

## ACCESS

## Adaption or Extinction?

## FROM THE SILVER-LINING DEPARTMENT:

These days, as the C-suite focuses on massive technological and financial upheaval, there's a refreshing absence of management fads. Who has the time or inclination to tinker? But while change for the sake of change gets you nowhere, changing to survive is essential. Cable veterans know that today's T-Rex can quickly become tomorrow's fossil. Fads come and go; evolution is constant.

As in biological evolution, business survival depends on adaptation to environmental conditions. In our current environment, margins are affected by relentless technological development and globalization. Financial pressure has increased and, more than ever, results are the only things that count. But those results are limited by other numerical realities. Most companies are now overstaffed in functions that have become less critical to the bottom line, and understaffed in strategic and revenue-generating areas.

## YOUTH GAP

At the same time, while unprecedented numbers of baby boomers are retiring from corporate positions, fewer young, well-educated workers are entering the workforce to fill the gap. Employment experts estimate that incoming younger workers represent just a quarter of departing older ones.

As a result, a massive labor vacuum is forming just over the horizon. Supply simply will not be adequate to meet future demand. Barring human cloning advances that would allow the rapid creation of educated 20-year-olds, there is no easy solution to this structural problem. This is a time for intense experimentation among all industries as corporate leaders attempt to discern what the "new normal" will look like. The only certainty is that the comfortable old organization model is on the way out, never to return.

Looking ahead, successful businesses will focus on their key core competencies and contract for the support needed for other functions. Expect MSOs and content providers to outsource more of their sales, marketing, legal, and accounting work. Economies of scale will become less important than speed to market. We're facing an ever more information-driven, software-intensive economy in which constant, effective communications will be fundamental.

The corporate organization chart has been shrinking, with fewer levels and fewer people doing more. Networks of specialists in specific critical areas will call the shots; eventually, they'll replace middle management. In response to the increasing rate of change, companies will staff up and train people for missions, not for the long haul.

In short, the org chart is going horizontal: hierarchical structures will be replaced by peer-level teams of ex-

perts. Position on the corporate ladder will matter much less than specialized knowledge and expertise. The old cliché, "it's not what you know; it's who you know" is being turned on its head.

Compensation will be tied to the market values of individual skills, not to position or tenure. The nature of organizational loyalty is changing, too — it's no longer about the superior-subordinate relationship, more about commitment among peers.

## HOW TO EVOLVE?

The fossil fields of business hold the remains of many strong companies that ignored or resisted environmental change. If it's a choice between adaptation and extinction, how should organizations adapt to ensure their survival?

- **Change lenses, cultivate instincts:** Step back and take a fresh, unbiased look at the market. Watch for new opportunities, new threats, and changing relationships in industry ecology.

- **Develop faster reflexes:** Have resources been overlooked? Can you co-exist with competitors? Get away from predators or stand and fight? Don't panic, but don't dawdle, either. Speed counts; work to be first off the mark.

- **Attract and keep talent now:** Demand for executive talent is about to go up. Getting ahead of the curve will serve you well.

- **No more me-too:** Figure out what differentiates your company from its peers and run with it. In an increasingly commoditized economy, an organization's uniqueness can be its salvation.

- **Cross-pollinate:** In-breeding is a dead end in biology and business. Successful adaptors blend new DNA with original lines. Be open to hiring from other industries. Help employees broaden their experience through cross-training, temporary assignments and job rotations. Help them learn new skills on special projects and task forces.

- **Re-frame the career model:** For generations, we've learned that up is the only acceptable direction for a career path. But when skills are more important than position, lateral moves can be every bit as beneficial to career growth. Help reverse the "up or out" mentality.

In the game of evolutionary musical chairs, species that resist change are out when the music stops. The economy will come back; start adapting now to make sure your company has a seat when it does. ■

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