

# The Three-Pillar Model

## Featuring:

- **Three Pillars of Organization and Leadership in Disruptive Times – Navigating Your Company Successfully through the 21<sup>st</sup> Century Business World (Book 1, 2020)**
- **Organization and Leadership in Disruptive Times – Design and Implementation of the 3-P-Model (Book 2, 2021)**

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## Summary

The Three-Pillar Model (3-P-Model) was developed and published by a group of now more than 40 international professionals, coming from 5 continents and more than 15 countries, representing knowledge from more than 15 large global enterprises in different industries or other global institutions and more than 25 different national companies or organizations. Special focusses are in the Private Sector Financial Services, Payment Transactions, Pharmaceutical Industry, MedTech, Automotive Supply Industry, Chemistry, Agriculture, Angel Investing and Start-ups, Consultancy, Training & Development. In the Public Sector among others UN Agencies, Universities, GIZ, Urban Planning and Architecture, Policy and Science Communication, and local Social Services are covered.

The advantage of the 3-P-Model is its simplicity and self-evidence – which makes it easy to understand on a meta-level and to apply. Concrete application settings show the richness of the model's facets and its flexibility for individually tailored application. The evidence of this is demonstrated in more than 30 use cases from all over the world in different types of organizations and industries. The concrete use cases are accompanied by more than 10 general concept deep-dive and design articles.

The use cases and the concept and design chapters are based on many years of experience in organization development, leadership and transformation. They all show how to understand and best apply the 3-P-Model in disruptive times, based on the pillars (1) Sustainable Purpose – the *raison d'être* of an organization, bringing new orientation and certainty to the people for their joint endeavor and success, (2) Travelling Organization – the mindset of an organization in a permanent state of flux, interacting with the markets' & customers' journey, with rapid adaptivity, (3) Connected Resources - Interconnecting all needed resources inside and outside the silos, creating consistency between goals and concepts, strategies and processes, competencies and roles.

The development of the model was a journey of its own, described in the first book, which is also already showing some application examples. The broad and extended application of the model is the focus of the second book.

Overall, we can say, the 3-P-Model is well-tested and confirmed in its practical application, even in pandemic times. In addition, it proved to be so open and obvious that it is easy to understand and can be combined with other modern management and change methodologies as proved in the books.

## General Background

### The 'Making of the Books' Journey

The journey of the first book started with passion and a group of 19 practitioners, consultants and academics from different geographies all over the world, different types of organization and different professions, sharing their experiences on organization and leadership, very curious in finding something enduring and solid in VUCA times (volatility, uncertainty, complexity, ambiguity), concentrating the findings in an applicable and open concept.

In the end of the journey there was a shared result – the Three-Pillar Model - that nobody could exactly foresee at the beginning which is usual in real exploration and development work on a journey in (partly) unknown areas. But we, the editor and author team, were already very convinced of the solidity and validity of the developed model as we could prove its feasibility in a first set of cases.

On the journey for the second book, we significantly expanded the analysis of the applicability of the Three-Pillar Model, developed in book 1 in an extended group of nearly 30 authors, checking a diversity of (international) cases in the private and public sector with a high spread of different types of organizations. On this second journey, we experienced every day more facets of it and reached a more mature understanding. It was and still is an exciting journey through a partly unknown land, though.

### The Three-Pillar Model: Far away from another set of 10 recipes for standardized application to solve a problem

It is very obvious that in the current volatile, uncertain, complex and ambiguous world there is normally no 'one size fits all' recipe for fundamental or operational issues even if there is much missionary work on latest management fashions.

The situations of organizations are diverse (or unique). So, on the one hand, it is about taking the time necessary to explore the organization's situation and, on the other hand, quickly getting into action and trying things out. This is not at all as arbitrary as it might sound, but requires clarity, commitment and discipline for the common path. No one can know what the near future will bring, no self-appointed experts, no catchy recipes, no universal solutions, no absolute truth.

This means, that a flexible and open journey is needed for each organization to shape its future – comparable to the journey of the team of authors in the first book took to understand important and enduring design elements for organization and leadership in general, to test their relevance in concrete practical cases, and to write down insights and experiences.

The three main design principles for future organization and leadership, developed by the author team, can be described in detail as follows:

- ***Sustainable purpose (the first pillar):***

The employees and teams in the organization, but also its key stakeholders in the entire ecosystem and business environment, must know what the organization stands for and what entrepreneurial value and societal contribution it creates. This includes the reciprocity of enterprises, public and social institutions, science etc.

The purpose must remain sustainable, reliable and consistent, supported by leaders, employees and stakeholders, lived by important representatives of the organization. The purpose aligns, convinces and inspires the people involved in the joint endeavor, makes them confident, proud to be part of it and to contribute to it. Employees and team leaders can then take this overall purpose and translate it into what it means concretely for their teams and for

them individually. Even – or especially – in crises it proves its ability to provide orientation and energy, and to keep the organization together on its way.

- ***Travelling organization (the second pillar):***

Business consistency, strategic stability and structural continuity with some episodic change projects from time to time? This has long been an illusion in disruptive and crisis-ridden times. Now, we must understand that organizations are continuously on a journey, experiencing twists and turns, following their purpose or even striving for survival, always looking for the best way between poles, alternatives and options. If the teams do not know what to expect around the next bend, they must take smaller steps and explore the terrain. Even if they don't know in advance what the best result will be they will achieve it: they believe in their motivation and ability to manage the journey and to rely on their agile mindset, self-reflection, readiness to embrace change and willingness to deliver. People in a travelling organization are curious, open, courageous, keen to experiment, and they deal well with uncertainty, stress, unforeseen incidents - and they are empowered to take decisions swiftly by themselves and to operate on their own.

- ***Connecting resource (the third pillar):***

The organization has to be aware that impact, value and efficiency, but also survival, need multiple connectivity: between humans, organizations and ecosystems; between expertise and influence; between different political and social systems and cultures; between enterprises, scientific research and public sector; between customer satisfaction and economic needs; between strategy, processes and skills; between risk management and business continuity. This means managing connectivity, preventing unconnected structural silos, boxed competencies and echo chambers, but inspiring and supporting multilateral behaviors and initiatives in global and local professional communities, balancing the various, often contradictory interests between the stakeholders.

All three pillars are key assets of systemic dynamics and high organizational effectiveness: They provide orientation and inspiration, give fundamental impulses to start the journey and to connect the resources for joint success.

### **The secret of the powerfulness of the 3-P-Model in application**

The more than 30 concrete use cases in book 1 and 2 show that at least 3 fundamental steps are needed for successful application:

- The integration and adaption of the – easily understandable - 3-P-Model into one's meta-level mindset of understanding organization – or alternatively formulated: the entry in one's knowledge of organization
- Perception of Three Pillars as sustainable organizational capabilities and strategic success factors – to be covered by key persons and – systemically – by the organization as a whole
- Tailored interpretation and application of the concrete impacts, demands, impulses of the 3-P-Model and the Three Pillars in the concrete and unique situation of an organization ('what does 3-P mean concretely for us and which activities does it require?')

So, the intellectual efforts contain transforming an easily understandable model into real personal knowledge and understanding which can be tailored and suitably interpreted for application in a concrete use case. This procedure is not standardizable but can be supported by suitable examples (use cases of concrete comparable organizations in comparable situations)

## Key Results of Book 1

The key results of book 1 are the development, explanation and broad discussion of the Three-Pillar Model in 10 chapters and the first 15 concrete use cases to prove the model's applicability and to create a deep understanding. In this context, the author community additionally examined, based on their personal professional experience and currently discussed questions, the needed transformation of organizations in the VUCA world: How to manage the transition from 'illusions of structural stability' to sustainable forms of vivid organization. How to overcome dysfunctional working and leadership styles that we have acquired over the past decades and centuries.

The various perspectives of the authors have provided numerous valuable recommendations in form of a questionnaire touching relevant dimensions of an organizational transition journey. We summarized them less in a format like "10 valuable tips" but in the following open questions that should help the readers seriously reflect on the situation in their organization. The questions have to be completed and modified regarding the special requirements of the special organization they should be used for.

### **Questionary (short version)**

#### ***To Start with***

What is the outcome of your research and discussion on the impact of VUCA world, new opportunities, upheavals and changing stakeholder needs for your organization?

How do you create a common understanding of your (entrepreneurial) journey?

How do you define, share and review the sustainable meaning and purpose of the organization in order to inspire your management teams, employees and stakeholders for the journey?

#### ***To Mobilize***

How do you establish mindset and capabilities of a "Travelling Organization" in your context?

How do you design a respective transition process that includes all stakeholders, moving away from "illusions of stability" towards an uncertainty- and risk-affine organization?

How do you win people over for the joint journey in unknown areas, in which their curiosity, openness, flexibility, and creativity contribute to the organization's purpose and success?

#### ***To Develop***

How do you use experiences made as learning opportunities – successes and failures included?

How do diversities (e.g. global vs. local perspectives, operational experience vs. fresh thinking, classic procedural models vs. agile practices) support the resilience of your team?

How do you further develop an agile mindset for journeys in unknown areas with which you enable and encourage your teams - from the operational level to top management?

#### ***To Network***

How do you interconnect your resources across internal and external structural boundaries?

How do you overcome barriers of separative thinking in terms of positions, functions, disciplines and professions?

How do you develop and keep mutual trust in the travel group on the journey?

#### ***To Lead***

How do you promote connectivity and collaboration as a prerequisite for the success of organization, teams and employees on the uncertain journey into an uncertain future?

How do you ensure clarity and commitment, respectful behavior and psychological security?

How do you communicate clearly and frequently?

### ***To Navigate and Control***

How do you align your journey with the organization's overall innovation, transformation and project portfolio and roadmap?

How do you evaluate and rate the development and the success?

How do you readjust your journey regularly?

## **Key Results of Book 2**

The 3-P-Model developed and tested in book 1 was applied in additional more than 15 cases to challenge the strength, the power and the special ability of the 3-P-Model in in different contexts. The results turned out to be really promising and underline the model's relevance across industries and types or organization.

The 3-P-Model can be beneficially applied

- on diverse levels, from a meta-level of understanding general coherencies to giving orientation to a method for concrete action, for retrospective analysis or to design and plan future developments etc.,
- for the public and the private sector,
- in a wide field of different industries,
- in different development states of organizations (start-up to well established)
- for fundamental thoughts on leadership and management as well as for concrete design proposals.

Beside the diverse case descriptions, we found an increasing number of hybrid situations in the organizations, e.g., classic and agile units, traditional and start-up business, organic and excessive growth, entrepreneurial inspiration and strong regulation, ambidexterity of line and project management, different working modes along a product-life cycle etc.

Concerning the pandemic, we additionally learned in book 2 that the Three-Pillar Model fits different phases of companies and institutions - previous normal mode, ongoing crisis mode, consolidation mode, next future mode. The sustainable purposes were challenged in the crisis which underlines their importance for people who care about future development - in their team, in their organization, on the planet. In terms of the travelling organization we learned that the journey is not only uncertain, but also requires the competence to vary speed very quickly, and to understand complex timing issues: slowing down, re-accelerating, dealing with time loops and hysteresis. And finally, the connectivity of resources, of experts, of politicians, of all people, and of money, material, communication: these all determine success or catastrophe.

Last but not least, we found that the 3-P-Model can easily combined with other complementary management tools. Why does this work? The beauty of the 3-P-Model is its general applicability, simplicity and openness. It can be easily communicated, and people understand it very fast. So, we can

use the model immediately in a discussion about how it can help to solve a problem, regardless of the organization or industry - it uses a universal language so to speak.

Within the framework of the Three-Pillar Model, different methodologies can be utilized such as Lean, Scrum, Project Management Models (e.g. PMI) or Design Thinking. The complication with some of those methodologies is that people need to invest time to learn their structures, procedures, and terminology before they can use them effectively and with the same understanding. Nonetheless, you can use those methodologies with the 3-Pillar Model. You can combine the backlog of ranked functionalities, as provided by Scrum, with the question of the development's purpose, its relevance in the organizational journey and its connectivity to other initiatives, processes and knowledge that should be brought in and worked on with priority. This can additionally support the orientation, motivation and engagement in the development team.

The 3-Pillar Model is thus both a great starting point and a pit stop for a check-up for each transformational activity with the basic goal to frame the purpose, review how to travel towards or within this purpose and validate how to best connect the organizational and personal resources. Based on this foundation, different methodologies or approaches can be applied to work this out in detail or to deliver dedicated outputs - with the 3-Pillar Model serving as the bracket to keep everything together and as a tool that helps to continuously discuss and diagnose the status of a transformation in a way everybody understands.

### **Feedback and Experiences**

*"The 3-P model shows what matters in organizational reality and what should be a matter of course in every organization - but isn't so far. That's why the model so easy to understand and so affecting."*

The 3-P Model has already shown significant benefits, which have been studied and described by the authors in our two books and confirmed in practice. It helps to ...

- Understand and explain the success or the barriers of organizations in a focused way.
- Describe the situation in organizations and to find appropriate approaches to action.
- Develop solutions that support the performance and resilience of organizations in terms of competencies, practices, processes, structures and systems.
- Design highly effective transformation processes.

The impact and success of the model are based on the fact that ...

- The three pillars offer an explanatory model for strengths and weaknesses, opportunities and risks in companies and organizations, which are quick and easy to understand and are widely accepted by practitioners
- It does not pretend to be a recipe, but stimulates constructive discussion and commitment that is urgently needed to shift the organization's maturity significantly
- It is open to specific, methodical design in the respective organizational situation.

## The Editors

**Peter Wollmann** has been a responsible manager, initiator, mentor and facilitator in large, predominantly global transformations and strategic developments for almost 40 years. His specialties are the implementations of the Three-Pillar Model in organizations and focused setting checks to identify strength, weaknesses, opportunities and threats and facilitate optimization measures. Since 2017 Peter has been working independently in organizational projects and future initiatives. After graduating in mathematics and physics from the University of Bonn, he began his professional career at the Deutsche Herold, then insurance group of Deutsche Bank, took on strategic leadership and most recently was program director for global transformations in the Zurich Insurance Company (ZIC). In his professional network, he brought his experience and strategic thinking to the development of various leading companies. He is the author and publisher of a number of books and articles on strategy, leadership, and project and project portfolio management. He also founded a wine business: VinAuthority.

**Frank Kühn** has been supporting companies and institutions for many years in the areas of organization and leadership, change and project management. He brings his experience to developments such as the Three-Pillar Model and systemic setting checks. Frank has a doctorate in work science. After leading positions in research and industry, he was a partner at HLP in Frankfurt and the ICG Integrated Consulting Group in Berlin and Graz. Today, he is an independent consultant, business partner of ICG, and associated with other project partners and think tanks. He has published numerous articles in management journals and books.

**Michael U. Kempf** has been an experienced Management Consultant for over 20 years. The driving force of his professional activities is his strong ambition to design processes and organizations in a sustainable manner. He relishes identifying key challenges, diagnosing complex relationships and assisting in shaping the future. Gaining experience and learning something new are indispensable parts of his life, which is why he likes to seize new chances. He began his career as a carpenter before studying social work, education and business administration. His career has spanned various jobs in social work, 10 years as a manager (HR and logistics) in industrial and retail companies and, since 1998, in advising people, leadership teams as well as working teams and organizations that are all very different. Michael has co-authored numerous publications in the field of leadership and organizational development.

**Reto Püringer** (editor from book 2 on) has worked for more than 20 years in the banking and insurance industry. He has held various senior positions in global companies. His practical experience ranges from Strategy Development, Business Model Design, Product/Proposition Development/ Management, Enterprise-wide Portfolio Management, Program/Project Management, Operations/IT Management, Large Scale Change Program Delivery to Financial/Actuarial Management over different geographies and time zones, hierarchies and units, cultures and systems. Reto has managed multinational and multicultural change and transformation efforts across the globe and managed teams of various sizes both on site and remotely. Reto holds a degree in Economical Informatics and Marketing and completed an Executive MBA at the University of Zurich.