

Businesses that embrace change will achieve prosperity

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Woven into his storyline about the Disney empire's successes and failures, Doug Lipp embeds a lot of advice for business people.

His frenetic, forthright talk challenges people to consider how they are handling various situations in their companies, from the economy to succession management.

At the Tucson Metro Chamber's Good Morning Tucson event Friday (Sept. 9), Lipp spread his "Pixie Dust! Creating Service Magic" motivational message to more than 500 attendees.

Lipp, who was Disney University's lead trainer, pressed the audience to think hard and deep with uncomfortable statements and tough questions such as:

What do customers really want from your business? What is your differentiating factor?

Company culture happens either by design or benign neglect. What are you doing to create that culture?

In an economic crisis, you can't save your way to prosperity.

As an executive, do you guide the team or does the team guide you?

Success is doing ordinary things extraordinarily well.

A business needs both dreamers and doers to survive. What is your company's management succession plan?

Right upfront, he addressed the ongoing conflict between the need for businesses to make innovative change and the organizational barriers that fight it. Years ago, that clash almost broke up the Disney empire.

"Pixie Dust is all about stepping out of your comfort zone. So I challenge you, are you willing to look at and try things differently, magically? It may mean some failures, taking some risk, but if you don't, I guarantee you're not going to survive," he said.

The strongest resistance comes from management uncomfortable with change.

They argue for the status quo, that "we've never done it that way before. That's why many organizations perish in the best of times," Lipp said.

Smart changes focus on customers. That's why companies must identify their "differentiating factor,"



To prosper, businesses must embrace change, says Doug Lipp.

that one major advantage that grows customer loyalty and revenue. It's a benefit far beyond price because a competitor can always offer a lower rate.

Lipp also cautioned businesses not to try to cut their way to prosperity, especially during a tough economy. Disneyland learned this lesson when it once thought about firing the Matterhorn climbers and Tinkerbell to save on training and insurance costs.

"We were about to whittle away what made us different than our competitors. Frankly, we did not realize the value they brought to customers," Lipp said.

Instead of cutting, seek new opportunities.

This process starts simply by gathering ideas from employees and customers, which led Disney into new ventures such as Touchstone Pictures.

"Be willing to change or be willing to perish," Lipp emphasized.

Just as critical is having a management succession plan to "groom dreamers and doers." Lipp said only 5 to 7 percent of businesses have one.

"What is your plan? Who is being groomed to take over for you? Eventually, the dreamers and the doers in your organization will be gone. The lack of a succession plan is what caused Disney to almost lose the company twice in a 20-year period," Lipp said.

It is important to groom a group of potential replacements. With people prepared to step into both roles, "you will have sustainability," he said.

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