

Tom Peters

Re-imagine!
Business Excellence in a
Disruptive Age

TNT: Dealing With Change

An Enterprise Media Production

PREVIEW VERSION
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Not for Training use.

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ISBN 1-56106-193-X

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Publisher: Enterprise Media, 91 Harvey Street, Cambridge, MA 02140, 617-354-0017

Introduction

ABOUT THE TRAINING SERIES:

In the revolutionary training program **In Search of Excellence**, Tom Peters described the approach he and Robert Waterman took to the research behind their best-selling book and video. In the introduction to the program, Peters said, "Looked at another way, [excellence is] nothing less than a 180-degree shift in the way we think about managing and leading. The models and metaphors of the past have been the manager as a cop, as a referee, as a devil's advocate, as a naysayer, as a "pronouncer." The words we found that seem much more appropriate at the excellent companies are the manager/the leader as a cheerleader, as a coach, as a facilitator, as a nurturer of champions. The drumbeat (and the drumbeat that has been so sadly missing) is it all comes from people."

Today, while much has changed in the world of work, much has remained the same. The critical importance of people remains unchanged, yet the way that successful companies march to that beat has shifted. In this new series of training programs entitled **Re-imagine! Business Excellence in a Disruptive Age**, Tom Peters will explore the ways that leading organizations are meeting the new challenges. As each program unfolds, viewers will gain an understanding of what drives success in this "new world of work."

Each program in this series is designed to focus on a set of skills. This program is designed to provide insights into dealing with organizational change, the importance of building organizational consensus for change, and brand development. In addition, leadership must continually survey the terrain; they need to look outward instead of inward to understand what challenges are on the horizon.

ABOUT THIS PROGRAM:

In 2000, Turner Network Television (TNT) had been achieving growth and success for twelve years as one of the leading cable channels. But, there was a problem. Simply put, the problem TNT faced was that the entire cable landscape had changed. TNT was still trying to be a general entertainment network – and with hundreds of cable channels for viewers to choose from, this general focus was not giving customers a reason to focus on them. TNT realized that they had to change – and they did so with great results.

The TNT story is a classic example of how a company can respond to new challenges. It shows that change can work with a lasting positive impact. The key lessons that come across in the program follow:

- Accept Change
- Remember that Actions Have Meaning
- Change the Culture
- Involve Everyone

These lessons, however, do not tell the full story. This is a great example of how change can be made fun. The program shows that truly committed leadership can inspire an entire organization. More importantly, it provides a blueprint for how you can effect change in your organization.

ABOUT THE LEADERS GUIDE/WORKBOOK:

The learning structure for this video and workbook is divided into three parts:

- 1) Learning key concepts
- 2) Reviewing and discussing them in a group
- 3) Applying the concepts to your own organization

ACTION AGENDA: The video presents the key concepts behind dealing with change and responding to competitive pressures.

DISCUSSION: We have provided discussion questions as well as observations for debate to help participants reflect on the core lessons.

APPLICATION - Application exercises are included to allow participants to develop strategies for putting key lessons from the program to work in their own organization.

Learning from TNT

The Story

In 1988, Ted Turner established the TNT network. TNT's mission was to challenge the established networks by providing premium programming to the cable audience. In addition, TNT was designed to provide a broadcast outlet for Turner's recent acquisitions, the MGM and Hanna Barbera libraries. The vision worked. In fact, for TNT, the vision may have worked too well.

As TNT grew, many of the successful elements were spun off. In 1992, the Cartoon Network was formed. In 1993, the classic MGM library was spun off to form Turner Classic Movies. Each of these forced a change in TNT's programming mix.

By 2000, TNT found that it was being challenged by the proliferation of cable TV channels. TNT's general variety programming was delivering popular programs, but viewers didn't know what to expect from TNT. The brand power was on the wane.

TNT's executive VP and General Manager, Steve Koonin, decided that the network needed a focus. TNT had to become a destination that viewers would understand. When Tom Peters describes branding, he says, "Branding is not about marketing tricks ... it is about answering some simple (and yet impossible) questions: Who are you? Why are you here? How are you unique? How can you make a dramatic difference? Who cares?" Koonin knew what he had to do. He had to make TNT unique, different, and distinctive.

After researching TNT's audience demographics and viewing trends, the network found that results pointed in one direction: the Drama Viewer. The

first of many challenges was to define Drama. Often people think Dramas are depressing. At TNT, they took a broad vision of Drama. They wanted to focus on how dramatic events affect people. In that way, Drama could include competitive sports, action programming, and even certain kinds of comedy. Before TNT could really commit to this new brand, they had to break some big rules.

Rule #1: You don't cancel your top-rated program. TNT did so when it cancelled *World Championship Wrestling*.

Rule #2: A network doesn't limit itself. By choosing Drama, TNT did exactly that. This presented some unique challenges for the network's programmers.

Rule #3: Restrict information to the top of the organization. Steve Koonin and his team realized they had to communicate thoroughly, and involve everyone in this change for it to be effective.

How did Steve Koonin take this idea and convince his team that it would work? First, he took 200 TNT associates to a corporate retreat in Boca Raton, Florida. This was a pivotal moment. Koonin needed his associates to embrace Drama, or it would not succeed. After three days of exercises (one of which involved all 200 associates playing Beethoven's "Ode to Joy" with tone bars), everyone bought into the new brand. The employees of TNT went back to work with a new focus.

Converting a brand concept to a new corporate culture can be challenging, but it can also be fun. In the On-Air Creative Department, Michael Borza decided that he wanted to get his team focused on Drama. Each associate came up with a spot that highlighted the ways that TNT's programming was Dramatic.

Their assignment included dramatic attributes like crying, flying, family, laughing, and others. One employee's spot was so successful that it spun off to create the Kleenex sponsored movies, which was a completely new sponsorship product for the network to sell. TNT chose a number of dramatic "tear-jerkers," and then rated them on the number of Kleenex each one required. What started out as an internal exercise in brand development, spun off into a whole new series of products for TNT to sell. This further validated the new brand and served as another terrific motivator for employees.

TNT now lives its new brand. Sure, there are creative tensions. Programmers are always trying to get shows and movies that will deliver the highest ratings, but not every new program fits into the Drama definition. This in itself is Drama! Throughout TNT, the brand - Drama - is now a part of life and is played out in the network in a variety of ways:

- The Drammy Awards - Each year there is an awards ceremony for employees for various dramatic events. TNT associates covet their "Drammys."
- The Dramatic Challenge - recently Koonin gave several TNT teams the assignment of evaluating the new TV season. Each team came up with remarkably dramatic ways to deliver their reports. Not one of them used PowerPoint presentations.

These exercises, as well as the competition created by Michael Borza, have made the change process fun. In addition, they have helped to remove the fear of change. As Steve Koonin says in the video, "This isn't about me. It's about we."

Key Lessons:

TNT has shown that change can involve an entire corporate culture and brand. Here's what you can do to put these ideas to work in your organization.

- **Accept Change.** At TNT the cable environment had changed radically. While TNT was still quite successful, they risked losing significant market share. They chose to act before things got bad. They didn't ignore the market realities. They took the challenge head on and began to change while they still had full opportunity to control the situation.
- **Remember that Actions Have Meaning.** When Steve Koonin cancelled *World Championship Wrestling*, he made an important business decision. More importantly, he sent a very clear message to every employee. He proved he was serious about embracing the new brand. Everyone knew that the leadership was going to put the new brand ahead of short-term profits. You must realize that your actions have particular importance when going through organizational change. Make sure that your actions support the organizational changes you are trying to implement.
- **Change the Culture.** Changing an external brand is tough. At TNT they developed a series of ideas for people to live the new brand. Once everyone understood and lived the brand, they began to find and create programs to fit the brand. They did this through teambuilding exercises, awards ceremonies, and fun projects. In some cases, these exercises themselves became the inspiration for entirely new products.

- **Involve Everyone.** Real change must be company-wide. Steve Koonin didn't just focus on managers or programmers; he included every employee in the process. That way, he was guaranteed to have the entire network focused on the new brand. Similarly, you must mobilize your entire organization behind your plan for change.

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TNT: Dealing With Change

Discussion & Reflection Points

Sometimes it is hard to let a great opportunity get away – particularly when you are profiting from it. But, when an organizational change is underway, it is just as important to show your commitment to change. Steve Koonin did this with the decision to cancel wrestling. If you are in the process of change, discuss ways you can show this commitment in clear and unambiguous ways. Do you make the tough choices to show that you are committed to change? Do you tell people why you have made these choices so they understand your commitment?

Steve Koonin states, “Sometimes short-term ratings are very seductive.” By this he means that it is a constant challenge to look at the longer-term issues. With the cancellation of wrestling, Steve Koonin chose to forgo the short-term profits so the network could make progress on the brand. Do you consciously look at the longer-term issues? Do “seductive” sort-term issues challenge you? Discuss how you can keep a longer-term perspective. Jot down your ideas below.

TNT had to break some conventional rules to really embrace their new brand. They cancelled a top-rated program and they reduced the number of programs they could choose. Each of these steps went against the conventional wisdom of a TV network. What rules are limiting you in your decision-making on change? Are you willing to break some rules? Would breaking an unwritten rule help you make a change that would benefit your department or organization? List the rules (or traditions) that are limiting you and your organization:

If your organization is in the middle of change, you are probably meeting resistance. At TNT, the resistance came in a couple of different ways. People were afraid of Drama – they called it the “D” word. People were skeptical that TNT would make the tough choices like cancelling wrestling. All of these items made people resistant to change. Steve Koonin and his team came up with ideas for overcoming all these areas of resistance. In a group, list the areas in which your people are showing resistance. Once you have this list, then you can develop ideas for overcoming each of these areas. Use the space below or a flip chart for your list:

Steve Koonin believes that “change can be fun.” He developed the Drammy Award to motivate people and focus on the brand. Discuss ways you can make the change in your organization fun. Can you also create an awards process? Can you have a competition around your new organizational focus? Discuss and write down ideas for making change fun below.

Did you notice how the Drama brand is part of the actual office look at TNT? This is just one of the ways that the leadership at TNT have helped to convey the importance of the brand change. Discuss ways you can convey your change message. List all your ideas below or on a flip chart – and then commit to implementing at least one.

Steve Koonin made a funny comment in the program. He said “We created the Drammys, which celebrated the drama in our day-to-day lives: most dramatic e-mail, most dramatic celebrity encounter, most dramatic moment. The time that the cable company, instead of showing TNT at noon, spliced in the Spice channel, and there was porn instead of *Law and Order*. That deserves an award.” Sometimes the answer to a genuine error is not to panic, but to transform it into a lesson. Steve took an embarrassing error and turned it into a humorous lesson. In your organization, think of a situation where there was a big mistake. Can you develop ways to make it a lesson for everyone? Can you use humor to convey that lesson? Write down your ideas below.

Your organization’s business plan is your blueprint for the future. Like TNT, you are probably facing a variety of challenges and opportunities. Using your business plan as the framework, discuss how you can achieve the goals. Do you see areas of resistance? Do you see opportunities for your organization to implement changes to make the plan a success?

Trainer's Notes

This is your guide to use with the video **TNT: Dealing with Change**. The program shows how opportunity or entrepreneurial thinking is critical for the success of every organization in the future. This workbook and the accompanying trainer's notes should provide you with additional ideas for anticipating, navigating, and dealing with change.

The video is broken into three parts.

INTRODUCTION: In the open, Tom Peters introduces himself and sets up the business challenge.

CASE STUDY: The TNT case study is a straightforward story of how an organization realized they had to change and how they were able to navigate that change. It is designed to be both engaging and funny so people will remember the stories.

LEARNING POINTS: In the conclusion, Tom Peters comes back on camera and provides the key lessons. This allows people to understand the lessons of the case study and begin to think about how they can apply them to their own organization.

Audiences

Entrepreneurial thinking is a tool that can help you meet competitive challenges and create product innovation. Audiences who will find the video particularly useful include:

SENIOR MANAGEMENT: Steve Koonin's took on a huge challenge – and delivered extraordinary results. He realized the need to change before TNT's competitors gained too much market share. And he executed a difficult plan – bringing along everyone in the organization. There are a number of leadership and strategic ideas presented in this case that can provide a useful and exciting case study for leaders who are facing similar issues in their organizations.

MID-LEVEL MANAGERS AND FRONT-LINE SUPERVISORS: If your company is committed to innovation and opportunity thinking, managers at all levels must be involved in the process. These managers must have a solid understanding of the key concepts presented in this program. It is also helpful to watch and reflect on a successful case study such as the one presented.

ORGANIZATION-WIDE TRAINING: The TNT case study can be a helpful example to show everyone in your organization. It is proof that change can happen and can even be fun. It is also valuable to share the fact that many people at TNT were initially apprehensive about change. That validates the feeling that many people in your organization may be experiencing as well.

How to Use **TNT: Dealing With Change**

This video and print package includes a number of elements to help you meet your training and teamwork goals.

The following is a list of action steps you can take in planning and conducting a course using **TNT: Dealing With Change**. You may want to modify these items to accommodate time constraints, intended audience needs, and training goals.

Advance Preparations

1. View the program in advance of the training session at least once and review the key learning points in the program (listed in this workbook). Think about how the TNT story can be applied to your organization. Use the space below to write down your observations.

2. Arrange to have a VHS videocassette player and a monitor available for this training session. If you have more than 20 people attending, be sure to order at least a 25-inch monitor.
3. Remember to encourage participation. The management issues presented here can trigger concerns as well as good ideas. Getting

everyone involved will help build consensus on the issues and encourage audience members to feel that they share "ownership" of the solution.

- Obtain one guide for each participant.
 - Test your equipment in advance and adjust color, sound, etc.
 - Bring writing materials for each participant.
4. Try to let everyone go home with a concrete "to do" list of ideas and actions so the lessons from your discussion can be put to work.

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Sample Training Session

PRE-SCREENING PREPARATION. Welcome people to the training session and give them an overview of the program. You may want to address the concepts presented in this program in the context of your own organizational goals.

SCREENING. Show **TNT: Dealing With Change**. You can watch the program in its entirety or focus your training session on one or several specific segments in Tom Peters' presentation.

POST SCREENING DISCUSSION. Use the themes from the program, listed below, as a catalyst for discussion.

- Accept Change
- Remember that Actions Have Meaning
- Change the Culture
- Involve Everyone

SECOND SCREENING. You may find it valuable to re-screen the program after discussion.

Exercise 1: Surveying the Horizon

Goal: To brainstorm on the changes facing your organization.

Description: Change is inevitable – particularly in this current business environment. The competitive environment for TNT had changed radically in just 12 years. The purpose of this exercise is to think about the changes facing your department, team or organization. Then, using the lessons from TNT, try to develop ideas for meeting these changes and living them.

Materials: People should have pads and papers; a flip chart or board should be available for listing group ideas.

Step One: Watch the Tom Peters program **TNT: Dealing With Change**.

Step Two: Following the screening, break the group up into smaller groups of 5-7 people.

Step Three: Give people the following assignment: “ Steve Koonin and his team at TNT saw a number off changes that were happening in their industry. They analyzed the trends and realized they had to change. Discuss what changes you see on the horizon for your organization.” In your group, use your own work experiences and share ideas. List all your ideas below or on a flip chart. Try to prioritize the changes in order of importance.

Step Four: Consider some of the lessons of TNT in your discussion. Particularly:

- How can you make the change less frightening – even fun?
- Are you involving everyone in this process of change?
- Are you creating ways people can “live” the changes instead of just hearing about them?

Step Five: Re-form into the larger group and share your ideas. Try having several teams work on these challenges and propose ideas to address the change – if possible before it becomes critical. Make a master list of these ideas and print it up for all participants.

Exercise 2: Generating Ideas

Purpose: To create a framework for responding to new ideas.

Materials: People should have pads and papers; a flip chart or board should be available for listing group ideas and a couple of nerf balls.

Step One: Accumulate all of the customer suggestions on a sheet of paper and give them to each attendee in the group.

Step Two: Have your group break up into small working groups. Using the customer suggestions and using the ideas generated by people within the group, have each mini-group discuss and come up with a list of at least five ideas for new products or services, or proposals for product or service improvements.

Step Three: Reassemble in the larger group and have each mini-group present their ideas. Your goal should be to agree on at least three ideas to develop further for innovations.

REMEMBER: Try to be open to all ideas and avoid negative responses. In this phase of the discussion, everything should be on the table. List phrases like the ones below on a sheet of paper. If people say these phrases, have people use a nerf ball to stop negativity. Here are some sample phrases below:

- Yes, but ...
- I don't think ...
- We can't do that
- It isn't done that way

About Tom Peters

"In no small part, what American corporations have become is what Peters has encouraged them to be." — **The New Yorker**

"Peters is ... the father of the post-modern corporation." — **Los Angeles Times**

"We live in a Tom Peters world." — **Fortune**

Fortune calls Tom Peters the Ur-guru (guru of gurus) of management—and compares him to Ralph Waldo Emerson, Henry David Thoreau, Walt Whitman, and H.L. Mencken. *The Economist* tags him the Uber-guru, and his unconventional views led *BusinessWeek* to describe Tom as "business' best friend and worst nightmare." Tom describes himself as a prince of disorder, champion of bold failures, maestro of zest, professional loudmouth (as a speaker he's "a spitter"—according to Dilbert), corporate cheerleader, lover of markets, capitalist pig, and card-carrying member of the ACLU.

Tom & Bob Waterman co-authored *In Search of Excellence* in 1982; the book was named by NPR (in 1999) as one of the "Top Three Business Books of the Century," and ranked as the "greatest business book of all time" in a poll by Britain's Bloomsbury Publishing (2002).

Tom followed *Search ...* with a string of international bestsellers: *A Passion for Excellence* (1985, with Nancy Austin—which ousted Lee Iacocca from the #1 slot), *Thriving on Chaos* (1987), *Liberation Management* (1992: acclaimed as the "Management Book of the Decade" for the '90s), *The Tom Peters Seminar* (1993), *The Pursuit of WOW!* (1994), and *The Circle of Innovation* (1997).

Tom's series of books on Reinventing Work were published in September 1999:

The Brand You50, The Project50, and The Professional Service Firm50. In October 2003, Tom released a totally new form of the business book, in conjunction with innovative British publisher Dorling Kindersley: *Re-imagine: Business Excellence in a Disruptive Age.*

Two Tom Peters biographies have recently been published: *Corporate Man to Corporate Skunk: The Tom Peters Phenomenon*, by Stuart Crainer; and *Tom Peters: The Bestselling Prophet of the Management Revolution*, by Robert Heller (part of a four-book series of business biographies on Peters, Bill Gates, Peter Drucker, and Warren Buffet).

Tom presents about 80 major seminars each year, has written hundreds of articles for various publications, and serves as Chairman of Tom Peters Company. When he's not on an airplane, Tom and his wife Susan Sargent (and Max and Ben) co-habit a 1,500-acre working farm in Tinmouth, Vermont.

Tom is a graduate of Cornell (B.C.E., M.C.E.) and Stanford (M.B.A., Ph.D.) and holds honorary degrees from several institutions. He served on active duty with the U.S. Navy in Vietnam (a Navy Seabee) and Washington from 1966 to 1970, was a senior White House drug abuse advisor in 1973-74, and worked at McKinsey & Co. from 1974 to 1981, becoming a partner in 1979. Tom is a Fellow of the International Academy of Management, The World Productivity Association, the International Customer Service Association, and the Society for Quality and Participation.