



# FIRSTBENIMBLE

A STORY  
ABOUT HOW TO  
ADAPT, INNOVATE  
AND PERFORM IN  
A VOLATILE  
BUSINESS WORLD

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# introduction

No-one in business needs to be told that the world is operating with a speed, scale and form never witnessed before.

Someone has their foot on the accelerator. It's fast, it's unpredictable and no-one is in control.

We can access a lifetime's information in an instant, start or lose a company in a day, and watch as unimaginable political change unfolds in a breaking news update.

The old boundaries are gone. Social media empowers the consumer, the internet connects creators, alliances flourish between competitors and job security is an oxymoron. Nothing is certain and yet anything seems possible.

Business experts and politicians alike constantly trumpet the imperative for organisations, industries and whole nations to adapt to this tsunami of change. But what does this mean? And how do we do it?

Surely we need better than traditional change management, particularly when the practitioners themselves almost proudly claim that 70 per cent of change initiatives fail.

## what do we really need?

We posed a question to clients of our firm:

‘What do you need to help you and your teams to better adapt and perform in this volatile world?’

Their comments shaped the direction and contents of this book:

- confidence to handle ambiguity and uncertainty
- tools that boost innovation and collaboration within and between teams
- breakthrough ideas that change the business
- resilience to handle high load and unpredictable change
- better ways to engage stakeholders in creating the future
- fresh approaches to managing and leading change.

Our research, collaboration and thinking led to a new paradigm that we call ‘first be nimble’.

This book brings that paradigm to life through the vivid and engaging business story ‘Even chocolate frogs adapt’ and an accompanying suite of principles, guides and tools to help you apply this approach in your organisation.

## why ‘first be nimble<sup>TM</sup>’?

Let’s have a brief look at four assumptions that underpin this new paradigm.

### 1 *Adaptive replaces technical: disruption is the new normal.*

Most of the big challenges that we face in the unpredictable and turbulent business world do not have the right or wrong (technical) solutions of yesteryear. These are complex and

disruptive challenges full of ambiguity, uncertainty and conflicting objectives. They require us to adapt: to let go of firmly held assumptions, beliefs and behaviours and to embrace a new way of thinking where disruption is good and the status quo is dangerous. Our very survival now depends on creative adaptability—to *innovate* our way through challenges where previous generations *managed* through theirs.

2 *The future is nimble, connected teams.*

The world of the future belongs to the organisations that create and successfully tap the power and strength of nimble and adaptive teams. These teams are masters of adaptive change. They form quickly around strengths, threats and opportunities; learn and innovate quickly; and shape or adapt to their environment. In an unpredictable but connected world, the greatest capabilities that we can build in ourselves and our teams are those of leading and living in nimble and adaptive teams.

3 *To thrive in constant change we must learn to transition.*

Nimble people and teams survive and thrive in a changeable world because they have the capability and resilience to anticipate, initiate and respond to change, and even more importantly, to transition. As William Bridges highlighted in his ground-breaking book *Managing Transitions: Making the Most of Change*<sup>1</sup>:

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It isn't the changes that do you in, it's the transitions. Change is not the same as transition. Change is situational: the new site, the new boss, the new team roles, the new policy. Transition is the psychological process people go through to come to terms with the new situation. Change is external, transition is internal.

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<sup>1</sup> W Bridges, *Managing Transitions: Making the Most of Change*, Perseus Books, New York, 2003, p. 3.

Transitions are adaptive change, and vice versa. You need only look at the needs of business leaders expressed previously to see that they crave the skills and tools to initiate, support and complete successful transitions.

4 *First develop the capability and resilience to adapt.*

Nimble is not just about being fast. Nimble is the ‘sweet spot’ between too inflexible and structured on the one hand, and undisciplined and out of control on the other. Nimble consistently beats ‘inflexible’ because it learns, innovates and adapts faster and better in a volatile world, and it reliably trounces ‘undisciplined’ because it finds the right place between opportunity and risk. The most powerful way to prepare yourself, your team and your organisation to survive and thrive in a fast, unpredictable, competitive and complex world is to ‘first be nimble’—in other words, to first develop the capability and resilience to adapt.

## to sum up bluntly

The old toolkit of technical fixes, linear change management and bureaucratic best practices just won’t cut it in a disruptive business world.

This book and the related first be nimble™ model and system address that challenge with a new paradigm to guide you and everyone in your organisation in developing and sustaining resilience, agility, innovation and adaptability.

Beginning with the story ‘Even chocolate frogs adapt’, you will experience the journey of a company and its people who have known the nimble adaptability of a growing organisation and now must bring that agility to life again in a bigger and more mature business.

That company, McCrae's Fine Chocolates, was a favourite of its customers and the envy of competitors until size, management practices, a jumble of technologies and market pressures turned it into a slow, bureaucratic shadow of its former self.

A change of ownership provided the opportunity to try something that seemed unthinkable: to meld together the unique culture of the past with cutting-edge, digital-age strategies and technologies to create a nimble, adaptive, high-performing organisation perfectly suited to the volatile business world of today and tomorrow.

From the vivid story a first be nimble™ model is built that you will find easy to understand and apply in your organisation. The model will give everyone a common language, valuable case examples and simple tools for boosting teamwork and performance at all levels from frontline to the executive suite.

Of course, the McCrae's Fine Chocolates transformation wasn't without many of the challenges that you will face as you and your team aim to become more nimble. To mention just a few, they faced resistance to change, over-controlling managers, fear of failure, silo thinking, conflicting priorities, frustrating bottlenecks, overload and a host of bureaucratic rules and processes.

Through a mix of courageous leadership, breakthrough thinking and empowered people, McCrae's Fine Chocolates challenged the traditional conventions and applied a refreshingly simple, yet powerful, strategy that energised staff and delighted customers in ways that even they couldn't have imagined when they began the journey.

*First Be Nimble* combines the McCrae's story with examples of practical tools that will guide and inspire you to:

- crack open the bottlenecks that are blocking progress
- make bold choices to leverage your strengths and disrupt competitors
- use partnering and co-creation to accelerate and scale up to unimaginable levels

- learn, innovate and adapt on the run
- build an organisation that can flex to suit changing conditions
- lead teams that excel in nimble change and nimble projects.

If you are seeking the blueprint for how to create an agile and intelligent organisation that can handle anything that the volatile business world throws at it, then this book and the online resources at <[www.thinkoneteam.com](http://www.thinkoneteam.com)> will become a valuable career and business resource. I hope you enjoy the story, embrace the vision, apply the tools and even take a moment to savour a chocolate frog. When you've read the story, that frog will always remind you of the secret to succeeding in an ever-changing world: first be nimble.

<http://www.pbookshop.com>



## chapter 1

# turbulence

### *the imperative to adapt*

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It is not the strongest of the species that survives, nor the most intelligent. It is the one that is the most adaptable to change.

*Charles Darwin*

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## the perfect storm

It could have been a boardroom anywhere in the world.

The Managing Director was waiting well before the stroke of 9 am. He looked the part: impeccably groomed, Italian suit, striped shirt, diamond cufflinks, Rolex watch and a favourite red tie. Exactly what you'd get from central casting if you asked for a Managing Director.

On receiving the latest interim results, he'd called an urgent executive meeting.

Meetings were cancelled, flights hurriedly booked and work re-prioritised by super-efficient assistants who made sure their Executive arrived on time, fully briefed and, as much as possible, suitably armed.

Ten men in suits sat around the oval table. There were no greetings. The MD went straight to the point.

'We've promised the market \$30 million and this looks closer to \$10 million.'



He fixed his gaze across the crystal water jugs towards the stern quartet of regional Vice Presidents.

'Is there any chance we can trade out of this in the next quarter?'

They shook their heads in geographical sequence: Asia-Pacific first, Europe last.

It was the toughest conditions they'd ever seen. Retail sales were getting monstered by online upstarts; costs of labour, power and transport were out of control; and worst of all the margins were shrinking because the market was too price sensitive to pass on costs.

If that wasn't enough the government red tape seemed endless, activists had launched a social media attack about the company's links to child labour in West Africa, and every market was flooded at the premium and generic end.

'What are we doing to change this?' he asked of the group.

He heard all the right words: lean manufacturing, re-engineering, cost cutting, values, new technology, accountability, tight controls, culture change, customer-centric and extremely busy.

It wasn't enough. 'We need surgery,' he announced to the Chief Financial Officer seated to his right. 'What are the options?'

The reply was quick, definite and just what you'd expect from the hitting zone of a CFO: 'More redundancies, cut training, travel and marketing, and tighten every budget line'.

There were murmurs, but no-one dared to be first to speak. They'd already been through one round of redundancies, and the budgets were squeezed so tight they could barely breathe. Another cut to training and marketing could trigger a rush of talent out the door.

'Or there's one other option,' added the CFO to a deathly quiet room. 'Sell McCrae's.'

'Mmm,' was the rejoinder around the room. Others might call it cannibalism. These guys called it brilliant.

'We sell down one of our less favourite businesses and it gives us the cash injection we need.'

'What exactly do we lose?' asked the MD, turning to his regional leaders.

‘Not much,’ replied the Asia-Pacific VP, jumping at the chance to shed a future liability on his ambition to lead a multinational company. ‘It’s a mature business with a high cost base. The product range still looks pretty good and it’s borderline profitable, so I can get their finance guy to package up the numbers to be almost impressive and sell it before it slides further.’

‘Can we find a buyer?’

The CFO chortled slightly. ‘If you’ve got the right bait there’s always a fish swimming somewhere.’

‘Done.’ The MD smiled for the first time. ‘Make it happen before the next board meeting or we begin executive redundancies.’

With the sale of McCrae’s they could meet the market expectations for at least the next quarter. Hopefully by then the conditions would have improved.

No-one in the room really expected that to happen but the company was big enough to weather the storm for a while longer before it really impacted on benefits and careers.

### **extinction**

Charles Darwin observed that it is not those who are most intelligent or strong that survive, but rather those who adapt to change.

Certainly we have strong industries and governments full of intelligent leaders and teams, but we face, in business and the wider world, what Darwin might well have called ‘an extinction event’.

The traditional hierarchical, management-controlled, process-driven organisation is too blinkered to see the real threats, too slow to respond when it finally does and too risk averse to get ahead of the game.

‘Even chocolate frogs adapt’ is the story of a smart and strong business that became too comfortable with success and then too protective of its place in the world.

*(continued)*

### **extinction (*cont'd*)**

That business, McCrae's Fine Chocolates, is about to be cut free from the larger company that you just briefly met.

Its challenge will be to turn around beliefs, habits and practices that made it successful in the past but now threaten its very survival.

Come and meet one of the key players.

## **alex reid**

2 pm late January. First-class lounge. Sydney International Airport.

Alex Reid was busy—too busy for lunch. But he could feel his energy dropping. For a non-coffee drinker a mid-afternoon sugar hit was his best chance of firing up enough to get things done in time to catch the 15.40 Cathay Pacific flight to Hong Kong. A bottle of Coke and a chocolate bar would do the trick. The concierge was fetching them right now.

Selling your business is both nerve jangling and tedious—balancing equal parts pride, pragmatism and sentimentality. While every entrepreneur dreams of cashing in on their big idea, Alex—a 32-year-old internet whiz kid—was within 24 hours of fulfilling that dream.

After seven years of seriously hard work, his 'baby' would net him a cool 20 million Australian dollars. Not bad for a computer-savvy Aussie guy with a marketing degree and a love for fossicking through markets in the back lanes of Asia.

His business, ExoticStreetGear (ESG), with its unique blend of fashion label, chic stores and cult-like online following, was recently acclaimed one of the three hottest retail brands in Asia. Soon it would be taken global by its new Chinese owners.

Tomorrow's handover ceremony overlooking the always stunning Hong Kong Harbour would be perfect provided Alex emailed the final documentation to his legal team in the next 90 minutes. Fine detail wasn't his strongpoint, but this was worth every last spark of energy and focus.

The Coke arrived in a long, stylish glass and the chocolate in a curious circular box. A smiling frog peered over the edge.

He gulped down half a glass of Coke and then flicked open the box. Inside, a rather confident looking chocolate frog lay comfortably on an expansive chocolate lounge. Alex smiled, picked the frog off the lounge chair and popped it in his mouth.

Even the hyperactive Alex Reid paused for a moment as the flavour of the smoothest chocolate he had ever tasted enveloped his senses.

He picked up the box. It read 'McCrae's Fine Chocolates'.

Alex knew what to do with his \$20 million.

## **a spark of innovation**

On the day he returned from Hong Kong Alex Reid did two things.

First, he visited a stylish row of shops in the inner Sydney suburb of Surry Hills, where he'd heard that you could often find customers queued onto the footpath patiently waiting their turn to purchase one of the great delicacies of Australia: McCrae's Fine Chocolates.

Second, he had plans to have lunch in a stylish city bistro with a close friend who, apart from sharing Alex's passion for extreme sport, was a rising star in one of the few thriving investment banks.

At Surry Hills, the tall, lean entrepreneur with still boyish good looks did due diligence 'Alex style': he walked the streets in sneakers and jeans, chatted to customers, engaged staff in conversations and posted questions to his online network.

From customers of McCrae's he learned that the queues had shortened in recent times. Perhaps it was the competition from convenience stores that had popped up on just about every corner, or just another local shop going slowly out of business?

His network mostly asked why anyone would bother to manufacture chocolate in Australia.

Alex wasn't interested in manufacturing. His passion was marketing and this company looked like a sleeper with lots of upside potential.

To find out more he approached Judy, the eldest of the neatly dressed ladies serving behind the counter at McCrae's, and inquired politely if she could spare a moment to tell him the background of the company.

### *how it all began*

Judy beckoned him to the quietest corner of the quaint shop where they stood among shelves of colourful gift boxes and tempting trays of milk and dark chocolates in all manner of shapes and flavours.

Alex was entranced as she described how it all began when William McCrae had just returned from the Second World War to discover a dozen or more children waiting by his front door the morning after he arrived home.

'What do you all want?' the returned soldier had asked, intending to brush them away.

'Please mister, a chocolate,' replied the tallest boy.

'A what?' he inquired, somewhat startled.

A voice from behind him sliced through his confusion.

'There you go,' said his wife Sarah, tenderly handing each child a tiny cube of chocolate wrapped in transparent tissue paper.

What happened next changed William McCrae's life forever.

Not a single child ate their chocolate, although two small boys had to be stopped by the older children. Instead, a girl produced three little handmade boxes crafted from thick, parched paper. Each cube was carefully handed over and placed so that each box contained four chocolates.

Sarah smiled, waved off the children and headed back to her kitchen where—apart from being a fine cook of breakfasts, lunches and dinners—she had tinkered with chocolate recipes to take her mind off the war. The local children soon discovered that they could sell a small box of Sarah McCrae's delicacies to travellers at the railway station for more than a month's pocket money.

And so William and Sarah McCrae converted the front of the property into the shop in which Alex and Judy were now standing,

and they raised two girls and a boy in the back, while steadily building a successful small business.

That would have been the end of the story if not for their eldest child, Jim, a lawyer-cum-entrepreneur who took over McCrae's in the 1980s and transformed it from a local Sydney treasure into a national sensation.

Jim McCrae apparently wasn't your traditional manager. He shunned the personal limelight, involved frontline teams in decisions and continually challenged 'the McCrae's team' to beat their competitors large and small by being smarter and more united.

Under his leadership they opened a large new factory at Botany, established 15 stores across Australia, secured a foothold in Asia and grew to a workforce of more than 500. Judy recalled him as the best boss you could ever imagine.

However, events collided and Jim McCrae sold it all, with more than a little pressure from his younger sisters and their greedy husbands. Name, dream, factory—all became a division of Jellicoe Candy, one of the multinational companies that Jim had spent the best part of his adult life making sure McCrae's would not be similar to. That was more than five years ago.

Judy had only seen him twice since then. He'd severed ties completely, but she thought about him often, particularly as the business lost its 'soul' under the new management and became just like any other company with requisite rules and 'corporate speak'.

When pressed, she described sales as 'steady', but the days of exciting new products and promotions were over. Everything seemed to be about cost cutting, endless reporting and getting customers out of the shop to make way for the next ones.

'Oh,' she remarked, hoping not to sound like a gossip, 'there's been a rumour about the company being sold again'.

It was the same rumour Alex had picked up from his network. McCrae's Fine Chocolates was definitely on the market.

## *it's how you handle difficulty*

Alex thanked Judy and headed excitedly to lunch with a plan to pull together a group of investors, buy McCrae's Fine Chocolates at a fire-sale price and take the tantalising tastes and under-marketed brands to the world.

It was a great vision and Alex had the confidence and the capital to pull it off.

And why not? He'd built ESG from idea to reality with a mix of street-smart marketing, social media savvy and inspiring leadership.

Could he reignite that spark of innovation that seemed to have powered McCrae's before the all-to-typical 'best practices' of the corporate world slowed it down?

Surely the people of McCrae's were just waiting to be unshackled from management that was slowly choking what William, Sarah and Jim McCrae had created?

Arriving a few minutes early for lunch, he sat for a rare quiet moment by the foreshore of Sydney Harbour watching tourists snapping pictures in front of the always busy ferries, while businessmen in dark suits strode purposefully to important meetings, and couples young and old strolled hand in hand around the water's edge.

Reaching into his wallet he extracted a folded card and turned it slowly in his hand until he saw the single handwritten word on the cover: Alex.

He opened it slowly, revealing the handwriting of his father, who had passed away the year that he began ESG. It read:

*Innovate your way out of difficulties and into opportunities.*

It was a ritual when he faced tough decisions. He'd read that card in torchlight when trapped by weather on a windswept mountain in Nepal, and on waking he borrowed the money to open his first ESG store. And now again he sensed a turning point.

It was a message he treasured and it affirmed how Alex Reid would live his life.

### **to innovate or to protect?**

Can you sense the challenge that Alex will face at McCrae's?

He has come from a young, customer-centric business with a strong 'innovation' mindset, which means that when the needs and behaviours of customers shift, or a new technology comes along, or perhaps the budget gets even tighter, his response is to innovate out of the difficulty and into opportunity.

On the other hand, McCrae's is a relatively mature business (possibly like your own), so the response to these types of threats is far more likely to be to protect and manage through the difficulties.

Alex will have the opportunity to buy McCrae's because the venerable gentlemen of the boardroom are protecting their business by selling off assets and doing all the predictable things. That's fine, but if customers, technologies and markets keep changing, then to protect and manage might feel safer in the short term—but step back a moment and it looks more like a slow death roll.

How much better would our companies, our industries, our governments and our communities be if they replaced their uninspiring mission statements and short-term, play-it-safe business plans with the sage advice of Alex's father?

*Innovate your way out of difficulties and into opportunities.*

Of course, they and Alex will then hit hard against resistance to change—and that, more than anything else, is the dragon that must be slain for McCrae's Fine Chocolates to become truly nimble, adaptive and high performing.



## about the author



Graham Winter is the author of the bestseller *Think One Team* and Founder and Practice Leader—Client Solutions for Think One Team International, an Australian-headquartered consulting firm.

A psychologist by profession, Graham has a unique blend of experience consulting with top national and international leaders as well as teams in business and elite sport. His appointments and experiences include:

- six years as the exclusive designer and developer of high-performance leadership programs for PwC Consulting in the Asia-Pacific
- three-time chief psychologist for the Australian Olympic team

- author of the bestseller *Think One Team* (Jossey-Bass, 2008), *The Man Who Cured the Performance Review* (Jossey-Bass, 2009) and *High Performance Leadership* (John Wiley & Sons, 2002)
- designer of the leading-edge development systems and frameworks think one team™, cure the review™ performance partnering, united leadership™, always coaching and first be nimble™.

Graham and his team consult widely across industry and government to assist leaders and teams in leadership and team development, performance conversations, talent management, and change readiness and resilience.

This book was inspired by the many conversations with clients throughout Australia and Asia about their need to build the capabilities within leaders and teams to adapt, innovate and perform in a volatile business world.

Reach Graham at the Think One Team International website <[www.thinkoneteam.com](http://www.thinkoneteam.com)> or at [graham@thinkoneteam.com](mailto:graham@thinkoneteam.com).

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Imagine if you had the **blueprint to create** an agile and **intelligent organisation** that could handle anything that an **unpredictable business world** threw at it?

*First Be Nimble* is that blueprint, presented by best-selling author Graham Winter in an enthralling business story packed with easy-to-apply ideas and powerful tools linked to online resources.

**The story:** Fledgling international company McCrae's Fine Chocolates has lost its innovative edge and become a reactive bureaucracy. Through a mix of courage, collaboration and digital-age strategies, McCrae's confronts its challenges, breaks through the inevitable resistance to change, and transforms itself into a nimble and adaptive market leader.

This is your personal guidebook to gearing up for fast and frequent change. Learn how to:

- move, learn and adapt—fast!
- replace change resistance with change resilience
- thrive in ambiguity and uncertainty
- break through business bottlenecks
- build a network of nimble, connected teams.

*First Be Nimble* is a must read for everyone who wants their organisation to thrive in this constantly changing business world.

*Graham Winter is the best-selling author of Think One Team, founder of consultancy Think One Team International and a three-time Australian Olympic team chief psychologist. Graham is passionate about developing leaders and teams with the resilience and skills to seize opportunities.*

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