



Toolkit Page 90 Open Book Management

The typical change in organizations is rolled out with fanfare complete with a PowerPoint presentation. During the kick-off meeting, people are expected to digest why this change is called for and then shift their attention to how they are going to accomplish these goals. If the change is major, the shift from why to how occurs way too quickly.

Getting an organization to recognize why a change is important is the single most important thing you can do to build support for your ideas. When a critical mass of people see the importance of taking some action, it's like having thoroughbreds in the starting gate eager for the race to begin.

The principles of Open Book Management are an effective way to help get everyone, including you, to a shared recognition of a problem or opportunity. The open book approach gets others thinking about critical issues. The things that keep you awake at night, can start keeping others awake as well.

Open Book Management literally opens the books. Many companies share financial information, industry trends, quality reports, customer service ratings, and so forth. Too often the data that drives a business is accessible to only a few in the organization. So, when leaders announce a change, no one else sees why it is necessary. Open Book Management changes that.

Here are some of the elements that can make Open Book Management work.

- Provide access to critical business information.
- What are the challenges facing your business?
- What are the opportunities?
- How are you doing financially?
- What do customers say?
- What other measures do you use to make strategic decisions? Consider opening these up to everyone.
- All of this information must be timely. Weekly financial data is not uncommon.
- Make sure people can interpret these data. It will do no good to give people financial information if they can't read a balance sheet.
- Provide whatever training is necessary to help people interpret key business data. Give time to digest the information. You learn to make meaning and decisions together.
- Give people a stake in the outcome. Linking pay and bonuses to financial and other critical outcomes can be a significant incentive. It's not just the money that motivates. It's having a clear target that everyone agrees is important. This focuses everyone's attention on the same goal. For example, we are all working on finding ways to cut costs or increase customer retention.

- Give them the authority to act on this information. When you give people information they need to be able to do something with it. If you show people depressing quality statistics and refuse to provide a way for them to have an impact on this trend, you are just asking for trouble. You would have been better off to keep the books closed. Open Book Management requires that you trust people. Trust them first with information and then with the power to do something differently.
- Make sure people get the data in a way that they can believe. They must trust the source of the data. If they don't trust you, they won't trust the data.

Open Book Management works best when the entire organization focuses on these principles, but you can use them within a single department. It won't be as effective, but it will be far better than what most people get in organizations.

Want more information? Read either of John Case's books, *The Open-Book Experience: Lessons From Over 100 Companies Who Successfully Transformed Themselves*, or *Open Book Management*. Also, I highly encourage you to read *The Great Game of Business* by Jack Stack. (New York. Doubleday. 1994) In a conversational manner, he tells how he came to believe in this approach, and how it helped him build a highly successful business with little capital and lots of commitment.

© **2010 Rick Maurer**. Rick uses his Change without Migraines™ to advise organizations on how to lead change effectively. He is author of many books including *Beyond the Wall of Resistance*. In 2009, he created the Change Management Open Source Project, a free resource for people interested in change in organizations. You can access the open source project as well as many free articles and tools from his web site: www.rickmaurer.com

