

## Change is the Price of Growth: how fast or slow is a matter of choice – part III

*This is the third and final article designed to address how administrators can influence the rate of adoption for new programs and services as well as how to manage the rate of internal change within their organization. The first and second articles readers were introduced to a framework that outlined the basic option categories that are used to influence the rate of adoption and/or manage the rate of internal change. In addition to the first two articles developed examples for how to use relative advantage, compatibility or simplicity to their best advantage. This article completes the discussion by illustrating the use of divisibility and visibility to manage the rate of adoption and change.*

### Abstract

“The future is not a result of choices among alternative paths offered by the present, but a place that is created – created first in the mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths are not to be found, but made, and the activity of making them, changes both the maker and the destination.”

- John Schaar

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**Rich Rexeisen, Ph.D.**

In the first two articles of this series, readers were introduced to a framework for managing the rate of adoption for new products and services. There are a wide range of alternatives available to administrators for managing the speed that change is adopted.

As needed, readers are also encouraged to refer to the first article for a more comprehensive description of the elements of model and for examples for how to use relative advantage. The second article illustrates how to use simplicity and compatibility to manage the adoption process. The current article completes the series by developing examples for how to use divisibility and visibility for both internal and external applications.

### Practical Illustrations

As in the case with relative advantage, simplicity and compatibility, numerous unique competitive advantages, or combination of actions, can be developed for divisibility and visibility. The following examples are intended to illustrate but certainly not exhaust how an organization can speed the adoption process. If a reader wishes to slow the diffusion process they can implement actions that are contrary to speeding the rate of adoption. For example, making the product or service less visible to the market by doing little or no promotion.



## **Influencing the Rate of External Adoption (Divisibility)**

**Divisibility** refers to the extent to which a potential customer can try your product or service prior to committing to making an actual purchase. One of the objectives of divisibility is to reduce the risk associated with purchasing. Most everyone is familiar with the free samples that are given out at the local supermarket or with the need to test drive a new car before purchasing. Money back guarantees are an extension of this type of approach. **The easier it is for someone to try or sample your product the more rapid will be the speed of diffusion.**

### **Product:**

**When designing your products/services or programs, think in terms of shaping behavior by successive approximations.** Envision the end product but consider initially offering simplified versions of the product and then migrating consumers/organizations to the end product. Mini-MBA programs, for example, have in many instances had this effect. The more flexible you are in offering different quantities of the product or service; the more rapid will be the speed of diffusion. For example, allowing students to select which modules of a course/seminar they would like to attend and price accordingly. This recommendation, however, must be also balanced with the "keeping it simple" principle.

### **Price:**

**Allow for a free or very low cost trial of the product. Offer money back/satisfaction guarantees.** For those that are risk averse to this suggestion (which raises some question about quality control issues) I suggest offering the opportunity to take a different class for free if not completely satisfied.

**If offering different quantities of a given product, price your product in such a way as to provide an incentive for taking more classes.** For example, X dollars for one class and times some discount for taking additional classes in a given year (or perhaps a discount for purchasing a package of classes).

### **Place:**

**Offer to sample your classes at different locations and times.** Take great care however to make the best possible "first impression."

**Investigate the extent to which you can divide or rearrange the times that your courses are offered.** Some students like fewer but longer period classes and other students like shorter and more frequent classes. Divisibility within this context is essentially an application of market segmentation.

### **Promotion**

**Provide your prospective clients/students with an opportunity to sample your products.** Examples range from allowing students a time period when they can withdraw from a course without penalty to mini-seminars/lectures. Prospective students can also be invited to sit in on a current class.

**Use promotional flights or bursts of advertising.** It is better to concentrate your advertising during specified periods (flights) and then do comparatively little advertising between flights. You can economies of scale when intensively promoting and you diminish the potential for ad wear out between flights.

## **Influencing the Rate of Internal Change (Divisibility)**

### **Product:**

**Envision your goal but plan a sequence of intermediate steps to achieve your final objective.** The individual steps should, if at all possible, be discrete and sufficient in and of themselves. For example, assume that you would like a group of faculty to eventually be able to offer hybrid courses that take advantage of the Web. Rather than requiring the construction of an entire new class you begin by providing classes/workshops of how to use the Web as an instructional tool. Within this context, you would also begin by focusing only on the easiest feature to facilitate early successes with the tool.

**Assign different parts of a project to different teams that can work in parallel and then aggregate the changes in a series of sequential steps.** Effectively this recommendation parallels the critical path method (CPM) used in the project management although CPM tends to focus attention on bottlenecks. A bottleneck, or an essential step that must be completed before any subsequent action can be taken, has the effect of slowing down the process of adoption.

### **Price:**

**Identify the incremental costs associated with change and then spread them out over time.** Begin either with the most palatable cost (generally the rule) or the biggest cost up front depending upon the situation and “personality” of your organization. Divide your audience by cost preferences (or by relative cost insensitivity) and then price accordingly. For example, it is often easier for deliberative bodies to pass legislation (programs or rules) if they know they will revisit the program again sometime in the future (an example of a group’s willingness to postpone a cost even if the issue will need to be reconsidered again sometime in the future).

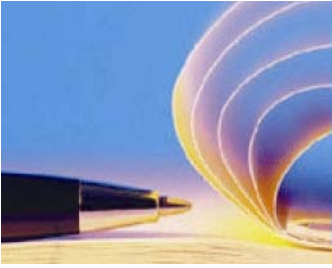
### **Place:**

Discuss change in shorter meetings where you focus on specific aspects of your proposal guiding the discussion through a series of well-planned meetings. You can often get permission to “test market” ideas before implementing large programs. Be sure to select an operating unit that gives you the greatest probability of success.

### **Promotion**

**Prioritize the information that you need to distribute and send in smaller sound bits.** Archive information for future references.

**Divide your audience by preferred information source.** Opinion leaders often like to get information in a written format although key opinion leaders may also require personal selling if resistance is anticipated. Most people like their information vis-à-vis word-of-mouth from opinion leaders. In any even select multiple communication channels and then use the appropriate vehicle for the appropriate audience.



## **Influencing the Rate of External Adoption (Visibility)**

Visibility refers to the ease with which potential customers can see that others are using or will infer that others are using your product. It is for this reason that brand names are printed on clothing or that polling places hand out stickers that say "I Voted." **The more visible things are the more rapid will be the speed of adoption.**

### **Product:**

Create a distinctive brand identify and appropriate logo that can be used with all of your products and services.

### **Encourage people to talk about or showcase the knowledge/skills that they are acquiring.**

Short testimonials in newsletter are an excellent example of this application.

### **Price:**

**Invite key opinion leaders to try your service for free or at a markedly reduced price.** The visibility follows from the sampling of the product and subsequent word-of-mouth communications.

**Focus attention on a meaningful point of differentiation for your product.** As a consequence, the demand for your product will become more inelastic hence making you less sensitive to price. In the case of products with a high price/quality relationship, highlight your price as a means of distinguishing the product.

### **Place:**

Create an incubator program where new products/services can be tried and showcased to appropriate audiences. This recommendation shares the virtues of divisibility and simplicity. Demonstrate your product in highly visible locations.

### **Promotion:**

Testimonials from notable alumni are always a good promotional tool.

**Feature new products and services first or last in your promotional material.** Research in serial positional effects clearly demonstrates that the first and last bit of information received by your audience is the most memorable.

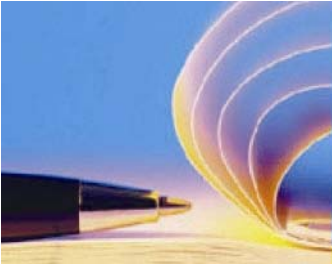
## **Influencing the Rate of Internal Change (Visibility)**

### **Product:**

Showcase and celebrate the various successes you are having with your program(s) change. Publicly acknowledge and reward milestones in the process of change.

### **Price:**

Highlight opportunity costs if you are slow or fail to make necessary changes. Draw attention to and highlight the benefits of the proposed change. Celebrate your successes whenever possible.



## **Place:**

Create an incubator program where proposed changes can be easily monitored and promoted to appropriate audiences. This recommendation also shares the virtues of divisibility and simplicity.

Draw attention to and highlight where positive change is taking place in other settings, particularly if the change is occurring within an appropriate peer group.

## **Promotion:**

If your audience considers a proposed change as generally desirable, place important information first or last in your internal communications. If a change is perceived as less desirable, place the information in the middle of your internal communications. Again, research in serial positioning effects clearly demonstrates that the first and last bit of information received is the most memorable.

Take advantage of the Von Restorff or contrast/novelty effect. Any promotional message, medium or form that stands in contrast to others in its peer group will tend to be more visible and more memorable. **Novelty, when in good taste, is generally a good thing!**

## **Summary and Conclusion**

This article concludes my introduction on how to facilitate change within your organization. Specifically, these articles have attempted to illustrate how organizations can more effectively manage the rate of adoption of their new products, services and ideas. There are also a number of good books available that describe in detail various brainstorming techniques that can be used to augment your development of strategies and tactics within the framework presented in these articles. I also recommend that administrators familiarize themselves with the post-mortem technique and use it during and after the process of change management.

Lifelong learning clearly implies a process of continuous change. There will be occasions when we will need to change quickly and then there will be time when slow growth is preferred. If change is the price of growth, it is reassuring to know that you can influence that rate at which it occurs.