Getting Technology & Culture Change Right

by Peter Adams, CEO, Lighthouse IS

From the founding of Jamestown in 1607 to around 1900, the culture of the United States was characterized by the self-sustaining farm. That "plow-enabled", 300-year tradition of fiercely independent, rural, family farming defined our culture.

That culture, in turn, enabled the War of Independence, the settling of the West and the rapid growth of the country's population. That culture was sustained in good part by the build-out of the country's railway infrastructure which, in the mid-late 19th century, created a relief valve for rapidly crowding east coast cities.

In 1895, the first US Patent for the automobile was awarded to George B. Selden. By 1960, the United States had become a suburban, automotive-enabled economy and a military powerhouse. This shift to an automobile-centric culture, in a mere 60 years, was enabled by the construction of the interstate highway system. This infrastructure initiative was championed by President Eisenhower, who clearly understood its crucial role in enabling both commerce and defense.

Between 1980 and 2000, we became a computer / communications driven culture – a span of only 20 years.

If you doubt how quickly computing, communications tools and infrastructure have evolved to dominate the cultural fabric of our country, just drop by a coffee shop and look around the room.

Unintended Outcome: The death of conversation?

Each successive culture change has been enabled and accelerated by new tools and infrastructure - and the time span required for each to successively saturate our daily lives was shorter than the previous.

The realization?

> *"Culturally, we become what our tools and infrastructure enable us to become."*

> *---and---*

> *"The higher the productivity advantage of our tools and infrastructure, the faster our culture will evolve."*

What's in Your Business Culture?

Every successful company exhibits a distinctive culture – intentionally or unintentionally. You can probably identify the high level primary cultural quadrant of your own firm in Figure 1. (For clarification: It is possible to exhibit a blend of two adjacent quadrants, either vertically or horizontally, but not diagonally.)

Figure 1.

Cameron, DeGraff, Quinn, and Thakor (2006) "Competing Values Framework"
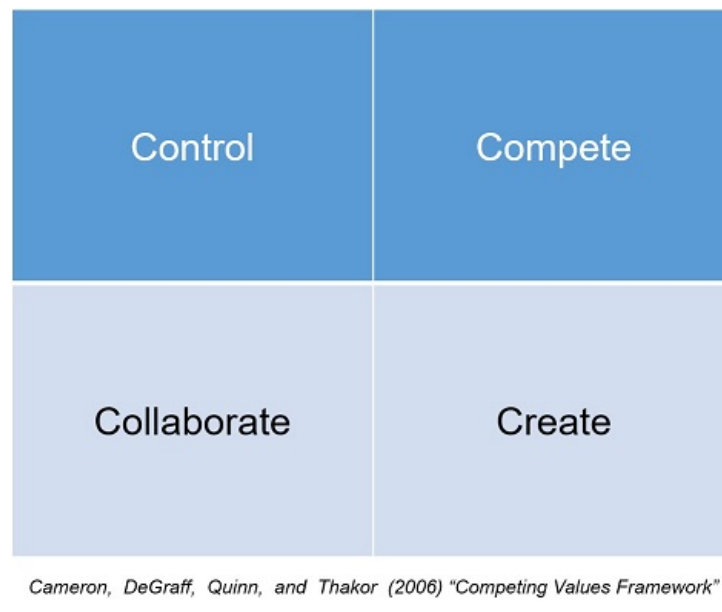
But characterizing your culture does not imply its effectiveness, strength or sustainability.

In 2013, a Bain study identified the five primary causes of M&A failure. A mismatch in corporate culture was identified as #1. (A glib observation perhaps, until you realize that upwards of 70% of all M&A initiatives fail - and half of those that fail actually destroy value.)

The quadrant model, combined with the historical track record of M&A failure, tell us:

• Having an identifiable, established culture does not, in and of itself, imply high performance or merger success. And attempting to merge two firms whose defined cultures are in opposite diagonal quadrants will significantly reduce the probability of the M&A initiative's success.

• Firms that have established success based on any specific culture will likely have evolved an enabling support infrastructure, along with an integrated set of tools, processes, systems and rewards, that compel and reinforce conformance to that embedded culture.

• Culture change initiatives, if needed to optimize either individual corporate value or merged value, can either take the form of: a) improving performance within an existing culture, or b) evolving the organization's culture from one quadrant to another.

- Independent of the direction of the cultural change initiative, it will take hold most rapidly when the infrastructure and tools it employs facilitate individual and group behavioral change in the desired direction.

Applying this to your small-to-mid-size, independently-owned business

If you have a successful business that you've worked hard to build, you probably want three things at the end of your ownership tenure:

- a fair economic reward for all your hard work, sacrifice and investment,
- to leave a legacy, and
- a meaningful purpose for the next phase of your life.

If you plan to sell your business, your greatest return will be realized if:

1. your culture is operating at peak performance,
2. the culture of your firm matches the culture of the likely acquiring firm, and
3. your infrastructure and operational tools, processes and systems are honed to support your culture at peak performance.

The well-matched, well integrated combination of culture and technology enabled infrastructure will increase perceived value, make it easier for you to depart to pursue your next dream, and allow you to leave happy, easily-integrated key employees - your legacy.

"For any merger, an integrated suite of infrastructure, tools and systems is the engine that will power and accelerate cultural change in a positive direction."

So, ask yourself two questions and then we will get to our final question and the punchline.

"What infrastructure, tools and systems are essential to the success of my firm?"

"What must my employees rely on every day to succeed?"

Odds are, in today's business environment, it's a combination of computing, communications and collaboration systems.

Who is responsible for designing, building and maintaining your culture-enabling engine?

The answer to that question is actually pretty easy. It's typically your IT department.

Here's the point:

We made the case that an integrated suite of technology, infrastructure, tools and systems to use for computing, communications and collaboration will inevitably drive culture. However, we do not claim, (in fact we shudder at the thought), that they would be the primary independent business motivators of cultural change.

Rather, the starting point of any culture change must be crucial decisions about your purpose, values, business objectives and strategy – and the culture that will be required to enable optimum success. Once these decisions are made, then, and only then, is the assignment given to IT to "make it so" – meaning, to build the infrastructure, tools, and systems that will drive the culture to achieve those well-defined outcomes.

For 300 years, even though the horse pulled and the plow furrowed, the farmer chose the direction and crop. As a business owner, there is simply too much at stake, (your ultimate personal economic reward, your legacy and your employees' long term well-being), to let a technology-driven IT department drive your culture. Your desired business outcomes must drive all technology decisions - not the other way around – or you will be left with unintended outcomes that inhibit people's engagement and fulfilment, as well as company performance.

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