
NEW THINKING FOR A NEW ERA

How Quantum Intellect™
and a Qi Mindset support
business transformation
in the digital age

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Qi QUANTUM
INTELLECT™



Contents

Foreword	3
Chapter 1: Introducing Quantum Intellect™	5
Chapter 2: The dynamic nature of the digital age	7
Chapter 3: Using a Qi mindset in the digital era	14
Chapter 4: Organisational flexibility and the organisational maturity model	22
Chapter 5: The rules have changed. Now what?	31
Conclusion	35

→ Foreword

The digital era is transforming our world and our marketplace at an increasingly rapid rate. The way we operate and transform our organisations in this digital age also needs to change if we are to keep up with the dynamic nature of our marketplace. Businesses that fail to keep up by thinking differently about transformation will risk losing customers, revenue and potentially their actual market.

Having spent many years working with all forms of business from large corporates, banks and government agencies to starts ups and small businesses, there is no doubt that this time in our history is a real game changer. Even the 'too big to fail' companies and businesses are now truly under threat.

The digital age is not only changing the marketplace and the way we do business; it is also dictating how we actually adapt to new rules and new contexts. How we think about our markets and business, along with designing and delivering in the digital era, is fundamentally different. Old ways of operating and transforming business are too linear and too slow for a dynamically changing marketplace. A new way of thinking, designing and delivering transformation is now required.

Old ways of operating and transforming business are too linear, and too slow for a dynamically changing marketplace. A new way of thinking, designing and delivering transformation is now required.

That said, there are still fundamental factors which must be in place to ensure a successful and sustainable solution is embedded. Just like building a house, if you are missing the foundations (the fundamentals) you are building on quick sand and it will just be a matter of time before structural problems surface. More than ever, getting the fundamental building blocks right is critical.



In an environment of rapid change, fundamental mistakes can cost you your customers, your revenue and possibly even your business.

In our disruptive digital age, businesses must not only be agile and able to adapt quickly, but must think differently about how they introduce change to survive and thrive.

The focus of this eBook is to introduce a new way of thinking — Quantum Intellect™ (Qi) and the Qi Mindset.

We will discuss why having a Qi Mindset is important in the digital age, and how you can start to think differently about organisational transformation.

Chapter 1

INTRODUCING QUANTUM INTELLECT™

→ A new way of thinking that supports successful business transformation in the digital age



We can't solve problems
by using the same kind of
thinking we used when we
created them.

ALBERT EINSTEIN

→ What is Quantum Intellect™?

Quantum Intellect™ (Qi) is the cognitive ability to understand, assimilate and manage the interaction of multiple dimensions of systems, the environmental factors that interact with those systems, and the interplay between them.

The Qi Mindset can be used in multiple contexts:

- Working one on one with people
- Developing a new organisational culture
- Transforming a business, or
- Creating innovative solutions to tackle business and community problems.

The Qi Mindset supports the dynamic nature of the world in which we now live.

Qi integrates extensive industry experience with many disciplines and fields of study such as *neuroscience, quantum physics, metaphysics, sociology, biology, psychotherapy* and *systems thinking*.

The Qi Mindset is applicable in multiple contexts. If you are working with people it may involve the interaction of multiple physical, mental, emotional and environmental factors. If you are working with an organisation it will involve the interaction between organisational systems such as people, process, policy, technology, culture and environmental factors.

The Qi Mindset supports the dynamic nature of our digital age and ensures that organisations have the ability to manage and assimilate all organisational systems dynamically to support organisational transformation.

Chapter 2

THE DYNAMIC NATURE OF THE DIGITAL AGE

→ How marketplace transformation caused by digital disruption is impacting business models of old



Change is inevitable.
Growth is intentional.

GLENDACLOUD

→ The digital age and its impact

There is no doubt the digital era is changing our world, along with our businesses and marketplace. While technology is enabling that change, it is the innovative thinking that is creating new market solutions and ways of doing business. The introduction of new business solutions — many of which are digital disruptors — are threatening many of the businesses of old, often overnight.

We are seeing this already: consider the way Airbnb has disrupted the hotel industry, or the impact Uber is having on the taxi industry, or the impact of digital currency, bitcoin. New digital players are segmenting existing markets and in many cases creating totally new markets, some of which pose an enormous threat to organisations working under old paradigms.



Market forces are dictating which service the public wants...

hundreds of thousands of passengers have shown their preference for Uber over the two years the service has been operating in Victoria.¹



Hotels on notice: since Airbnb's creation in 2008, it has hosted over 40 million guests across 34,000+ cities spanning over 190 countries.²

→ The challenge for established businesses

We often see large corporate organisations struggle to adapt and transform within the new, constantly changing marketplace. The systems and technology, along with policies and processes have been built over long periods of time, creating complexity. To move from this complexity to an evolved phase (being able to adapt quickly) requires totally different thinking and approaches to accomplish that transformation.

As new solutions are being introduced to the marketplace, a major shift is occurring in the way business needs to operate. If organisations don't adapt, they face the threat of literally going out of business or having a significant portion of their revenue eroded.

Don't let your business become the next Blockbuster. The digital age means that business operating models must change as rapidly as the marketplace changes. The impact is dynamic, which means that the way we manage those impacts, adapt and change also needs to be dynamic.

Unfortunately, the way organisations approach transformation has not kept pace with our dynamic marketplace. Most organisations continue to follow a very 'linear' planning method which is not dynamic enough

"Technology is profoundly reshaping the way business is done [and] it is crucial to avoid the pitfalls that can come with swift technological developments...If the right strategies aren't adopted, nearly US\$400 billion per year could end up in initiatives that return inadequate ROI."

Genpact Research Institute³

to manage this change. The world today no longer sits around and waits for projects 10 years out or even 2 years out. By the time you implement your project, the marketplace will be totally different.

Top seven forces transforming the business landscape in the digital era:

- 1** New pressure on prices and margins
- 2** Competitors emerging from unexpected places
- 3** Winner-takes-all dynamics
- 4** Plug-and-play business models
- 5** Growing talent mismatches
- 6** Converging global supply and demand
- 7** Relentlessly evolving business models—at higher velocity

*McKinsey & Company*⁴

→ Common fail points

We constantly witness the same major fail points when working with organisations that are trying to introduce transformation.

1. **Business cases that do not factor in the organisational and environmental impacts.** Therefore, they are unable to operationalise the business case, and will often incur major cost and time over-runs.
2. **Designing transformation around a technology solution.** This would have to be the biggest fail point we see in organisations. It often leads to major cost overruns, and massive time delays. By the time the solution is finally delivered it fails to actually deliver the transformation 'edge' that was initially expected.
3. **Lack of transformational capability within the project delivery team.** Again, depending on the focus of the change, we usually find a team of technology people, rather than a skill mix of technology and transformation specialists.



4. **Inability to create a transition plan that covers current state to future state** and which will support the transition and governance required to create an organisation which will survive in a rapidly changing marketplace.
5. **Poor governance and decision-making models** that cause programs to stall or experience lack of progress. This will often be seen through ‘analysis paralysis’— waiting until all the data is available before something is started. We still witness organisations that spend months and months scrolling through data to work out what they might want to do in the future. The world is changing so rapidly that by the time you finish going through all the data, it has probably changed again and you will need new data. Decisions need to be made based on understanding the world today and acknowledging the possible future state.
6. **Rigid project planning that does not account for fluid changing scope, design and delivery.** The plan has been built on the basis that the organisation will not change while the design and build is underway. Everything MUST remain static to ensure what is being built will fit ‘together’ with the other pieces of the ‘jigsaw’. This is unrealistic in the digital age.
7. **An inability to deliver organisational solutions quickly.** This is often due to designing transformation around a technology solution. This would have to be the biggest fail point we constantly see in organisations. It often leads to major cost overruns, and massive time delays. Remember, technology is the enabler, not the solution in itself.
8. **An unsupportive organisational culture.** A poor organisational culture of change. Experience has taught the organisation that transformation is not managed well, and the expectation of the culture is that this too, will fail. Expectations are low and people expect delays, cost over-runs and delivery of a poor solution. Culturally then, this becomes the norm and accepted standard.

→ The risks of failing to adapt

The inability to think differently around transformation and then design and deliver that transformation successfully, will often impact organisations through:

- Poorly delivered solutions that are not truly embedded and therefore do not deliver on the original proposition
- Major cost and time over-runs, which can often be in the millions of dollars
- Inability to operationalise the business case, or the target operating model ie how it moves from 'concept' to implementation
- Loss of market share due to poor customer experience
- Reputational damage
- Poor experience for end users, both employees and customers alike
- Being 'put out' of business.

Although we may perceive corporations as enduring institutions, they now die, on average, at a younger age than their employees. And the rise in mortality applies regardless of size, age, or sector. Neither scale nor experience guards against an early demise. We believe that companies are dying younger because they are failing to adapt to the growing complexity of their environment.

Martin Reeves, Simon Levin and Daichi Ueda, Harvard Business Review, Jan/Feb 2016 ⁶

Companies are dying younger because they are failing to adapt to increasing complexity

AVERAGE AGE AT WHICH U.S. PUBLIC COMPANIES WERE DELISTED, BY YEAR



Chapter 3

USING A Qi MINDSET IN THE DIGITAL ERA

→ How a Qi mindset can help inform the design and delivery of effective organisational transformation in a new era



Wisdom begins in wonder.

SOCRATES

→ Using a Qi mindset in the digital era

A Qi mindset enables organisations to successfully navigate transformation and change in the digital era.

In the past, a business would develop a strategy and project plans that were very linear and went along a planned and agreed path. Today, many dimensions need to be approached and designed together and they also need to be quickly and easily implemented and iteratively changed during the implementation process.

Environments do not remain static and therefore plans cannot remain static. They must be dynamic which means the planning, the design and the delivery also needs to be dynamic. The way we used to manage change across our business and organisations in many cases is often now too slow, and too 'linear'.

A Qi mindset enables organisations to successfully navigate transformation and change in the digital era.

A flexible business model supports dynamic design and delivery.



From complexity to simplicity creating a totally new customer experience

Context

A major banking organisation had constant frustrations and problems with a core service offering for their customers. The customer experience was fraught with problems including high error rates, long time delays, inaccurate and incomplete documentation. This poor customer experience was also mirrored for the employees who had to manage the end-to-end component of the service.



Qi in action

Using the Quantum Intellect™ model, we were able to understand the multiple organisational processes and drivers that were causing the complexity and quality issues for both customers and employees. Innovative design enabled a totally new approach to be developed and delivered to transform the service and offering for customers.

A great customer experience that also changed the marketplace

The approach was utilised as a 'blueprint' enabling the organisation to rapidly transform other business models using the same principle. Not only did customer satisfaction increase markedly, but the change was so transformational that it created a new benchmark in the marketplace.

→ Using a Qi mindset to achieve successful transformation

Organisations cannot be treated as separate parts and pieces like a machine; they are organic systems and connected in many different ways that we are only starting to understand through the study of quantum physics and metaphysics.

The idea in the past was that each part of the business could be separated from other parts, fixed and then put back together — in much the same way as one would fix a bicycle. Systems thinking taught us that an organisation should be viewed as an entire system, a body that is totally connected and inter-related. A Qi Mindset creates a totally new lens through which to view this system. It builds on systems thinking but takes the level of interconnectedness and interdependence to a much deeper level. A Qi Mindset acknowledges the organisation as an integrated, multi-dimensional and deeply inter-connected organism, constantly interacting with the environment within which it operates.

Five key principles underpin an effective organisational Qi Mindset:

- 1** We take a holistic and multi-dimensional view of the organisation and the environment that it operates within
 - 2** We understand interconnectedness – if we impact one thing we will impact everything
 - 3** We understand that our environment and organisation are dynamic and constantly changing
 - 4** We understand there is a connection between the micro and macro nature of the organisation and environment
 - 5** We understand the systemic impacts on an organisation that is constantly impacting on the environment and the environment that is constantly impacting on the organisation.
-

→ Making the leap

Using a Qi view of the world we in fact need to move from our paradigm of linear thinking and cause and effect to one of multi-dimensional cause and effect. This involves making a giant leap beyond traditional systems.

The impacts of this leap are profound and far-reaching, and we cannot cover all the details in this eBook. What we do want to do is make the one important point — organisations today operate in a dynamic world that is constantly changing and interacting across multiple dimensions instantly.

All these elements need to be understood and managed as we adapt and transform. Strategies and plans need to be made with an understanding of the overall impacts and the multi-dimensional nature of the business and the marketplace it operates within and that it also wants to transition to.

Using a Qi Mindset to develop and manage these aspects is critical for any business wishing to flourish in the dynamic digital age.

A Qi Mindset supports the dynamic nature of the 21st century marketplace and supports organisations that need to transform and adapt within it.

→ Remember the quick sand!

Once you have made the leap and are using the Qi mindset remember there are some foundations or fundamentals you need to get right to avoid building on quicksand. A quick snapshot of these are:

1. **Future State** — Is there a clear and articulated picture of what you are creating? Your ‘future state’.
2. **Target Operating Model** — Is there a clear and articulated picture of the Target Operating Model (TOM) that will support the future state? The TOM should show all aspects of the organisation and how they will operate together, and we mean all! It needs to fully align to the ‘Future state’. A typical TOM could include looking at metrics, governance, process, policies, technology, people, culture and capability, products, customers etc.
3. **Transformation Approach** — Is there a clear approach to how you will transition from the current state to the future state? This needs to demonstrate how all critical organisational aspects are managed through the transition and clearly show the setup of the TOM.
4. **Transformation Structure and Capability** — Have you got the right people and capability to manage and deliver this transformation?
5. **Transformation Governance** — How are you governing the transformation? Do you understand the Key Performance Indicators that need to be monitored through this transition?

All of these elements may seem fundamental but we so often witness an absence of at least one of these in most organisational transformation.

Strategy, design and delivery – delivering to market and business expectations

Context

Two large corporate organisations had merged and required a strategy and plan to deliver the integration. The initial plan was not delivering the required integrated model, so problems quickly became apparent. This required a new way of thinking to ensure integration could be managed quickly and in line with market expectations. The plan also needed to ensure all regulatory requirements were met and managed throughout.

Qi in action

A major driver for the market and Board was ensuring public expectations were met which included delivery within time and budget and benefits realisation. The initial problems with the planning and delivery reduced the delivery timeframe.

Successful delivery

Using Quantum Intellect™ to manage all organisational and environmental factors, the strategy and planning changed and a successful integration delivered to the market, on time, within budget, and with benefits realised.



ORGANISATIONAL FLEXIBILITY AND THE ORGANISATIONAL MATURITY MODEL

- What is organisational flexibility and why is it critical to survive in a dynamic market?
- What is the organisational maturity model?
- Why is it important to become an 'Evolved' business?



Why fit in when you were
born to stand out?

DR SEUSS

→ Is lack of organisational flexibility holding your business back?

Before moving to a future state it is important to understand the current state of an organisation, particularly its level of organisational flexibility.

As we have already discussed, the dynamic nature of the marketplace is creating a need for us to not only think differently about how we operate and plan strategically for our business, but also how we deliver that transformation in the context of a shifting and constantly changing market.

To do this, a more flexible way of approaching, designing and delivering change and transformation must be used.

A more flexible way of approaching, designing and delivering change and transformation must be used.

Many of the change and transformational models of old are too slow for the fast paced 21st century environment! In our digital age, change, transformation and creation of new models needs to support dynamic design and delivery.

When we hear of technology projects that will be delivered over the next five years, we can't help but cringe. We constantly see organisations working with projects, due to be delivered over the next few years, that are going to cost them millions and in some cases billions of dollars. We wonder how much of this will turn out to be 'throw away cost'.

For some organisations this is inevitable, as over the years they have layered complexity on complexity and have no option but to deal with



it now, by trying to fix it. Many such legacy systems and the resulting organisational complexity mean larger companies can't react quickly to market changes like smaller enterprises can.

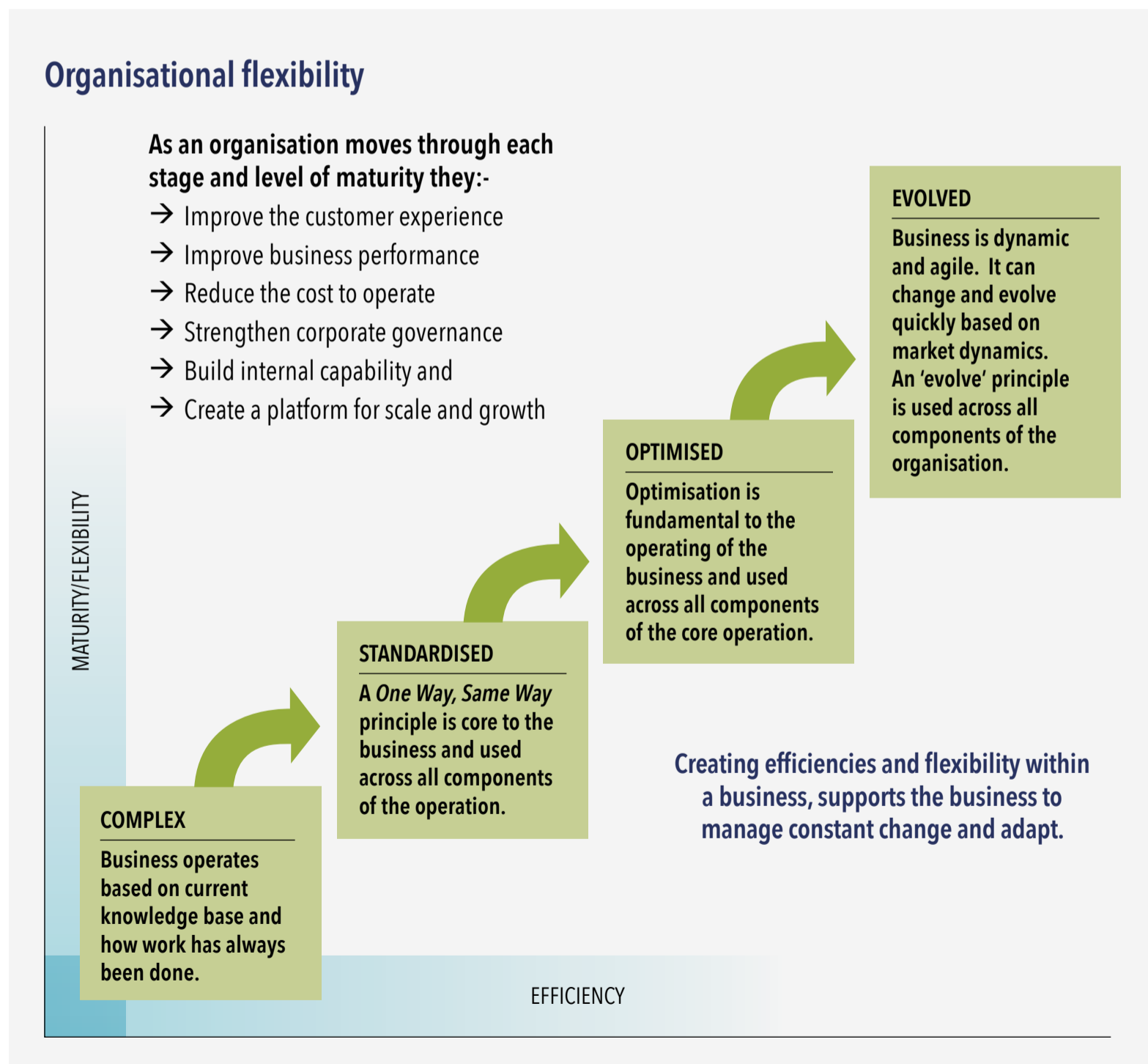
The lack of organisational flexibility is a major 'Achilles Heel' for organisations in the 21st century.

→ Organisational flexibility supports agility

Businesses need to be able to adapt quickly to stay in touch with the marketplace.

How quickly a business can adapt is driven by a number of critical aspects that define organisational flexibility.

The Gordian organisational flexibility model shows how organisations move through levels of maturity to become more flexible, more agile and more efficient.



→ Organisational flexibility and maturity – the benefits

In the context of a dynamic market place, organisational flexibility (as outlined in the organisational maturity model) is vital.

There are four main organisational flexibility levels:

- Complex
- Standardised
- Optimised
- Evolved.

Why strive for organisational flexibility?

There are multiple benefits to organisational flexibility and to becoming a business that can evolve quickly based on market dynamics. These benefits include:

- Improved customer experience
- Improved business performance
- Reduced operating costs
- Strengthened corporate governance
- Improved internal capability and
- Create strong and scalable foundations on which to build and constantly adapt.

The more optimised and evolved a business is, the more able it is to constantly transform to meet the demands of an ever-changing marketplace.

From deteriorating business and culture to high performing business and culture

Context

Over successive years, a large retail business experienced constantly declining employee engagement results, which saw the growth of a poor internal culture. In turn, this was leading to poor business performance.

Qi in action

Using the Quantum Intellect™ model, we were able to understand the multiple organisational drivers that were causing the problem. This enabled a new organisational culture to be established which supported elimination of many of the root causes and established a strong foundation for the business to build upon.

Successful delivery

Within 12 months the trends on all key indicators had improved, and the business and employee performance had totally changed. The business went from the lowest performer to one of the top performers across all key measures.



→ Organisational flexibility and maturity – assessing your business

How flexible is your business?

As the Organisational Flexibility Model reveals, at any point in time businesses will be moving in and out of various stages of maturity. Often, **large corporate businesses, government organisations** and the like, tend to fit the 'Complex' category. Many factors need to be managed to support businesses as they move through stages and phases. Because of the layers of complexity built up over the years, it is highly unlikely that this type of organisation will make a quantum shift from a Complex maturity level to an Optimised or Evolved state quickly.

So can large organisations do anything about this complexity?

Where an organisation needs to make this quantum shift to an evolved state but is too complex to be moved in its entirety, there are solutions. Strategic planning and design can support new solutions which must include a clearly articulated operating model. The design and strategy needs to account for whether the new model will operate within the existing organisation and market system, or operate outside of these systems. Both may be transformational, however a model that operates outside an existing system creates a disruption to the existing system. This is where a Qi Mindset is essential to manage the planning, design and delivery.

At the other end of the equation, **start-up businesses** have a dynamic starting point. How they establish their operating model organisationally will determine the organisational maturity level within which they sit. By their very nature, start-ups can quickly evolve with the right strategic planning and approach. However they do sit within a dynamic market that does not allow an approach which has not been carefully thought through. This is why fundamental mistakes will often see start-ups fail very early on.



Many of the organisational systems and supporting infrastructure of old do not work in the new and dynamic age we now operate in. Old thinking must be superseded by new ways of thinking, design and delivery that manage the dynamic nature of an organisation — as well as the market place — to deliver transformation.

→ What does all this mean for business?

1. The more agile and dynamic a business can become, the more flexible and able it is to transform and manage changes within the marketplace.
2. The speed at which new business models, such as digital disruptors, are being introduced to the marketplace has meant that the ability of a business to adapt and change is more critical than ever.
3. To create the required flexibility, organisations will need to think differently and create innovative solutions that often will reside outside the current operating model.



THE RULES HAVE CHANGED. NOW WHAT?

→ How a Qi mindset can help businesses succeed in the era of digital disruption



All can see these tactics
whereby I conquer, but
what none can see is the
strategy out of which
victory is evolved.

SUN TZU

→ A new way of thinking, designing and delivering

By now you will understand that our marketplace is dynamic and the impact of rapid innovation means that we need to think differently about how we constantly transform our business. A new mindset is critical to enable business to adapt and survive in this new era.

Qi introduces a new way of thinking and understanding of the dynamic nature of our marketplace and the ability to constantly transform our business within it. At the same time, organisational flexibility will be, and is, critical to ensure we can constantly evolve.

Innovative thinking is creating new markets and new ways to do business.



We have talked about the speed of change and innovation and we know that the planning of old is often too slow and linear to manage our dynamic market. Dynamic design and delivery is the way of the future and this requires organisations to design, deliver and evolve literally at the same time. For the people involved, it is a case of constant learning and applying that learning to future design and delivery. To support this form of delivery, the Qi Mindset is essential. Remember, it also focuses on the governance and decision making, the speed and planning around implementation, the transformational capability and culture needed to deliver successfully.

Using a Qi Mindset to innovate, design and deliver means being able to constantly analyse, assimilate and manage all the organisational and environmental systems that are interplaying at the same time.

Failure to manage all organisational and environmental impacts at the same time, will lead to major problems for organisations, as discussed earlier.

A spanner in the works

Don't let failure to manage organisational and environmental impacts lead to major problems in your business.



From start-up to multiple integrated businesses scaling rapidly

Context

A government organisation had introduced a new business model that was built on the premise of being able to scale with new integrated services and transactions quickly.

Qi in action

Using the Quantum Intellect™ model, we were able to understand the multiple organisational drivers that needed to be managed to integrate services into a new business model and then operationalise those services quickly and effectively.

Dynamic design and delivery

The approach was utilised as a 'blueprint', enabling the organisation to rapidly integrate ongoing business and continue to scale to meet their overall vision and objectives.



CONCLUSION



There is nothing
permanent except change.

HERACLITUS

→ In closing

Innovative thinking and digital disruption is changing the marketplace. The 'too big to fail' businesses of old are now under threat thanks to the emergence of new business models that are dynamic and able to meet the ever growing demand from a society that craves speed. Failure to change and adapt will see the end of many businesses as we know them today.

Innovative thinking, design and delivery is required to create and support business models of today if they are to succeed and survive in this dynamic, evolving marketplace.

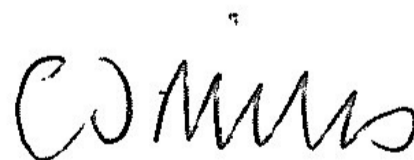
The digital age requires:

- An understanding of the rapid and exponential change and impacts to our business and marketplace
- An understanding that our business models of old must also change
- A new way of thinking about how we strategise and operate in this age
- Understanding the need for organisational flexibility
- An ability to plan, design and deliver dynamically.

It is without a doubt an exciting time to be involved in the business world. We wish you all the best for the future ahead.



Tracey Penington



Caroline Mills

About the authors

Tracey Penington

Founder and Managing Director, Gordian Global Solutions

Tracey is a transformation specialist, futurist and entrepreneur but has spent most of her career as a trouble-shooter for corporate business. Her clients have included major banks, financial institutions, government agencies and many other industries.



Tracey has extensive experience both national and international working with large corporate clients, through to start-ups, small and medium sized businesses. She has addressed audiences worldwide on business innovation and transformation and has become one of the most talented 'go to' practitioners called upon to support transformation quickly and efficiently.

Tracey has a keen sense of humour and uses many of her real-life experiences to demonstrate why we need to think differently around the way we approach business in today's world.

Caroline Mills

Managing Director Asia Pacific, Gordian Global Solutions

Caroline is a transformational specialist with hands-on operational experience taking people on transformation journeys. She combines high level strategic skills with the desire to help clients create the engaged culture required for lasting, successful change.



Caroline has extensive experience as a senior leader in large corporates and really understands what it's like to lead large teams and deliver results.

Caroline is a strong relationship builder, a natural facilitator and mediator. She has partnered with major financial institutions, government agencies, manufacturers, professional services companies, utilities and others to achieve large scale, complex transformations and cultural change.

Caroline believes in giving back to the community and also works with several small businesses and clients, supporting them through coaching and development programs.

- 1 <http://www.heraldsun.com.au/news/opinion/market-forces-may-leave-victorias-taxi-industry-in-ubers-wake/news-story/59c33b6dc4832d3ea4bf2cb213ebc2ae>
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- 5 <http://www.mckinsey.com/business-functions/organization/our-insights/the-science-of-organizational-transformations>
- 6 *The Biology of Corporate Survival: Natural ecosystems hold surprising lessons for business*, by M Reeves, S Levin and D Ueda, Harvard Business Review, Jan/Feb 2016

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