leading French business school). He has over twenty years' experience of implementing change in the pharmaceutical industry, and contributed to the complete overhaul of a strategic planning

process at Aventis Pasteur International. As general manager at Yamanouchi Pharma France, he set up a performance monitoring system during a merger with another Japanese pharmaceutical company. When he was VP of Hospital Operations at Bristol-Myers Squibb, he succeeded in merging dispersed business units into a single coherent entity. Since 2005, Pierre Morgon has been director of Primary Care at Schering-Plough, where he has merged the Sales and Marketing divisions.

The initial difficulties in the face of change

Pierre Morgon rapidly identified a certain number of difficulties while taking up his new position:

1. The teams' obvious rejection to the creation of a new management level.
2. Intelligently making the therapy marketing and sales unit work together with the sales managers, because these two groups have traditionally ignored each other and never formalized a common plan of action.
3. Coordinating this new hospital function with the other organizational functions.

Apart from the few "disappointments" (one of Pierre Morgon's direct reports revealed himself to be unhappy at ...)

... his post as VP) and concealed or obvious disputes, Pierre Morgon was confronted by certain dysfunctions (lack of coordination, frictions, and belittling, while the objective was to federate a coherent entity), the culture needed to change, “just like dissolvable stitches that are designed to disappear rapidly while ensuring that the wound closes properly”.

Making the existing behaviors visible

Helped by Leandro Herrero, Pierre Morgon wanted everybody to be aware of their own personality and its impact on the functioning of teams. He invited the whole of management and their subordinates (“all those of which I was likely to count on or who would be in a situation of authority”) to establish their psychological profiles. “We carried out a psychological “striptease”, and I was the first one to set the example of mutual understanding and sharing”. Next, the working group focused on scenarios for collective working methods “in order to make our existing behaviors more visible and more easily identify the drivers of change”. Finally, when the targeted initiatives were launched, they relied on the specific actions of a dozen key actors, the “change champions”.

The key role of “change champions”

It does not necessarily have to be the best speakers or top managers; those who are respected and followed will be more susceptible at provoking a viral change. “They have to show that they can behave differently and as it happens, that they are able to work together”, explains Pierre Morgon.

In order to identify the “change champions”, he relied on his management style, which is focused on listening. “When meeting with the teams, I noticed that the same names kept coming up. If these people set the example, I knew that the others would follow”, continues Pierre Morgon. Backed by his dozen champions and endowed with a “good behavioral tool bag”, he put in place working parameters that allowed them to assume their new and exemplary roles in terms of cooperation.

Different methods have accelerated and reinforced their potential influence: direct communication, changing job descriptions, and adding a mission statement. “For example, the administrative director in charge of hospital contracts revealed himself to not only want to contribute, but also to be a goldmine of information on the administrative and legal aspects of those markets. Therefore, I made him come to the committees in order to explain the technical problems he was facing and propose solutions. He also needed to have an impact on the different procedures and internal information exchange. He thus became a connection between various people working in isolation and the model to follow in bettering relations between two people formerly incapable of cooperating”, illustrated Pierre Morgon.

The result: a brilliant team

The virus spread: “The employees discovered the depth of their potential and new methods of working together”, remarks Pierre Morgon. On top of that, the frictions and belittlements progressively disappeared. Not only was the organizational change well enacted and received, Pierre Morgon’s team also became more resilient: the team was eventually capable of functioning without a boss for seven months. “They even “survived” the departure of my boss, who was a very charismatic and emblematic person”, adds Pierre Morgon. While his successor presented a more administrative management style, the team knew how to continue with the positive dynamic that it had acquired.

Today, in his position with a new pharmaceutical laboratory, Pierre Morgon continues to be a passionate architect of cultural change. He leaves us with a few key lessons from his experience with viral change (see box below). ■

* meetingminds, June 2006.

Five lessons from a passionate architect of viral change

1. Do not “over script” the initiatives, in order to avoid the dichotomy of daily tasks and the change program.
2. Even though the viral change is not difficult to put in place technically, **the director should prepare himself to expend a large amount of energy** and to manage a real mental chessboard.
3. **Behaviors will not last unless people find them** essential and beneficial. Contrary to continued change ordered by the board, viral change works on the ground, where it is directly moulded by its recipients.
4. As it is extremely involving and takes a great deal of empathy, **viral change does not suffer from managers who have a utilitarian vision of other people.**
5. **The first accelerator of viral change is the identification of people who resist change:** “knowing how to convince one amongst them is the best vitamin boost for the others, champions, passives, or traditionalists”, concludes Pierre Morgon.