

Generative Leadership for Corporate Transformation

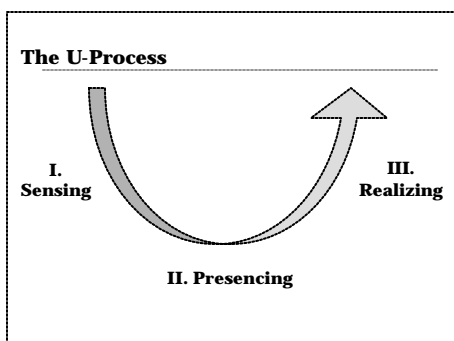
Generon's Methodology for Achieving
Breakthrough Solutions to the Most
Perplexing Business Challenges

The U-Process

Over the past 20 years, Generon—in collaboration with research partners at the Massachusetts Institute of Technology—has been developing tools for enhancing capacity for profound innovation and change. In the past decade we have developed and tested a particular approach that we call the U-Process, which enables us to draw out the highest potential of individuals and the systems of which they are a part. This action-learning approach generates radical breakthroughs in performance by fostering attitudes of genuine openness and curiosity, supporting deep reflection and inquiry, and tapping into deeply held individual and collective aspirations. The U-process builds generative leadership—capacity for ongoing innovation and change—by developing the leadership capacity of those who directly participate as well as by creating an environment that taps the collective intelligence of the organization as a whole.

The U-Process is not a new practice. Indeed it is a process that many creative people—business and social entrepreneurs, inventors, artists—tacitly use when they create breakthrough solutions to complex problems. What is new is knowledge of the ingredients of this practice and how to broaden its impact. As students of these extraordinary people, we have taken what has previously been an individual, intuitive, and largely un-replicable practice, and designed a process that can be used consciously and collectively to make visible fresh opportunities in the most complex and challenging contexts.

The U-Process provides a means of enabling teams of highly diverse individuals to operate as a single, collective intelligence. It allows participants to take what each knows and to share that knowing both tacitly and explicitly. This allows teams to see the whole system of which they are a part as well as own their roles within it. They begin to see the hidden patterns of habit and mind in themselves and others that keep producing limiting results. This awareness enables them to move beyond pointing fingers at others' failures to commitment to effective individual and collective action. From this stance of insight and commitment, a deep new consensus emerges, allowing for the co-creation of breakthrough innovations in previously stuck situations. Unlike traditional learning theories, which are grounded in reflections on past experiences, the U-Process enables practitioners to pay attention to, and learn from, emerging possibilities that are latent in the present.



The U-Process comprises three primary phases: **Sensing**—uncovering current reality by expanding and deepening awareness; **Presencing**—retreating and reflecting to enable individual “inner knowing” as a foundation for collective commitment; and **Realizing**—creating a new reality that generates breakthrough results through rapid cycles of action.

We use the U-Process to enable teams of leaders to work together to address a complex and perplexing challenge—an important and tough business problem or opportunity in the system of which they are a part. We have used this Process with corporate executives and line managers, with politicians and public servants, with scientists and intellectuals, and with activists and revolutionaries. We have used it in the Americas, Europe, Africa, and Asia. And we have used it in both *organizational* systems (within business, government, or civil society organizations), as well as in *social* systems, involving all three sectors. This document focuses on organizational applications in the corporate world.

Applying the U-Process

The U-Process can be helpful when one or more leaders of an organization recognize that they face a challenge requiring transformational change—i.e., a radical shift in business performance requiring changes in organizational culture, mindsets, and the routine behavior of individuals. For example, a Fortune 500 company facing changing markets and increasing competition sought Generon’s assistance in strategizing ways to maintain its preeminence. In addressing any such challenge, one purpose of the U-Process is to generate powerful solutions. The other—of equal importance—is to foster generative leadership throughout the organization by developing the leaders who participate and by creating a spirit that transmits itself to leaders who are not directly involved as well as employees at other levels. This spirit fuels an environment in which reflection and learning become part of the fabric of daily work, stimulating continuous experimentation with new solutions.

In collaboration with a Generon consulting team, the leaders decide who needs to be involved in the Process to achieve its purpose. Typically the Team is an existing formal or informal team responsible for a result crucial to the desired shift in performance. In some cases it is a microcosm of the system, with representation from many parts and levels of the company. In either case it is a group of up to about 25 leaders who are committed to changing the system and who are open to changing themselves.

Phase I: Sensing—Uncovering Current Reality

Most efforts at creating change falter because of an initial failure to see clearly the realities of the organization that is the focus of change. All too often we see the organization only from the vantage point of the particular part in which we work. And often our mental models—acquired through cultural influences, individual personality, professional training or other habits of mind—blind us from seeing the system in its full complexity. Instead we see what we want to see or simply have become accustomed to seeing. Our vision is further blocked by seeing the world from the limited platform of our current organization. Thus both our restricted organizational vantage point and our mental models create lenses that act as barriers to understanding and innovation. They also serve as barriers to

recognizing our own unwitting contributions to the way the organization currently functions.

The Sensing Phase aims to breach these barriers. The Team works together to see the whole of the system while at the same time becoming conscious of their own lenses, striving to suspend judgments and see the current reality from multiple vantage points. Generon provides participants with experiential training and coaching that allows them to see the organization in its entirety, to see the way other organizations approach similar challenges, and to begin to see with new eyes.

Interviews. The Sensing Phase begins with interviews of two kinds. The Generon consulting team holds *Deep Structure Interviews* with members of the Team. These interviews contribute to an understanding of the critical challenges faced by the organization. More basically, they begin to “set the field” by enabling the consulting team to build a connection with Team members and by enabling Team members to connect with their deeper aspirations for the organization. Often, these interviews have a profound impact on participants, enabling them to bring into new focus their perspective on the organization and their role in it.

Typically, a larger set of *Diagnostic Interviews* are then held with people at other levels in the organization who are identified as key resources in the Deep Structure Interviews. These Diagnostic Interviews focus on generating a richer understanding of the broader system. The two sets of interviews lay the groundwork for two subsequent activities in the Sensing Phase.

Foundation Workshop. The Foundation Workshop is designed to enable Team members to begin to construct a shared map of the reality of their organization and decide on which aspects of the system they need to learn more about. The Generon consulting team summarizes its learning from the interviews and provides an introduction to and initial experience of the U-Process. Through participating in the Foundation Workshop, Team members also increase their ability to work together over the months that follow.

Learning Journeys. The Team then embarks on Learning Journeys, dividing into several sub-teams. These are trips designed to help the participants learn more about their organization and its possibilities. They learn by observing parts of the organization that are unfamiliar to them, as well as other relevant organizations. They conduct interviews with people who have alternative perspectives on their business and how to organize to go about it. Each Journey includes persons of remarkable character whose professional accomplishments, personal presence, and life stories serve as inspirations to Team members. The Learning Journeys also deepen the Team’s consciousness of their own lenses.

By the end of the Sensing Phase participants are often amazed at what they are able to see for the first time. One said, “I realized there was so much about the new economy and so many fundamental changes going on that I was really pretty blind to....It was a real eye-opener.” Another commented: “Seeing the world through others’ eyes gave us a new understanding of our situation, and made us realize we had been asking the wrong questions. The question was not “how should we plan?” but “how do we bring passion back into the workplace?”

The key result of the Sensing Phase is a deep, shared understanding in the Team of the current reality of the whole system.

Phase II: Presencing–Retreating and Reflecting

Having uncovered the current reality of the organization as a whole in the Sensing Phase, Team members move to the Presencing Phase, in which they access their own deeper knowing about that current reality and what they might collectively do in response to it. The most powerful way of understanding the full potential of an organization is to ask what it calls forth from us: what higher possibilities do we sense when we retreat and reflect on the current reality? In this Phase participants connect their understanding of what is now going on in the organization with their own individual aspirations and begin to envision what they are being collectively called upon to do.

The Presencing Phase supports Team members in developing the capacity of *letting go*. When confronted with a challenge, we often have our favorite theories, tools, and ideas about what is needed. We often believe, perhaps sub-consciously, that if only everyone adapted our positions or solutions then all would be fine. The practice of letting go is an act of loosening the grip of this belief. It’s about giving oneself over to whatever it is that might want to emerge. It’s about putting ourselves into a state of profound openness. Letting go requires real courage. We cling to our ideas and notions because they serve to ground us, tell us who we are and what we should do. To let go is to leave the shores of our certainty and enter into the unknown. It means taking a step without being sure of the firmness of the ground beneath. Letting go is not unlike dying, in that we need to let something die to make room for something new to be born. It is an act of creative destruction.

The Presencing Phase also provides support for *letting come*, which requires a state of openness similar to that necessary for letting go. Letting come is to be receptive to whatever wants to be born. While letting come may sound passive, giving birth is far from a passive act. It represents a shift to action. It is at this stage that the Process is most vulnerable and most challenging. If we think of letting come as the birthing process for new ideas, and for a new understanding of

our vocation, then participants must act as mother, midwife and witness, all at the same time.

Innovation Retreat. The core of the Presencing Phase is an Innovation Retreat, which provides a container explicitly designed to allow participants to connect what is going on within the organization as a whole with their own deepest sense of themselves and to uncover the work that is their own calling in that organization. It is difficult to engage with such questions in our day to day lives because we live in environments in which stimuli from many sources—from architecture to television—overwhelm our inner landscape and dilute our innate knowing. Experiences in nature are the most reliable way we have discovered for opening up the hearts and minds of Team members, enabling them to tap into their deepest intuitions about the possibilities that could emerge. We have learned that solo wilderness retreats of several days duration can foster a sense of inner knowing that leads participants to be clear in their purpose and moves them toward innovation and change. Such retreats enable the knowledge acquired through the Sensing Phase to emerge in a powerful individual and collective clarity about where and how to act.

Paradoxically, this Phase is not about making a choice. Rather it is about arriving at a place of “no choice,” in which it is blindingly clear what must be done. It’s about arriving at a place of deep knowing and profound clarity as to what the course of action must be. For example, one CEO recalled an Innovation Retreat at which discussions “made very clear the importance of starting a brand new company [to launch an idea] rather than starting it internally...and very clear where the profit zone was and what our value proposition was and what it was going to take to market the concepts.”

The birth of fresh ideas is the hallmark of an Innovation Retreat. The intuitions that come from a deeper knowing often result in ideas that are not only new but eminently practical, with direct implications for the bottom line. One U-Process participant reported that the team came up with at least “ten excellent, money-making ideas.” These ideas can then be refined in the projects and activities of the third phase. For example, the Fortune 500 company that engaged us to find ways to maintain its preeminence identified initiatives in two overarching areas: developing new strategies for growth and radically improving operations. U-Process Team members went into the third phase with the aim of giving concrete shape to those initiatives.

By this stage of the U-Process it is common for participants to have undergone a shift in the consciousness they bring to leadership. One recalled the value of having been exposed to a U-Process faculty member who was “a master in listening and absorbing and seeing what’s going on, as opposed to just racing through the day.” This person learned to “get in the frame of mind he established,” resulting in a new capacity for insight into leadership challenges. Another reported having grown in his approach to decisions in ways that seemed powerful but paradoxical. On the one hand he had been impressed that “the folks

that we heard speak and learned about clearly have a gut feel more than they have spreadsheets upon spreadsheets of data to base their decisions on. [Since participating in the U-Process] I've gone with gut feelings a bit more...But I've also waited a little longer before I jump to it...Instead of reacting or making a decision right way, it's helped me get better data and be more observant before I decide things." What this participant learned was the capacity to shift the place from which we act. Instead of reacting out of fear, anger, or impatience, we instead act from a place of deep knowing.

The key result of the Presencing Phase is a shared sense of inner clarity and commitment to following where it leads.

Phase III: Realizing—Creating a New Reality

In the final phase of the U-Process participants make concrete what they have learned in the first two phases. They create prototypes that are the building blocks of a new reality. The activities of this phase seem familiar because in our working lives we typically create projects, products, and services. But the route that the Team has taken to get to these activities is far from familiar. The team has gone through a deep process of Sensing and Presencing, enabling them to arrive at the point of execution with a unique level of preparedness. The basic character of execution is different because all the outputs from this phase are the realization of what has become a single, collective intelligence. The emphasis in this final phase is on the hands-on, rapid-cycle creation and trial of multiple solutions to the problem at hand.

The Team starts by identifying and choosing a small number of innovations that they believe to be high leverage interventions in the organization. They then break up into teams around each of these innovations in order to create prototypes—the seeds of breakthrough solutions—that they and others can learn from, reproduce, and grow.

Prototyping Teams use a process in the Realizing Phase that borrows from the fields of industrial design and venture incubation. Instead of spending months making a careful and complete plan, Teams quickly build and test ideas in a cycle of rapid iteration from one version to the next. Throughout this process the Prototyping Teams share their learning, coach each other, and receive coaching from the Generon team. During this phase, they also recruit new players who bring with them missing competencies, resources, and relationships, to help the Prototyping Teams enact their innovations. The idea behind this approach is to “fail often, fail early.” We learn by making mistakes. By making small mistakes early, rather than a single catastrophic mistake later on, we go through repeated learning cycles that result in solutions that are built to last.

The Fortune 500 company struggling to maintain its preeminence launched two tracks in the Realizing Phase. The first focused on developing new growth

opportunities, using intensive field research and team retreats to identify possibilities. The team developed proposals that evolved into two highly successful initiatives. One initiative resulted in the creation of a new international service company. A second strategy initiative resulted in a radical alliance with a former arch rival, which gave the company daily access to 2 million new customers, launched five new products, and significantly improved cash flow. The second track, focused on operations, created teams dedicated to improving delivery and reducing bureaucracy. Generon worked with each team to develop skills that would serve beyond the life of the project, while coaching and managing the teams' progress. As a consequence of this initiative, the company saved millions of dollars by instituting a new delivery method. The teams also created ways to reduce the time for making new hires by 40% while reducing the paperwork involved by half.

The key result of this final phase, and so of the U-Process as a whole, is a set of proven, functioning prototypes of new ways of doing things that hold the potential for radical breakthroughs in organizational performance. More than mere recommendations for something somebody else ought to do, they are concrete activities led by committed leaders, ready to be invested in, scaled up, and institutionalized. These prototypes stand as symbols signaling an end of the old reality and the beginning of the new.

These new realities can result in dramatic shifts in overall company performance. One CEO of a participating company recalled started the Process with a company that was a "fair running business," not in the top quartile of the market. As a direct consequence of the U-Process, it had attained "the highest earning, lowest cost, and highest volume" of any of its competitors in the U.S. By being willing to see clearly and deeply into current reality through Sensing, by letting go of habitual mindsets and pre-conceived solutions while letting come new possibilities through Presencing, and by experimenting with ways to implement these new ideas through Realizing, this company took charge of its destiny and began reaping the fruits of its full potential.