

12. Change management and proactivity

Facing a final battle after long years of war, a Chinese ruler asked a wise man what the outcome would be. General Su was eager to win and ready to die for it, but his army was small in number and unequipped. His enemy, General Li, led an army larger in number, better equipped, well fed and destined for victory. The wise man took the ruler to the lake, picked a flower and tossed it in. They watched the flower for a while, as its whiteness lay calmly on the surface of the water, and then continued to walk. The Wiseman picked another flower and threw it in the stream, which quickly carried it into the distance.

The stream is small, but it flows and carries away the flowers, which the lake is not capable of doing, stated the Wiseman. General Li is similar to the lake; large, with many weapons, yet slow and immobile. Sure of his victory, he will stay behind and do nothing. On the other hand, General Su will be in constant motion, leading his men from the front lines of the battlefield. His desire for victory will inspire his whole army. That's why he is going to win.

Arms and weapons are important, but leader's personality is the key to victory. Every day, our political and business arena indeed resembles a battlefield, with executives and politicians behaving like generals. The success of each battle fought by various political or business armies depends on ambition, creativity, capability, knowledge, decisiveness, and determination of the leaders.

General Su is active and venturesome. General Li is passive and motionless. Relying on his strengths, he does nothing. The two of them have differing views regarding the future and their behavior differs accordingly. General Su is proactive and General Li is reactive.

Reactivity is the attitude exhibited by most people in business and everyday life. When something happens, I react. Until then, I wait. Biologically stated, there are incentives (or causes), after which a reaction follows. If there is no action, there is no reaction. For most reactive people, private and professional life unfolds as it does. Hoping for good luck and circumstance, they let destiny do the job. When it turns its back on them, they complain about their fate and bad luck. Their main goal is to go with the flow, or at best to keep up with the Joneses. For example, if everyone invests in stocks, so will they. When everyone sells their stocks, so will they. When everyone moves to a specific market, so will they. When everyone retreats, so will they! Reactive reasoning is like a sure bet. Those who don't take risks probably won't make big mistakes, but they rarely achieve anything truly valuable. Why are most individuals like that? It is easier, more common and more "natural." The reactive behavior requires only reflex action, and proactive behavior requires will and vision.

Proactivity is rare but rewarding. It's a typical trait of creative individuals. As [Steven Covey](#) points out, "the most effective people are not problem-minded; they are opportunity-minded. They feed opportunities and starve problems." Good luck, opportunity, and chances must be seized because they might not come again. Something new must always be attempted! Be the first to try! Do something original and success is sure to come! Make the first move and everyone will follow you!

Proactive people are masters of change. They know what they want, and consequently, they invest time, money and energy in materializing their dreams and visions. Their life and business motto is to turn fantasy into reality. They are prepared to take chances, knowing that's the only way to gain. In order to succeed, they usually swim upstream and do not follow the direction of the herd. If everyone turns left, proactive people consider turning right. No wonder, proactivity is a typical trait of innovators and change agents. Proactive individuals dare to err or go astray, and proactive organizational environments encourage initiative by rewarding creative mistakes.

There is an often-told story about a manager from IBM, who, wishing the best for the company, undertook a huge risk and made a decision which caused the firm to lose ten million dollars in a single day. Horrified by the outcome, he thought it would be better to leave than to be thrown out. So he brought his letter of resignation to the CEO the following morning. You want me to let you go? Are you out of your mind, said the CEO. We just

invested ten million dollars in your education! A mistake that made you learn a valuable lesson is a huge intellectual capital for the whole organization.

[Philip Knight](#), the CEO of Nike Corporation, used to motivate himself and his employees by saying: "The only way to avoid mistakes is by never trying! Therefore, we must reward creative mistakes and punish mediocre success!"

Many years ago, as a Fulbright student, I proudly stood amidst three hundred colleagues, facing the Dean of Graduate School of Business at [Columbia University](#) in New York, enrolled in the MBA program. I wondered what he would tell us in his opening speech. First, he pointed out that we are enrolled in one of the most prestigious and expensive programs in the world and congratulated us for beating the tough competition. Then he explained the role of his faculty. Their job was not to prepare us for positions such as directors of banks and companies, financial, marketing or information officers, but rather, teach us to become winners.

At the time, I considered these to be empty words and did not grasp the importance of such ambition. Now I hope I do. There are many bank and company directors, even more financial, marketing or information officers, but there are only a few change agents who possess self-confidence, belief in themselves and a winning spirit, enabling them to succeed in every creative endeavor they attempt.

As a visiting professor at the [Renmin University](#) in Beijing, I learned approximately two hundred Kanji symbols. Among these, there was a word composed of two ideograms. When unified, they mean *crisis*, when separated, the first means *danger* while the second stands for *opportunity*. Isn't that a wonderful definition? Every crisis is dangerous, but it is also an opportunity. Without a crisis, there would be no opportunity to improve. Leaders and change agents are barely needed in times of stability, but their role is crucial in times of a pending organizational or global crisis.

Here is another story. Two shoe salesmen arrive in Africa in order to test the market. After they have walked around and collected some data, each calls his headquarters. The first complains in a sad voice that his visit was in vain. There is no market for shoes, everyone is barefoot. The second salesman excitedly reports: Wonderful news! Everyone is barefoot; the market is huge and boundless!

If we perceive a situation as trouble, our behavior becomes reactive. Instead of doing, we wait or hold back. The situation is seen as a problem; and we try to defend ourselves from it, counting on good fortune. If we see the same situation as an opportunity, we become proactive and take advantage of the circumstances. An experienced change agent could benefit from such difference in perceptions. All he has to do is to propose a simple rule: in our organization, **there are no problems, just challenges.**

A good thing about a crisis is that it offers a chance to be creative and do something different. If we perceive it as a problem, a nuisance, or a danger, we pick defensive attitude; in the worst case scenario, we are paralyzed, devastated or mentally destroyed by fear. If we view the crisis as an opportunity, we start acting as innovators and entrepreneurs, trying to take advantage of the circumstances. Metaphorically speaking, we grab the destiny's hair in our hands, like Kairos, the ancient Greek god of the opportune moment. As [Bertrand Piccard](#), the famous adventurer and balloonist points out, "an adventure is a crisis you accept; and a crisis is an adventure you reject."

As innovators and change masters, we must nourish our proactivity. It is a result of the equilibrium between what we hope for, what we see as our mission, what we feel about ourselves, and what we are ready to do, in order to succeed. Proactivity is an outcome of internal harmony, providing us with self-confidence. The winners are aware of their capabilities, they are ready to set high goals, they know what they want, and are prepared to be creative and do it differently.

The Roman emperor and philosopher [Marcus Aurelius](#) pointed out the three cornerstones of proactive behavior: courage, patience, and wisdom. *It takes courage to change the things we can change, it takes patience to accept the things we cannot change, and it takes wisdom to distinguish one from the other.*

Do you know the Dell Computers story? It was founded in 1984 by [Michael Dell](#), with start-up capital of only a thousand bucks. Believing in the originality of his business model, he started a company from his student

dormitory room. Before he could even rent an office, he was building tailor-made, personal computers from purchased components to his customer's specifications. As of 2012–2013, Dell Computers was still the third largest PC vendor in the world (after Lenovo and HP) with annual sales greater than the GDP of a small European country like Slovenia, Croatia or Latvia.

We should be fascinated by the fact that such systems appear, develop and grow in a short time. What if my homeland Croatia had a guy like Michael, but did not build an infrastructure to support him and enable him to start his high-tech empire? If only one such start-up had happened in my homeland thirty years ago, none of its 4.3 million residents would need to do anything and they would still produce the same GDP as now.

The Dell story is similar to those of Mark Zuckerberg (Facebook), Larry Page and Sergey Brin (Google), Bill Gates (Microsoft), Ray Kroc (McDonalds), Richard Branson (Virgin), Ted Turner (CNN), Larry Ellison (Oracle), Jeff Bezos (Amazon) and many more innovative companies. They were ready to walk new paths, trusting that no one can see any better if he keeps looking in the same direction.

Starting anew, going back to the beginning, reinventing the job, and changing the approach, all these are typical phrases associated with innovation, reengineering, new business models and process redesign. For example, the twenty-year-old term *reengineering* describes an activity to design a radically new process or develop a drastically new business model. It indicates big leaps and qualitative changes. Instead of mincing around with small, cosmetic and incremental shifts, people engaged in reengineering try to see a problem differently, in search of new approaches. They are not interested in how something can be done a little better or more quickly or how a process could be slightly improved and the costs reduced a bit. The engineers dig deeper and ask fundamental questions, for example, why is something done in the first place, could it be skipped, ignored, or performed in a completely different way. Just like in the legend of the [Gordian knot](#): instead of trying to disentangle the "impossible" knot, Alexander the Great simply cut it apart with his sword.

In the English language, there are 24 synonyms for the term *start anew*. It is interesting to analyze their particular meaning because they range from revive, pick up, overcome, return and rejuvenate to kick back, get better, get in shape, return to form and make a comeback.

Returning to the beginning and changing the system, instead of improving it, would seem to be an ideal cornerstone of innovative thinking. An innovator must think like a reengineer, and behave like a child in the tale of the emperor's new clothes.

It reminds me of the story of the first video game. The world's very first computer game was the Tennis for Two. It was created on an oscilloscope to entertain visitors during visitor days at the Brookhaven National Laboratory in 1958. The inventor named [Willy Higinbotham](#) was the Head of the Instrumentation Division at Brookhaven National Laboratory. He is known for having expressed regret that he would more likely be famous for his invention of the game than for his work on nuclear non-proliferation.

If we want to succeed, we must change. Contemporary business and public affairs, more than ever before, call for agents of change and promoters of new ideas. Instead of efficient bureaucrats, masters of survival, tsars of routine and monotony, we need courageous innovators and visionaries ready to demolish the existing and build the new. Doing that, they must be able to change the rules rather than engage in their efficient implementation. More often than not, the established roads and trails are inefficient and lead nowhere. The search for new paths and visions calls for new ideas and new models. It is no longer wise to dance as your father did.