

Governing Energy

Pocket Change

Volume 2 Number 10—May 16, 2013

Conventional wisdom holds that, “people resist change.” In fact, a cottage industry has been built upon this core premise. One common model that addresses this resistance to change is the Five Stages of Grief.ⁱ Denial, Anger, Bargaining, Depression and finally Acceptance are the elements that describe this process.

Certain industries, e.g., energy are typically conservative by nature. One can argue that high capital costs and a dangerous working environment lead to a more measured adoption of the new. Is conventional wisdom wrong?

Flip a coin taken from your pocket and there are two possibilities—heads or tails. The common process resolves wagers, determines first possession in athletic contests and is a well-known probability game.ⁱⁱ

As with a coin, there are two sides to change. In the 1980s, the first IBM PC “Killer App” was the spreadsheet software program, Lotus 1-2-3.ⁱⁱⁱ The acceptance rate in 1983 was over 13 times the original forecast. Similar stories tell the tales of other high value agents of change.

Clearly, the rate of change for a low cost software program can be faster than that of major changes to energy production infrastructure. Hypothesis—in both cases change is driven by the inherent economic value proposition.

Human beings are born change agents! Indeed, our very survival depends on the individual’s ability to adapt.

The human life-cycle is a *CHANGE MATRIX*; aging, experience/knowledge and areas of interest are just a few of the parameters that evolve and morph from one perspective to another. One could argue that we thrive on change, not shrink from it.

It is convenient to blame the perceived reluctance to embrace a new proposition or product/service as a function of resistance to change. However, perhaps the value proposition is not well articulated. When asking others to change, perhaps we need to change our behavior first and make sure we express the reasons why in terms that are understood.

Finally, randomness is not synonymous with robust change management processes. The next Killer App will touch that inherent human desire to change. Its adoption curve will be business “process” relevant with our primordial behaviors driving it forward.

Is your organization’s approach to change management akin to a coin flip?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of two books and has written extensively about the field of operations management. Shemwell is also the CEO of Knowledge Ops, Inc.; a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management.

End Notes

ⁱ <http://grief.com/the-five-stages-of-grief/>

ⁱⁱ <http://math.stackexchange.com/questions/195359/when-to-stop-in-this-coin-toss-game>

ⁱⁱⁱ <http://hightechhistory.com/2010/01/26/history-of-lotus-1-2-3/>