

# Why Change?

*Avoid complacency.*



by Doug Lipp

**S**UPPOSE YOU ARE A successful, middle-aged person who has been in business for many years. Sometimes you “pulled yourself up by your own bootstraps” to survive as an independent. In other cases, you worked your way up through the ranks. You have an employee base that can be as small as one person or as large as thousands of people. You represent the many faces of success in your profession—and you are ripe for failure.

As was learned the hard way at the Walt Disney Company, success breeds arrogance, and arrogance leads to complacency. Complacency can come in many forms. One of them is the one-trick pony. In other words, you ride your successes well beyond their effective lifespans. It might be that creative way you make presentations to prospective clients, or the way you serve and support your customers or employees. For example, why deal with all of that confusing internet, e-commerce, or e-learning stuff when you have done just fine without it for years? Why think of the impact of diversity on your service, product selection, or store layout?

Why change now? Great question. The key to getting beyond the one-trick pony is to be honest with yourself and recognize that, possibly, the way you currently conduct business is out of date. Perhaps your customers would like services that you don't currently provide. Possibly having the biggest or oldest name in the industry might not be the key to retaining current or attracting new customers or employees. Join the club. To remain the same (successful!), we must all change.

## Lessons from Disney

At Disney, we had our *one-trick pony*. His name was “Herbie the Lovebug.” Do you remember him? Adorable little

Volkswagen who appeared on screen with Buddy Hackett, Dean Jones, and Suzanne Pleshette. The trouble was, there was nothing beyond “Herbie the Lovebug” except: “Herbie Goes to Monte Carlo.” Herbie was getting a little long in the tooth, but no one at Disney Studios had the guts to pull the plug on the Herbie franchise. Why? A combination of two reasons: 1) Risk aversion: “What would Walt think?” and 2) arrogance: “We’re Disney; we know better than our customers about their wants



and needs.” This lethal combination was a recipe for disaster. Too many Disney executives were facing the past and wondering if Walt Disney himself would approve of a different direction. In spite of the fact that Walt was long gone.

During this period, the concepts of *change*, *creativity* and *innovation* were not embraced. Instead, there was a tremendous force to *stay the course* and avoid upsetting the applecart. The results were disastrous. After years of creative neglect and turning out box-office flops like: “Tron,” “The Black Hole” and “Baby,” Disney stock took a nosedive, and was targeted for hostile takeovers.

In spite of the scare, the Disney organization was not taken over or broken up. In fact, the takeover attempts served as a wonderful wake-up call for the company. In the years following the takeover attempts, the company enjoyed some of its most successful times.

As a strategy to move into the future, the Board of Directors recruited some executives who weren't afraid of either the ghost of Walt or the legacy of company. To be sure, they respected the successes of their predecessors. They also

believed strongly that respecting the legacy didn't mean living in the past.

The renewed emphasis on creativity and challenging the “sacred cows” of the past enabled the company to explore new approaches. Instead of the same, tired formulas for script writing, the company hired the talent that created such blockbuster hits as “The Lion King,” “The Little Mermaid” and “Finding Nemo.” This meant letting go of certain decision-making criteria that had been extremely successful in its day. From 1937 to 1979, Walt Disney Productions had an unparalleled string of hits with the movies and television shows it produced. This was over 40 years of knock-the-ball-out-of-the-park success. How dare anyone suggest making any changes to the recipe! The creative drought from 1979 to 1984 marked the end of one era and the beginning of another. Had it not been for the willingness of the new management team to take calculated risks with product development, marketing, sales, and technology, the company could have vanished. No one is immune to market changes.

## Even Monkeys Fall From Trees

An old Japanese proverb captures the essence of what Disney faced—and what *any* organization or leader ultimately faces. Regardless of how capable or skilled we are, sooner or later, we all lose our balance and make mistakes. Have you ever heard of a monkey falling from a tree? Probably not, but we have all observed remarkably capable people and heard of successful companies making mistakes. How about you and your company? What skills or capabilities are you proud of? Is that skill as valuable now as it once was? Is it possible that the same qualities that helped you succeed now hinder you, even cause you to fall from your tree?

Learn from your successes and mistakes and apply that learning to the areas of leadership and service.

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