

LEADING  
ORGANIZATIONS  
THAT (CAN)  
THRIVE IN CRISES

# Change is the New Constant



ALAN LEWIS

Most organizations believe they are not working as well as they used to. They blame the rapid and unpredictable changes that are going on around them. But many of them have failed to grasp one fundamental truth: *change is the new constant*.

To be successful in the 21st century requires accepting that change is here to stay, and one of the most critical components for success is now the ability to build a culture to adapt and thrive in change.

Grand Circle Corporation (GCC) is an outstanding example of an organization that has learned to thrive in change and crisis. It offers an instructive model for anyone who understands that change is a persistent condition of the 21st century that every successful organization will need to learn to address.

GCC learned tough leadership lessons as it developed in one of the most volatile and unpredictable industries on the planet: international travel. Over 25 years, it has grown 15 percent per year, from one office with sales of \$ 27 M to a highly profitable company with more than \$600 million in sales and 2,300 employees in 30 offices around the world. In the process, the company developed

a systematic process that enabled it to survive through hundreds of crises that shuttered the doors of many of its competitors. Today, every business environment is fraught with levels of uncertainty that were unusual even just a few years ago—making the lessons that GCC learned in order to thrive in the international travel business well worth studying.

There are 5 key lessons that Grand Circle has learned that are somewhat unusual, but were essential for the company to thrive and grow in an unpredictable environment. They are:

1. Flexibility trumps Efficiency
2. Mission and Vision creates Inspiration
3. Values, not Structures, drive effective organizations
4. Investments in People and Learning create Advantage
5. Relentless measurement of Excellence is essential

To be successful in the 21st century requires accepting that change is here to stay.

# 1. In unpredictable times, Flexibility trumps Efficiency

Traditional efficiency-focused models are focused on managing predictable environments. Over time, the relentless pursuit of efficiency will cut out the capabilities needed to respond to the unpredictable. Flexible organizations that can grow and thrive in change and crisis require a different focus than traditional business and leadership models.

At GCC, change is a way of life. As we grew, we experienced huge changes. They came at a dizzying pace, sometimes with little warning. That's why we made "Thriving in Change" one of our company values.

Here are our 7 Steps for Thriving in Change:

1. Set clear goals and focus change where it will make the most difference.
2. Communicate the change at every opportunity.
3. Use off-sites to draw on the brainpower of the entire organization.
4. Get everyone on board.
5. Build transformation teams to direct the action.
6. Make good use of action sets and deadlines.
7. Measure results and change course if you have to.

## Stay Clear and Focused

Look around you. Lots of things need to change, but you can't do it all. It's crucial to pick the next most important change and then see it through to completion. A lot of companies fail at making transformational change because as soon as they get started on one change, they run off to fix something else. This is a formula for failure. An organization needs sustained focus to transform its business.

## Communicate the Change

Communication is key. Leaders must formulate a clear goal and explanation for the change, one that everyone in the organization can understand. This is a challenge for a global company like GCC, because our associates speak dozens of different languages. We must craft our message in simple but powerful English and then repeat it over and over again—in company memoranda, in newsletters, in conversations, in our weekly teleconferences with regional associates, and in our monthly corporate meetings.

## Use Your Collective Brainpower

The best brainpower seldom resides with senior management. Put a group of smart, experienced people together in a new environment, preferably outdoors, and their solutions will never disappoint you. We reach deep into the organization to include people who know the day-to-day workings of the company and can see the landmines we might step on if we were to run willy-nilly through the landscape. Our off-sites don't always go as planned, but they *always* surface the hot issues.

## Get Everyone on Track

Over the years, we have developed a very structured approach to brainstorming and consensus-building. The approach is based a decision-making practice that identifies key issues and considers all points of view, regardless of where they come from in the organization. We use techniques developed at our Leadership Center, which has been honing methodologies for this work for more than 20 years.

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## Build a Transformation Team

Transformation teams are charged with making changes happen. Whether it's a new computer system or a new way to train Trip Leaders, the process is the same. One member of the senior leadership team is identified as the sponsor and is held accountable for the initiative. Together, the team identifies hot issues, determines necessary actions, sets deadlines, and reports out on progress to the Executive Team. Associates vie to get on these teams because we have a history of using them for testing and developing new leaders.

## Make Actions Happen

Action plans are essential. At GCC, action plans are always very specific. Every issue around a change generates a set of specific actions; each action is assigned to a specific person, who is responsible for getting it done by a specific target completion date. Since the goal is clear and everybody has participated in creating the plan, the transformation gets broad support and every associate helps make it happen.

## Measure and Reassess

Experience has taught us that when faced with a problem or a need for change, speed is more important than being exactly right. We can get away with fast action because we have an understanding with our associates that if an idea or action isn't working, we will quickly change our direction—without penalty to the team.

This practice has two prerequisites. First, our associates must feel free to say, “Hey, this isn't working,” and second, we need to measure our actions to confirm progress. Measurement takes the emotion out of the assessment; it allows us to move forward in confidence and without blame. For this reason, all of the actions in our action sets are measurable; our metrics include such things as quality scores, sales figures, cost figures, and traveler volume. We constantly check the numbers to confirm that our change is on the right track. If we don't see the results we expected, we reassess and make any necessary midcourse corrections.

GCC has seen countless world crises, and over the years we've become very adept at dealing with them. Today we have a protocol for responding to any world crisis, and we have a set of what we call “Extreme Competitive Advantages” that propel us through difficulties and position us to come out ahead. An example of this was our decision to stay focused on small ships, where we could deliver unsurpassed quality and not try to compete in the large ship business where we might have been one of many providers. But in the company's early days, we flew a lot by the seat of our pants, relying on guts, instinct, and the advice of the good people we gathered around us.

## 2. Importance of Inspirational Mission and Vision

For a company to be adaptable and flexible, its associates must understand and be committed to its mission and vision. To achieve that commitment requires a compelling mission and vision; people will not commit emotionally to a mission that is only about achieving greater profit or growing sales.

Different cultures are what make some people and organizations more successful than others. Culture is that powerful.

Culture is the spirit that differentiates one group of people from another—Christians from Hindus, for example, or Boy Scouts from Hell's Angels. It's also the set of shared values that holds a group together, the expectations that govern its behavior. Different cultures are what make some people and organizations more successful than others. Culture is that powerful.

Not every organization talks about its culture, but every organization has one, and it's worth figuring out what it is before some crisis ignites an internal culture war.



For GCC's business vision, we wanted to give our customers the opportunity to experience travel the way we had experienced it: up-close, personal, and with a deep human connection. We also wanted to build a company where associates looked forward to coming to work, where they could grow into leadership roles and enrich their personal lives. We had our goal. We wanted nothing less than to help change people's lives in our company, in our community, and in the world.

Our Corporate Mission is a little unusual. It doesn't define a goal. Rather, it outlines our responsibilities:

1. Responsibility to our associates;
2. Responsibility to our customers;
3. Responsibility to our financial well-being;
4. Responsibility to society at large.

We constantly evaluate ourselves against each of these responsibilities. People are constantly amazed how our vision, mission, and values are incorporated into GCC's daily operations. For many companies, mission and values are just inspirational words hanging on wall plaques in offices. But for us, they're incredibly powerful. The mission and values are printed in the front of every meeting handbook. In every meeting some elements of our mission or values are raised to frame decisions.

If you have a vision and mission you believe in, you must evaluate your people against them all the time, no matter how much you admire their energy or reputation, and no matter how much money they are bringing in. If you don't, you will live to regret it.

### 3. Values over Structures

In uncertain environments, decisions are guided by values, not structures. If those values are not in place the wrong decisions will be made. We want all our decisions to reflect our values. We bring up values at every opportunity. It's important that the company remain focused on who we really are—the fact that we're in business not just to make money, but more importantly, to help change people's lives.

There are 6 core GCC values:

- Open & Courageous Communication
- Risk-Taking
- Thriving in Change
- Quality
- Speed
- Teamwork

An organization that aspires to really thrive in change needs to constantly promote and encourage open and courageous communication.

## Open & Courageous Communication

In times of change or crises, the ability to communicate clearly gets reduced. An organization that aspires to really thrive in change needs to constantly promote and encourage open and courageous communication.

This is probably our signature value, the one outsiders most often remark on. We know that the combined intelligence of our organization is astounding, but it is valuable only if it is allowed to express itself openly.

Honest feedback improves our products, discussion breaks down barriers, and challenges to leadership keep us all on our toes. When senior leadership listens to associates, the real issues of the organization come to the surface. We want our truth unvarnished, warts and all.

**What it looks like:** Speaking up in meetings, asking tough questions, admitting ignorance, swallowing defensiveness, listening carefully, not whining, saying “thank you,” offering suggestions, stifling gossip, confronting conflict, questioning political correctness, rewarding courage, respecting others’ points of view.

We want our associates to become as great as they can be—to lead from wherever they are, take risks, and always speak the truth without fear of reprisal. We want to create excellent trips and an empowering company culture.

Everything is disclosed, especially our mistakes. This is seldom done in public companies, even those that pride themselves in their “corporate transparency,” and it is practically unheard of in privately held companies like ours. But we believe in full disclosure, not only because we are honest and candid people by nature, but because we think full disclosure is the only way to ensure that everyone is aligned on the same issues and goals.

As an example, during a corporate meeting, an associate asked a question about a temporary spike in workload. A member of the senior leadership gave a long, convoluted answer. Instead of sitting back down, the associate said, “We had the same problem last year. Management should have foreseen it. What are you going to do about it and how are you going to avoid the same problem next year?” The CEO leaped off the stage and ran down the aisle to give the associate a hug. He had always said we should embrace tough questions.

## Risk-Taking

Risk-taking comes directly from the CEO, and it is expected of every associate. We want everyone who works at GCC to be able to lead at a moment’s notice, and from anywhere in the organization, but that’s only possible if everyone has daily practice taking risks. We encourage that by providing an environment where it is safe to make mistakes, and where important risks are rewarded whether they succeed or not.

**What it looks like:** Trying new things, expecting mistakes, stepping outside your comfort zone, moving forward without knowing the outcome, eschewing popularity, accepting new assignments gladly, embracing challenges, catching others when they fall.

## Thriving in Change

This is the value that leaves many observers scratching their heads (more so, perhaps, in the early days, when we called it “Thriving in Chaos”). Change is a way of life at GCC. We change everything—all the time. Some changes are issued as deliberate challenges to our associates, to help them grow into stronger leaders. In all cases, the goal is to maximize our effectiveness and success in an unpredictable and ever-changing environment.

## Speed

You need to move quickly in the travel industry, but not everyone is comfortable with speed. We help by creating a safety net, quickly changing direction if a decision proves wrong and ensuring that mistakes are reversed without penalty. Open and courageous communication also puts the brakes on speed. A wrong decision can be costly, but if everyone speaks up when they see something amiss, it takes much of the risk out of speed.

**What it looks like:** Feeling urgency, setting deadlines, beating deadlines, wearing a watch, answering e-mails immediately, seeking clarity instead of certainty, not lingering over drafts; fast meetings, full date books, the thrill of the chase.

## Teamwork

Our values define our behavior only if they are shared by all of us and we work as a team to benefit both our travelers and our company. At GCC, “Teamwork” isn’t a cheerleading slogan; it’s the way we work on a daily basis.

**What it looks like:** Sharing knowledge and expertise, stepping in to help, committing to a common goal, accepting responsibility, deferring to greater skill, providing honest feedback, challenging the team, pushing for better results, showing compassion, supporting other people personally and professionally, celebrating success.

Over the years, our biggest mistakes have been staying with people too long because they were high-performers, even when we knew they didn’t really share our company’s values.

## 4. Investments in People Produce Competitive Advantages

Structures and systems cannot adapt rapidly enough to unpredictable events. People can. Effective investment in people can create huge leverage and competitive advantages. In changing times investments in developing people are the most valuable. At GCC we say “People are Number One,” and by that we mean our employees are even more critical to our success than our relationships with customers.

### Investing in Leadership Development

Building leadership throughout the organization is essential. Saying that every individual can be a leader and that leadership can come from anywhere is not enough. There needs to be a systematic process to developing leadership. We believe in the value of taking difficult company issues outdoors, to off-sites in unusual locations where participants could resolve top business issues and develop leadership skills.

At our off-sites we learned to tackle the toughest issues first, and to be prepared to control the emotions around them. For years now, we’ve had rules of conduct for our off-sites that keep the discussions on a direct but respectful footing. We make sure the team owns the issues and results—they’re not handed down from the top. The focus is on learning, open communication, teamwork, and advancing the company—not conflict—so our off-sites have become tamer and more productive. Participants experience our company culture in new ways and come to see themselves in new ways, too. Today associates come to our annual leadership event, Business Works from all over the world, in a cross-cultural exchange that takes learning to a whole new level.

## Leadership from Anywhere

Some businesses may be best served by a top-down, rule-based leadership model, but a changing environment like international travel isn't one of them. International travel is a volatile business. Disruptions and calamities occur with surprising regularity in one part of the world or another. When a volcano erupts in Iceland, when an airliner falls into the sea, when a group of travelers gets stranded, we need action fast and locally. The company can't wait for someone from headquarters to turn up and decide what to do. The comfort and safety of our travelers and the success of our business depend on responsive action by those closest to any emergent problem.

The volatility and global nature of our business require that everyone in the company be willing and able to make decisions at any time, in any place, and at every level of the organization. This is asking a lot, because it is not only asking for action and direction, but also for speed. People unaccustomed to leadership roles are especially speed-averse, but we cannot afford hesitation or second-guessing. That means we must develop leadership at all levels of the company—that everyone be given opportunities to lead from wherever they are. That expectation is inherent in the values discussed earlier; it is why we put such emphasis on open and courageous communication, risk-taking, speed, teamwork, and the ability to thrive in change.

These are values that build leadership skills, and they are values we expect all our associates to embrace. We achieve this through systematic programs of mentoring, leadership development programs, company practices like open corporate meetings, Business Works, and through the offsite programs at our Grand Circle Leadership Center.

## Cross-Training and Transformation

Another way we promote company integration is by forming cross-functional teams whenever we need to resolve big issues or change the way we do business. Assignment to one of these transformation teams is an honor, and it means a lot of work; team members must quickly learn the needs of all departments and come together, through a group leadership plan, to move the company forward. Cross-departmental training is of great help to us during crises because we can count on many associates bringing firsthand experience to the crisis room.

## Our Leadership Center

We believe so deeply in the importance of investing in people that we have built our own leadership center at a 400-acre site in Kensington, New Hampshire. The center is staffed by full-time professional facilitators and offers a comprehensive business and leadership curriculum. The facility has cabins and studios for indoor meetings, an eight-station ropes course in the treetops, a large lake waterfront, venues for outdoor meetings, and many trails and fields for team problem-solving exercises. Over the years, the leadership staff has developed many business and leadership programs including single- and multi-day sessions on such topics as “Building a Common Worldwide Organizational Culture” and “How to Turn Trouble into Opportunity”—all using leadership principles and business models that have made GCC such a great company. The programs have been used with scores of leaders from countries all over the world. The Leadership Center and its programs are also available for leaders and teams from other forward-thinking organizations.



## The World Needs More Leaders

Good Leaders are always in short supply. The good news is that leadership can be taught—or, more precisely, good leaders can learn to become better leaders. People all over the world have been conditioned by schools and bosses in the workplace to suppress their opinions, to show deference to their elders or to those higher in the chain of command, and to conform to the supposed needs of the larger organization. At GCC, however, we've learned that when people are encouraged to act as leaders, more than a few jump at the chance.

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## 5. Relentless measurement of Excellence

If you have a vision and mission you believe in, you must evaluate your people against them all the time, no matter how much you admire their energy or reputation, and no matter how much money they are bringing in. If you don't, you will live to regret it.

Most companies ask for feedback from their customers, but few of them act on it as obsessively as we do. We scan every customer questionnaire electronically, tabulate all the quantifiable data, create a database that is accessible to our associates all around the world, read all the handwritten comments, and send the results both to the regional offices and to the appropriate corporate departments. When a consistent problem arises, our regional offices immediately work to develop an action plan to address it. A team of outside observers once famously characterized us as being “Maniacs on excellence”—and they were absolutely right.

Measurement processes also have to be managed to assure that one value that is easy to measure does not overshadow other ones. Risk-taking is often one of the first casualties.

Here is an example of how we dealt with that issue. At a recent company offsite, one of the tough issues on our agenda was finding ways to improve our discovery scores by ten percentage points across the board. When the CEO put the challenge out there, he was met by silence. Trip Leaders were hesitant to try anything new if there was a risk that it wouldn't work. They were afraid an innovation would backfire, lowering their own performance scores—scores that determined their incentive pay and the number of trips they could lead. So the CEO gave them all free passes. If the Trip Leaders wanted to try something new and unusual on a trip, we wouldn't included that departure in their overall performance scores. The results were amazing. In total, the “free pass” departures outsourced the regular departures by more than ten points. Not only did we provide more discoveries for our travelers, but the whole exercise was a great lesson on leadership and risk-taking.

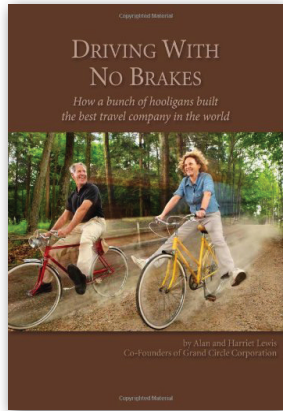
# Summary

What we have learned is that an organization that can adapt effectively to change is a different model than the traditional organizations we know. Many small businesses and entrepreneurial efforts start off with flexibility, but time and the challenges of scale usually drive out the very capabilities that are essential for success in the kind of world we believe we now live in.

We need to acknowledge that not all our experiments worked. Some were disasters, but we measured success from customer feedback and retained the experiments that worked, made changes to others, and discontinued what got poor ratings.

We hope to inspire new leaders to understand that it is not necessary to abandon commitments to vision and people to be successful. In fact, we believe that *that* is what will create success in the future. 🧠

# info



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Get more details or buy a copy of Alan Lewis's [\*Driving With No Brakes\*](#).

## ABOUT THE AUTHOR

Alan Lewis is owner and chairman of Grand Circle Corporation, the largest U.S. direct market tour operator of international vacations for older Americans, and co-author of *Driving With No Brakes: How a Bunch of Hooligans Built the Best Travel Company in the World* (September, 2010). An entrepreneur, philanthropist, and agent of change, Alan has a proven track record of creating both corporate profitability and growth and innovative philanthropic programs despite the challenges presented by a highly competitive industry operating in a chaotic world.

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