



CULTURAL ASSESSMENT

Cellzine

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INSIGNIAM

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PART 1: INTRODUCTION

THE PURPOSE OF A CULTURAL ASSESSMENT

Every organization of any significant size—whether a commercial enterprise, a non-profit, or a government agency—operates within its own distinctive culture. Corporate culture is recognized as the singular determinant of corporate effectiveness and can be an arbiter, or at least an important factor, in long-term success or failure.

Webster defines “culture” as:

5.a: the integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for learning and transmitting knowledge to succeeding generations. b: the customary beliefs, social forms, and material traits of a racial, religious, or social group; also: the characteristic features of everyday existence (as diversions or a way of life) shared by people in a place or time. c: the set of shared attitudes, values, goals, and practices that characterizes an institution or organization. d: the set of values, conventions, or social practices associated with a particular field, activity, or societal characteristic.

The simplest construct for corporate culture is whatever is reinforced and rewarded within a corporation. Corporate culture could be thought of as the set of unarticulated rules for success inside the enterprise. There are nine distinctive elements of corporate culture that come together to create the organizational paradigm that shapes and informs what people think about, how they see their work, and what actions they take (See *Part 6*).

Culture is the condition in which people think, act, and work within the organization; it acts like a force-field, shaping and reinforcing what people think and do. It shapes the perceptions, thinking, and actions of the people within the company. Given that all performance in an organization is reliant on the actions of individuals and the cumulative impact of the action of many individuals, the corporate culture can be considered as the singular determinant of long-term, strategic corporate success.

When a company’s corporate culture, or paradigm, becomes the fixed and absolute view of reality, or “how things are and ought to be,” rather than simply one way to view the world, the organization loses flexibility, increases waste, and slows execution. As a typical way of working becomes the only way of working, the organization loses creativity, frustration rises with a loss of satisfaction, and innovation disappears. When the enterprise’s point of view becomes the way that it is, possibility is lost, and opportunities are missed. Much of management’s attention is devoted to the tools and techniques that squeeze more out of the existing paradigm. In most organizations, the corporate culture is a mechanism for

reinforcing past successes and avoiding past failures. Strategies, processes, systems, and structures are all too often artifacts of the corporate culture and of past success.

When the competitive external environment changes faster than the organization's internal environment, the old culture impedes success in the marketplace. Internally, however, the existing patterns of perceptions and corresponding ways of thinking and working are validated and reinforced, and the old culture persists. What were once successful strategies are updated and honed. What were proven processes are improved. What were effective systems are refined and re-built. What were solid structures are re-balanced. All the while, corporate performance deteriorates.

No matter how successful a company has been in the past, it cannot develop and implement powerful strategies and effective plans if it is operating with strategies, culture, processes, systems, and structures that no longer fit the demands of the marketplace. In order to regain competitive advantage, the company must transform itself by generating a new future for the enterprise that is founded and has competitive advantage in the marketplace of the future. Commensurately, the corporate culture must be harmonic of the marketplace of the future, a corporate culture that empowers and enables people to invent new ways of competing and to change the rules of the game in the marketplace, as well as in the enterprise.

Unless the existing culture is revealed, accepted, and owned, any attempt at cultural change will simply be lipstick attempting to cover up the old culture. The supposedly new culture will unwittingly inherit aspects of the old one that can undermine the effectiveness of the change effort.

It is first necessary to assess and identify the existing culture and distinguish it for what it is: a Vicious Circle of self-reinforcing rules and procedures, processes and practices, patterns of perception, action, and thinking that come from and perpetuate the past and leave room only for the predictable. Having identified the existing culture, leadership must then be willing to relate to it as merely the current paradigm for doing business in the company — “a way of working” rather than “the way it works” or, even, “reality” — and then take responsibility for how they, and everyone else in the organization, participate in and reinforce that same culture.

Only then is it possible to begin to design a corporate culture from the future to which senior leadership is committed, a culture that can be the source of competitive advantage, as opposed to being an attempt to fix, change, or improve on the past. In a culture by design, people's actions naturally express and build the vision. In other words, a culture by design pulls for the realization of the vision, strategy, and intended results. This gives access to extraordinary accomplishment and to producing results that are beyond the predictable.

METHODOLOGY

Insigniam's methodology for identifying and assessing the corporate culture is based on the following principles:

- ✓ **An organization can be viewed as a network of ongoing conversations;**
- ✓ **People's behaviors and actions are correlated to the world as they perceive it or, said differently, how it occurs for them;**
- ✓ **The way the world occurs is in many ways, if not totally, linguistic; that is to say, the way the world occurs is screened and shaped by the conversations in which people are engaged in and the patterns of those conversations—what they speak and to how they speak and listen—which mostly come from and perpetuate the past.**
- ✓ **The patterns of conversation of the people of an organization (both the content of those conversations and the structure of the conversations) can give insight to the corporate culture, a filter on, and boundary to the conversations of people inside the organization.**

Thus, by identifying the patterns of conversation in which people are engaged within the enterprise, we can assess the existing corporate culture. We do this by conducting extensive individual interviews with the people of the organization in all functions and at all levels of the organization.

We completed 24 one-on-one interviews as well as 40 online surveys at Cellzine. Each interview was designed and intended to identify and reveal the network of ongoing conversations that correspond to the corporate culture of the organization. The survey questions were tailored to focus on individuals' perceptions and ways of working, how work gets accomplished in and through the system, and provide an assessment about what works and what does not work at Cellzine.

PART 2: DISTINCTIVE ELEMENTS OF CELLZINE’S CORPORATE CULTURE

The distinctive elements of Cellzine’s corporate culture are set out below. These elements are not listed in a particular order but are grouped together for emphasis. The elements are not expressed in the words of the interviewees but rather as threads of recurring concepts that can be discerned as the network, patterns, and structures of ongoing conversations giving actionable access to the corporate culture. Exact quotations from employee interviews are included in Appendix 1 to illustrate and support each element. The names of these distinctive elements give identity to a part of the background for the actual conversations in which people are engaged and for the actions that people take at work.

1. PEOPLE AS THE SOURCE OF SUCCESS

Cellzine is made up of good people who take pride in their genuine affinity for one another, teamwork, and dedication to serving the needs of ██████████ patients. People see Cellzine as a family and the company’s greatest asset its people. Whether it be facing changes in leadership, navigating ever-changing direction, or supporting one another through short timelines and heavy workloads, the people of Cellzine step forward to do what needs to be done. Above all else, the people of the company recognize that their peers are the source of Cellzine’s success.

2. WORK FROM HOME, A TWO EDGE SWORD

While other companies had to adapt to a remote work environment due to the global impact of the pandemic, Cellzine was far less impacted due to the already established remote work practices created for its international employee base. Some recognized that the depth of experience and expertise has come as a direct result of allowing for the hiring of subject matter experts from around the globe to fulfill the needs of the ██████████ study. At the same time, the pandemic has put a strain on the level of connectivity seen as a key ingredient of the Cellzine culture. Adapting to the restraints of COVID on sites, patients, contractors, suppliers, shortened timelines, and changing demands has limited people’s ability to authentically connect and build relationships; even more important for employees who have joined the company in a post-pandemic world. People miss the “hallway” conversations that existed when visiting the office or the annual company gathering that gave people the freedom to know each other in a more relaxed setting. While not fully making up for that missing piece, there is gratitude for the more consistent town halls and other networking opportunities – when time permits an opportunity to engage (which is limited due to workload). For many, remote work has become a blessing and a strain as they wish to maintain the deep relationships people feel make Cellzine so great, while delivering ██████████ for patients.

3. SCRAPPY AND WILLING

Cellzine knows how to roll with the punches, to keep fighting, and to find a way to win. The organization and its people have learned how to operate as efficiently as possible to best utilize minimal, remote resources at a high capacity to produce. People are able to maintain a high volume of work, doing what it takes to make things happen. People at Cellzine operate in a way that demonstrates they know the company is counting on them. Some even consider their value to the organization begins and ends with their ability to deliver the outcomes for which they or their team are responsible. People know that there is a lot at stake for Cellzine and its patients, and that there is little-to-no room for mistakes.

4. LOCUS OF CONTROL DEVOLVES TO WHAT IS IN FRONT OF ME

In a company that keeps growing in size, scope, and complexity, people struggle to maintain an ability to have the far-reaching effect to which they were accustomed in the past. The complexity of transforming to a commercial company is both the source of its robust impact and an obstacle for most people to see and realize the difference that their contribution makes to the success of the business. When faced with this challenge, people turn to their specific accountabilities, work teams, and metrics in order to know where to focus. Simply, people are unable to as easily see the direct connection between their work and the future of the enterprise. In an effort to experience satisfaction, people attend to what they can impact and control as a means to experiencing being able to contribute.

5. DOGGED FOCUS ON MAKING IT HAPPEN

The people of Cellzine know they have to deliver, and they do it together. Many acknowledge the fact that very few drugs that go through clinical trials actually make it to market. Seeing the proverbial finish line in commercializing ██████████ has provided a renewed source of vigor to, as people put it, “kill ourselves off to make it happen.” People also see a real opportunity for the business to develop a pipeline and become a full-fledged commercial company as well as gain the bragging rights to say they brought a drug to market. The potential for a business and personal “financial windfall” doesn’t hurt either.

Relying on grit and a tenacious focus on delivering for patients, people know that, at the end of the day, it all comes down to results. Often times, frustration boils to the forefront as constant changes seem to come from leadership without input from those who have their hands on the levers and dials of the organization. Many called upon the need to balance being agile and flexible with not revisiting decisions or changing direction on key things (and then failing to communicate the change). This conundrum begs questions like, “how do we both shorten timelines and maintain

quality?” and, “how do we put in the necessary processes and procedures but not become bogged down in big pharma bureaucracy?” Without answering either question, people feel the need to grind it out rather than find a solution.

6. LACK OF FOCUS ON THE DECISION-MAKING PROCESS

A small organization can afford to focus on solving the *problem at hand* as opposed to aligning on the processes needed to make the organization more effective. Delaying conversations that articulates processes, clarifies accountabilities and communication channels, for example, has been acceptable only so long as results were delivered. As Cellzine grows, it has stretched the paradigm of *just get it done* to its limits.

People describe the decision-making process as a game of telephone. Decisions are made at the top and filter down with limited clarity and an absence of “one voice.” While all hands meetings have helped, the consistency depends on the individual leader. The constant changes in direction have become the norm and are not necessarily socialized with the right people. With that said, communication seems to be better up and down than across functions as people are starting to see the emergence of silos within the organization (likely exacerbated by the pandemic and the isolation of working from home).

People are used to being a part of every meeting, decision or at least providing input before a directive is delivered. If many people have a say, it makes knowing who has *the* say more difficult. Insofar as people feel like they’ve been asked to bring their expertise to Cellzine’s work, people also feel handicapped in leading their portion of the work in a meaningful way when so many people are involved. Some people explain their perceived lack of agency as a result of too many leaders’ and not enough people to execute plans or objectives as well as a lack of autonomy.

7. TELL US WHAT MOUNTAIN TO CLIMB

People are hyper focused (appropriately so) on getting ██████████ commercialized. Yet, most don’t see beyond the foothills of the mountain they are climbing. The future is hazy at best. So far, work done by executives to paint a picture of the future has not translated down into the organization.

While people trust new leadership’s experience and their history of success bringing drugs to market – there is a level of unease as to the ambiguity of what comes next and why. Whether it be large or small decisions, this stems from the constant change in directions being handed down from the top. People don’t know whether the decisions being made change because of new information or because there is uncertainty as to the direction the organization should be going. For others, they sense that the recent robust hiring of new leaders has created more cooks in the

kitchen unable to create alignment before handing out orders to what is an already stretched workforce. The general consensus is that there is a disconnect between the top of the organization and contributors, creating a void in the level of clarity and execution capabilities that would come from an undefined, or muddled, mid-level of the company.

8. TWO COMPANIES, THE OLD & NEW GUARD

While people appreciate the newest leaders of Cellzine due to their expertise in bringing drugs to market, there is a concern that Cellzine is becoming too much like the big pharma companies that many employees left behind. As such, some have become disempowered by the ambiguity of accountabilities, decision rights, and career progression.

People first pointed to a lack of alignment and gelling between what they called “the old” and “the new” leadership at Cellzine. A symptom of this being the unclear, misinterpreted direction coming from senior leaders. This concern was reinforced, by the significant growth of leadership without commensurately growing out the lower ranks of the organization to manage disparate needs.

While the new guard is perceived to know where the organization is going, the old guard feels less involved and lacks clarity around what their actual roles and accountabilities are after having their involvement and accountabilities scaled back. With a feeling of reduced impact, the more tenured members of Cellzine feel more limited in their ability to provide input on decisions that they feel could have been better handled had those decisions been socialized first. As a result, rather than proactively bringing concerns to the forefront, many wait to see what others say first and react after the fact.

Additionally, others expressed concern over being under-valued, denoting their vast knowledge of where Cellzine has been, their support in getting the organization to where it currently is, and their desire to lead into the future. To that point, the old guard expressed frustration around Cellzine’s focus on hiring from outside instead of promoting from within. The thought being that those coming from the outside held more value than those who helped Cellzine get to its current state. Without a clear understanding of how to grow within the “new” Cellzine, people are left wondering, “where do I go from here?”

The silver lining in these changes came from nearly everyone showing gratitude for the opportunity to learn and grow from quality leaders who have strong experience and can help Cellzine realize their commercial aspirations.

9. NAVIGATE THE DRIFT VERSUS LEAD TO A VISION

"If you don't know where you're going, any road will take you there," says George Harrison (paraphrasing the Cheshire Cat). The force most at play at Cellzine is the drift, a gravitational-like unseen pull that perpetuates what has been with an infusion of more, better, and/or different. Starved for what is Cellzine's overall mission and strategy, people are seeking direction about where the business is going, and its strategy to get there, let alone the fundamental question of Cellzine's future as a company. While there is an unwavering commitment to bring ██████████ to market, people are uncertain as to whether Cellzine will become a full-fledged commercial company and build out their portfolio or if the company will be sold. As such people do not lead toward the fulfillment of anything other than ██████████; they are left to navigate each day without any sense of what is to come (even though they are clear something else will) and to work getting done what seems like the right things to be done.

10. GROWTH WITHOUT LOSING WHO WE ARE

The Cellzine that people want to work for is *almost here*—but where Cellzine is now is not quite that company. It is going through an awkward phase in which it is likened to a teenager: unsure of how best to structure itself, wanting to be both a small, intimate start-up and a mature large commercial company, about to go through an unclear transition, yet confident in its abilities.

Cellzine's needs are obvious to everyone. They include the need to articulate a future, to establish clear individual accountabilities and decision rights, to solidify its decision-making process, to invest in ██████████ and to successfully commercialize its products. People speak well of Cellzine's past when it was more intimate. Its future too is bright. But today's needs do not occur for people as opportunities to capitalize upon with the kind of zeal they bring to clinical trials; instead, what is missing for Cellzine occur as points of concern. For many, the concern is in losing how Cellzine was in the past. For others, the concern is in not being able to grow into a full-fledged commercial company. For both, however, the missteps occur *somewhere else*; with unclear lines of accountability, with the leaders that define where the company is going; or with the Board that is seen to meddle in the management of the company. Lacking the agency needed to transform these issues, people hope the current state of affairs is simply a phase that quickly passes.

PART 4: LIKELY IMPACT ON CELLZINE AND ITS FUTURE

Cellzine is made up of good people who work hard and seek to do the best job they can with what they have. They are unwaveringly committed to delivering ██████████ for patients and the company they love. In doing so, they aspire to be known and acknowledged for their service and willingness to work on anything that is given to them in hopes that it makes a difference.

The organization lacks a clearly articulated vision for the future of the business, at least at a level which is digestible, understandable, and vocalized by people below leadership regardless of whether the drug goes to market or not. Without a comprehensible and straight-forward direction for Cellzine, there is no rubric or lens for decision making. Without a vision or direction to frame decisions, people rely heavily on grit and determination to get the work in front of them completed even when they have to backtrack when decisions change (and they often do).

For the most part, individuals end up attending to their own projects and initiatives to ensure they get completed. Such a condition not only creates a void in coordinated action and a harmonistic approach to the work of Cellzine, it exacerbates people having too much say in what gets done or how. People often take on any decision presented *versus* providing proactive recommendations and insights that will provide Cellzine a competitive edge in meeting its timelines. This approach dilutes the power and potency of the business and leaves Cellzine ineffectual at working on and delivering those things which can catalyze game-changing performance.

Working at Cellzine has morphed into something akin to Potts' *chorus-line hypothesis* (1984). Potts contends that birds in a flock are not necessarily following one another, but each is keenly observing movement in the rest of the flock (driven primarily by what is nearest any particular bird) and anticipating movement. This has produced a form of 'learned myopia' around one's function, one's work, and one's environment. This is not out of choice, it seems, but out of necessity: Cellzine has not been built for alignment, nor for people being on the same page.

At Insigniam, we say that context is decisive. As the shape of the bottle gives shape to its contents, so does context and future for the people of an organization. Cellzine's transformation will hinge not simply on installing a new context, but one organized around generating something magnificent. The people of the company recognize the possibility of what impact ██████████ could truly have on patients, the industry, and the way in which people work and operate; yet, they have no access to bringing any of those dreams to life.

The opportunity for Cellzine is to create a new context for the enterprise that calls for the very best contribution of each of its employees; one that does not engender comparison to past accomplishments or relegate people to doing the best with what they have. Rather, the opportunity is to provide people with a context that has them regularly looking forward to—and then working on in an aligned and committed manner—what *could be*.

Potts, W. K. (1984). The chorus-line hypothesis of manoeuvre coordination in avian flocks. Nature, 309(5966), 344.

PART 5: THE SIX CRITICAL SUCCESS FACTORS

Organizations that have produced a breakthrough and transformed strategically, organizationally, and at the individual level are united by a set of critical success factors. These critical success factors not only help hasten the breakthrough in performance, they serve as pillars around which the people of an enterprise can organize their conversations, actions, and commitments.

1. **A CONTEXT FOR BUILDING SOMETHING MAGNIFICENT**

Establishing an overriding context and commitment within the organization that something magnificent is being built is cardinal to enabling top tier performance. This context can be described as what the organization is ‘up to’ and it becomes palpable amongst its’ employee population, in the network of conversations, and for customers, vendors, and stakeholders as they come in contact with the company, its people, and its work.

2. **THE THREE ASPECTS OF INTEGRITY**

Integrity is often associated with the morals of a society, the ethics of an organization, or the laws of a state. This is an insufficient foundation to cause a breakthrough in performance. Breakthroughs involves harnessing integrity at each of its three levels:

- ✓ **HYGIENIC:** do people do what they say they will do, by when they say they will do it, in a manner consistent with how one would expect it to be done?
- ✓ **SYSTEMIC:** are processes and systems consistent with and in service of the purpose / ambition?
- ✓ **ULTIMATE:** are people’s actions consistent with that for which we stand and that which we value?

When integrity exists as a virtue rather than a necessary condition of performance, it is easy to sacrifice integrity when it appears one can increase performance by doing so.

3. **A FRAMEWORK OF RESPONSIBILITY AND ACCOUNTABILITY**

A core cultural value and operating principle of personal responsibility and individual accountability provides the requisite framework for individuals to take a stand for and commit to bold results that are beyond one’s span of control. Without such a framework, finger pointing, credit

taking, excusing failures, and dwelling in resignation become the currency of people's conversations.

4. **ORGANIZED AROUND BREAKTHROUGH PERFORMANCE**

Being organized around breakthrough performance is about aligning the commitments, conversations, structures, and processes of an organization around the context of building something magnificent. Out of this springs creativity, new possibilities, game-changing initiatives, and empowered and inspired people who bring about an entirely new level of performance, leadership, and collaboration. From this, several unlikely, remarkable, and business-critical results emerge that mark the beginning of a new era.

5. **AN ALIGNED LEADERSHIP COALITION**

An aligned leadership coalition embodies the future and it demonstrates this in everyday conversations, interactions, and operations. Executives and managers constitute themselves as leaders to cause the unpredictable and share leadership across the organization in pursuit of a common commitment.

6. **MOBILIZING AND ALIGNING KEY CONSTITUENCIES**

An organization displays top tier performance on the court, or more accurately, in the marketplace. Within an organization there are key constituencies to be aligned and mobilized, such as managers, geographies, and various manufacturing facilities and plants. Additionally, top tier players engage with and powerfully align with key stakeholders and constituencies outside the walls of the organization like customer partners, critical vendors, and key suppliers. Together, all of these groups can work together to deliver much more than the results of today.

In retrospect, the genesis and realization of a transformation often appears simple. Cellzine's path to handle preparing the business for commercialization *while at the same time* improving current processes and procedures will take many forms. Its leaders and employees will need to take a fresh look at how to get it all done on top of their day-to-day accountabilities. Causing a breakthrough for these efforts can start simply: people putting aside their complaints and listening intently to the opportunities their colleagues share to mobilize new groups, put integrity into the business, and create something magnificent.

THE NINE DISTINCTIVE ELEMENTS OF CORPORATE CULTURE

When appraising an organization's culture, assess it against these nine elements by asking (1) what are the stated/formal principles, (2) what are the actual practices of people within each element, and (3) what are the unspoken background drivers? Each of these is an area to be measured and examined when transforming an organization's corporate culture.

1. **Language and Conversation:** vocabulary, content, and key phrases create an enterprise's network of conversations. The success, longevity, and culture of an organization are all found in the conversations in which the people of the enterprise traffic.
2. **Customer Orientation:** how much of the work of the enterprise is about serving the customer *versus* fulfilling the requirements of the company's processes, rules, or protocols? For too many organizations, customers are simply an end to which products and services are delivered, not a North Star around which processes and conversations center.
3. **Values:** values are that for which a firm stands as an ongoing concern and/or they represent the common denominators that people consider aspirational and inspiring in that particular organization. Consider what the company holds in high regard: what are the qualitative objectives for measuring the values in action?
4. **Accountability:** are people organized for results, processes, tasks, or effort? What are the incentives for fulfilling on one's accountabilities? Accountability can be thought of as 'count-on ability.'
5. **Traditions, Rituals, and Artifacts:** those items that are status symbols in the enterprise, or those things which give people a sense of belonging, pride, or inspiration impact the conversations and actions of people in an organization.
6. **Leadership Dynamics:** how the workforce views leaders, leadership and the recognized leadership practices of an organization impact how people work, speak, interact, collaborate, and complain.
7. **Unwritten Rules for Success:** those who learn and master the unwritten rules for success—the taboos, status symbols, pathways, and

behaviors—are those who rise and perpetuate the existing culture. Examine carefully which of these empower and disempower people in the organization.

8. **Decision Rights and Process:** the systems and processes for determining who makes which decisions, at what pace, and by consulting whom shape how work gets done and are critical elements to monitor within a culture.
 9. **Legacy:** the past of an organization often impacts its present and future. Attending to any major close calls, game-changing successes, or founder and/or a senior-most executive's values or approaches is important.
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PART 7: LEVERAGE POINTS FOR ACTION

Nothing is accomplished without action. In the following pages, suggested areas of focus are presented which, if acted on, can address the challenges and capitalize on the opportunities outlined in this assessment.

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- **Establish a Context for Building Something Magnificent**
 - **Foster Alignment, Responsibility, and Accountability at All Levels**
 - **Foster Communication and Collaboration that Moves the Ball Down the Field**
 - **Leverage People Through Empowered and Empowering Leadership**

ESTABLISH A CONTEXT OF BUILDING SOMETHING MAGNIFICENT

The big unanswered question for Cellzine is, ‘What’s next?’ What people really yearn to know is, “What are we building together?” and subsequently, “What is my work in service of?”

Today, Cellzine is about the [REDACTED] clinical trial. The opportunity ahead for the company, however, is bigger than commercializing [REDACTED]. A vision that is compelling for those throughout the organization galvanizes people to act and answer the question, ‘what is the long-term future that will ensure we are the leader in our space?’ Rather than muting their contribution for fear of appearing uncooperative, a powerful vision of what Cellzine will become encourages bold thinking and action.

Success is the result of actions consistent with the future they design and stand for. Without such a context, a conversation for being an aligned, focused, dynamic, creative, and skilled group of people cannot be heard as an opportunity for something new — it can only be fit into the existing conversations from the past where such a corporate culture has not been the case. Therefore, it is likely to be heard as, at best, optimistic, and at worst, idealistic nonsense.

“Without vision, the people will perish.” (The Book of Proverbs)

Cellzine is already an organization with a razor-sharp focus on delivering tactical progress. But more is required to shepherd its people to deliver on all the opportunities available.

Designing a new context provides entry into a new realm of possibility for the organization. A new context gives people a place to stand so that the future into which they are living, and operating is not simply more of the same. Rather, it offers ideas, possibilities, and behaviors that are innovative, creative, and foster unprecedented levels of performance that were inaccessible in the old context.

FOSTER ALIGNMENT, RESPONSIBILITY, AND ACCOUNTABILITY AT ALL LEVELS

Alignment results in coordinated, effective action. Fundamentally, alignment is working from the same place toward the same future. Alignment is a matter of commitment, not opinion or knowledge or circumstance. If everyone in the enterprise were working toward the same future (read: vision), if each person would see himself or herself in that future, actions would naturally be more effective and coordinated.

At the heart of success for any strong team is coordinated action. Several elements significantly support the practice of coordinated action in an organization: *alignment*, *responsibility*, and *accountability*.

- *Alignment* is not agreement; it is the willingness to get behind something that one didn't create or have a say in and to take a stand for the success of that initiative even when reservations about it remain.
- *Responsibility* is not blame, nor is it working to fulfill the success of one part of the business. It is recognizing that one's actions and inactions contribute to the *entire* business, both what does and what does not work about it.
- *Accountability* does not appear simply when one knows what to deliver but requires that people across an organization look to its biggest commitments and ensure that the necessary accountabilities to fulfill them are in place.

Building a culture in which alignment, responsibility, and accountability emerge shifts people's focus from 'who screwed up' to 'where can I make a difference?' It displaces people squarely having their attention on their own world and experience. It gives space for individuals to honor the contributions of their colleagues, colleagues equally committed and hard-working as everyone else. Forwarding such elements and generating practices and structures for honoring the contributions of colleagues as a natural, regular, and expected way of working is paramount.

“Building a company’s vision requires 1% vision and 99% alignment.”

James Collins and Jerry Porras

Executive management can begin this work by clearly, powerfully, and hygienically communicating the corporate aspiration, context, and strategy to every department, facility, group, and person in the organization such that it is figuratively dripping from the walls. Engage in conversations with employees to explore the kinds of measurements, results, and outcomes critical for Cellzine to realize its ambition in year one, year two, and year three. Ask people how executive management can help them to best serve patients, collaborate and partner with suppliers, vendors, and colleagues, while challenging employees to begin exploring new possibilities, thinking creatively, and taking smart risk.

Alignment requires that people acknowledge and take responsibility for the current situation and circumstances of the organization (working from the same place), as well as being committed to and inspired by a common picture of the future in which everyone can locate herself or himself. Alignment is a product of new, fierce, authentic conversations. This alignment results in higher employee satisfaction and productivity.

I have become convinced that unless a company learns the importance of the human element in its enterprise, they’re going to be a mediocre company. They just aren’t going to get outstanding results. The striking thing I saw at Ford during the ‘80s was the extraordinarily positive force you unleash when you energize people by getting them involved in what you’re trying to do by asking them for their opinions.

And you need to work steadily with your management group to convince them that they will be better managers if they abandon autocratic approaches and instead adopt a participatory approach, where they identify a problem that needs a solution or a program that needs to be undertaken. You figure out all the people who are going to be affected by that and have them participate very early in the process of getting information pulled together.

*Donald Peterson
Former Chairman & CEO,
Ford Motor Company*

Taking responsibility provides one with access to dealing with oneself and with the situations in which one finds himself or herself from the perspective that he or she has *a* say

in the matter. People gain access to a way of working and collaborating where they act as if they can make *the* difference in any circumstance. From this, leadership arises.

When a challenging, exciting, and inspiring future has been designed and committed to, it will call forth leadership. Those who are called to lead will be called to be bigger than they know themselves to be. The creating of an organization where strong leadership is present at every level and in every function will empower and enable Cellzine to produce unpredictable results, to realize a designed future of its own design, and to break free from the predictable drift given by the past. Strong leadership in an aligned organization can be the source of competitive advantage.

When management begins authentic conversations—committed speaking and listening—with one another and the people of Cellzine about a new era for the organization and delivering on a compelling and exciting future (in a context of alignment, responsibility, and accountability where people are leading fulfilling and satisfying work lives), the transformation of Cellzine will begin. People throughout the organization will begin to engage in new conversations, considering possibilities that never existed in the old corporate culture.

FOSTER COMMUNICATION AND COLLABORATION THAT MOVES THE BALL DOWN THE FIELD

When an organization broadly points to communication and decision-making as a root cause to inhibited performance, there is typically a lack of rigor in the complaint. The issue with framing the challenge as simply “improve communication” is that critical components of what is actually important (as in, who needs to be informed, who needs to be consulted, what kind of content is relevant to whom, and what structures are in place to do so) are left ambiguous. The opportunity for people at Cellzine is to clearly define what is needed; exactly **who** needs to know **what** by **when**. Not everyone needs to know everything as soon as it happens, nor is it appropriate to share all information with everyone. Simply putting in rules, policies, or procedures is unlikely to solve the issue. A transformation in how people see the opportunity and function of communication must precede lasting changes in how they communicate. Specifically, people can see that it is through communication, and its quality and quantity, that their work gets done. Being vigilant about managing the network of conversations that constitutes Cellzine is a leadership challenge for all employees, regardless of where they sit on the organizational chart. Once that condition has been established, engaging in a rigorous, thoughtful conversation about what is needed when people speak about communication will begin to retire the complaint about the matter.

LEVERAGE PEOPLE THROUGH EMPOWERED AND EMPOWERING LEADERSHIP

Two of the greatest influences on corporations which came of age after 1950 were the United States Army and General Motors. Both served as models for scaling organizations, instituting common approaches to work, enabling process discipline, and for getting things done. Unfortunately, the rise of knowledge workers vs. factory workers has done far too little to shift the paradigm for managing today's largest companies.

The organization would be well served to invest in people as a driving leverage point for success, not simply as those who manage projects and budgets through a process. One critical success factor for performance-oriented knowledge workers is autonomy. Creating a condition where individuals have the room to use their smarts, know-how, and critical thinking skills to ensure results get produced (vs. following a pre-defined process to do so). Insigniam says '*leaders are those who make happen what was not already going to happen.*' Said differently, engendering in the people of Cellzine the context for (vision) and culture (what is rewarded and reinforced) to catalyze extraordinary outcomes for the corporation will bring about an entirely new level of impact from the department.

Leading is not a function of style, charm, characteristics, attributes, attitude, behaviors, or title, stature, or authority. In truth, leading starts with taking a stand for an extraordinary accomplishment in action with and through others, and then honoring one's word in the matter. Leading (and leadership) is about making happen what isn't already a part of the drift or business-as-usual. *Leaders commit to results that are beyond what is typical and likely, taking actions consistent with the commitment, thus producing unlikely results.*

With that said, empowerment is non-existent without accountability. In turn, accountability can only exist when decision rights are clearly articulated up, down and across the organization. In life, it seems as if most people are trying to get themselves off the hook. Leaders, by contrast, get on the hook. Leaders revel in the joy of accountability: they are people who are count-on-able and expect to be held to account for causing results despite the circumstances. Leading (and leadership) is a linguistic phenomenon. Leading exists in conversation, in taking stands, making promises and requests, and in grounded assertions. Leaders speak new action into existence. Ultimately, leading is about making big promises and making big requests. In the spirit of Goethe, "Dream no small dreams for they have no power to move people's hearts."

Cellzine should invest in empowering, equipping, and enabling individuals in such a context for leading and leadership. The six facets of leadership which would make the most difference are these:

1. **Taking a Stand**

2. **Being Unreasonable**
3. **Integrity**
4. **Generating Possibility for Others**
5. **Embracing Your Own and Others' Humanity**
6. **Relating to Others as Powerful People**

APPENDIX I: ILLUSTRATIVE QUOTES FROM THE INTERVIEWS

Below are quotes that are illustrative of themes that we heard from many people in our interviews.

PEOPLE AS THE SOURCE OF SUCCESS

- ✓ “Almost everyone does get along. It’s kind of weird, I’ve never been in a company like that. It’s very welcoming and genuine. It’s not false or fake.”
- ✓ “People have the same work attitude and work ethics. It makes a coherent team - that's the magic sauce for Cellzine.”
- ✓ “They are some of the smartest and nicest people I've met. They’ve been very collaborative, and no one works against each other.”
- ✓ “The people here are all great! We all have this dedication and drive to make things successful. we enjoy each other and it feeds into the positive environment and how things are moving forward.”
- ✓ “We have a team of people who are flexible. It has helped me to realize that I can be flexible. Cellzine is successful so far because we are a group of adaptable people.”

WORK FROM HOME, A TWO EDGE SWORD

- ✓ “Being remote. That has nothing to do with COVID, it’s our nature. Some people can [handle it] and others have a tough time with it. It’s a bigger one. If you can’t self-discipline and build relationships remotely, you're going to struggle.”
- ✓ “People love working here. We used to have offsites - has been difficult during the pandemic to not be able to get together - not a lot of interface with new people.”
- ✓ “As we exit this global pandemic, I would love to see some in-person type of gatherings in which we can have an opportunity to make friends with our colleagues in a non-work setting.”
- ✓ “Since it has been operated remotely for so long, they've done a good job operating remotely.”
- ✓ “What I miss is to directly interact with people- we used to do that pre-COVID. We used to have a yearly retreat.”

SCRAPPY AND WILLING

- ✓ “Everyone's really motivated, willing to step in, you never feel like people are frustrated. [These are] dedicated and hardworking people.”

- ✓ “Everyone's tenacity. People are really, really committed. We have a really driven group of people. Most really believe in what they are doing and want to see it be successful. People want to see what it's like to be a part of commercialization.”
- ✓ “Because we're all working remotely, we trust that [team members are] dedicated. People are willing to help someone out whether it be cross-functional or whatever. If something is slow, or someone is new, we're willing to jump in. [People are] friendly and open to provide assistance. The workload is pretty heavy though.”
- ✓ “Our team does amazing amounts of work - the project, the task that we are bringing to fruition. Exceptional. [It] only works because people are willing to chip in at any point.”
- ✓ “My co-workers really do their utmost to achieve tasks by due dates. A lot of them regularly go above and beyond to do so. I have the impression that a lot of co-workers in other departments are the same.”

LOCUS OF CONTROL DEVOLVES TO WHAT IS IN FRONT OF ME

- ✓ “The speed and the amount. The existing people at Cellzine - their first instinct with ‘how are we going to do this?’ is internalized by, ‘Great how am I going to do this.’ I approach it like I don't have to do it - I have to figure out how to get it done.”
- ✓ “Lack of inclusion at lower than the VP-level in information sharing/contribution to decision-making. Devaluation of subordinates experience.”
- ✓ “People feel less informed than before. It’s hard to communicate a strategy when it changes so frequently, not because of a change in data. It’s a dynamic environment - there are things outside of our views, so we just work on what we know.”
- ✓ “Right now, it’s too early to tell if it will be more or less efficient, but for me, personally it is less efficient.”
- ✓ “We don't know exactly what we're doing. Control what you can and let go of what you can’t. You can’t control this process. Don't try to put too many parameters around this process. If this happens, then we don't have to do something else.”

DOGGED FOCUS ON MAKING IT HAPPEN

- ✓ “I don’t have to tell people too many times to go a certain direction and they get on board. I do sense frustration and anxiety over not having a clear answer on what they need to move forward.”
- ✓ “[We need] more of the next layer down of people for execution. You have chiefs and leaders but we're missing the execution layer in every area.”
- ✓ “There does seem to be a bit of a duplication of efforts across the different teams. I quite often present the same slides three times to different teams that actually have 50% of the same people.”

- ✓ “We have a really interesting balance between trying to achieve big, hairy audacious goals and having fun while we do it. I feel we're a great example of the "work hard play hard" mentality.”
- ✓ “I don't have to spend a lot of time policing people, because everyone is very aligned to where we're going and what needs to happen.”

LACK OF FOCUS ON THE DECISION-MAKING PROCESS

- ✓ “There is a bit of a disconnect between what people say and do. Feel like we are constantly in a state of panic - lack of strategy. Be more strategic. Why are we doing this? We just throw things against the wall to see what sticks. It feels as if we are just trying stuff without knowing why - a lot of people invest a lot of time and energy into stuff we don't really know why we're doing that.”
- ✓ “I think something that frustrates me is that sometimes there are mixed signals. You can be given conflicting approaches by people that you need to take into account.”
- ✓ “Communication through the layers - game of telephone, instead of addressing the issue. Most of us are very senior people- we are used to making decisions. Now you have a lot of layers above that. Now you are not making decisions all the time.”
- ✓ “I would say that there's meetings that people are a part of, where the same things get discussed over and over again.”
- ✓ “I know ██████ talked about diversifying decision making - still held really tightly with the small group of people. Sense of frustration by managers - told there would be a broadening of decision rights - hasn't happened yet. Failure to follow through to share information with all the people that need to know. [There are] gaps that still need to improve.”

TELL US WHAT MOUNTAIN TO CLIMB

- ✓ “Who are the key people that need to be involved with different activities. Having the ability to have that not always be the same people or have them be involved in everything and feel bad that you're adding more to their plate. better separation of different tasks and the required people for what those things are.”
- ✓ “I think something that frustrates me is that sometimes there are mixed signals. you can be given conflicting approaches by people that you need to take into account.”
- ✓ “There is not a lot of visibility on how the leadership team operates other than I know we have an Executive Committee that oversees the corporate vision & strategy.”
- ✓ “I personally think we'll be bought out. We need to appear like we're going to do it ourselves for the best price, but I'd be surprised if we didn't get bought out because of top line data.”

- ✓ “I've had people want to see it through. others are unsure that we're going through with commercial - many think we're just going to get bought. You can't plan on being sold. it's not that they're worried about being bought - they just aren't sure they need to do certain things because they think they're going to be bought.”

TWO COMPANIES, THE OLD & NEW GUARD

- ✓ “From the top down, there is a lack of consistent decision-making. People have been brought in that [REDACTED] likes... Some aren't very good and actually slow us down... There's a lack of authority. The concentration of authority in the executive committee slows us down.”
- ✓ “The interesting thing with the organization is that they started saying that they wanted to build from the top down... but I don't see the working teams being built out. I see more management being hired. We need more worker bees and more people at the core level.”
- ✓ “The odd dynamic is that there's a distinct separation between the new and the old - people who have been here. Now there is a new crop and a lot know each other from past lives.”
- ✓ “The biggest complaints I have heard is how it feels that the company is just becoming [REDACTED]. That's the biggest one I've heard. Another is that the hiring [of] people from [REDACTED] above other people has been a big concern.”

NAVIGATING THE DRIFT VERSUS LEAD TO A VISION

- ✓ “There is a bit of a disconnect between what people say and do. Feel like we are constantly in a state of panic - lack of strategy - be more strategic. Why are we doing this? We just throw things against the wall to see what sticks. It feels as if we are just trying stuff without knowing why - a lot of people invest a lot of time and energy into stuff we don't really know why we're doing that.”
- ✓ “We hired a lot of upper management - the question is always, who is doing the work?”
- ✓ “We're trying to get a sense for how the new team works and their preferred working styles. What are you now accountable and responsible for in terms of this bigger corporate build-out?”
- ✓ “I don't know the vision of the organization and how it will ensure success.”
- ✓ “There's the aspect of wanting to continue knowing where the vision of the company is because you hear rumblings of we're considering this or this, and its discussed briefly but there's no broader discussion. It's briefly touched and then it only raises more questions.”

GROWTH WITHOUT LOSING WHO WE ARE

- ✓ “████████ brought in a lot of people that he knew and worked with. Old and new teams. His team will have a certain culture - how do you marry the old with the new?”
- ✓ “We are starting to lose some of the intimacy across teams that was at our backbone in the past.”
- ✓ “We don't want additional layers to decide on things and approve things because we become less nimble, facile and fast at doing things. We need to be sure as we bring people in that we don't have these additional layers and ensure open communication across different functions. I'm weary as we grow [that] we don't want to be in that situation because different departments have different functions now.”
- ✓ “The folks that are new, they operate [differently]. They come from a bigger company. They're very clear on their responsibilities versus the folks who have been here and have worn more than one hat. The two dynamics need to separate who is responsible for what and who is delivering it. That lack of delineation on what they're accountable for hinders the decision-making and makes us concerned for the future.”
- ✓ “████████ came in and he implemented a big pharma structure. [There] are so many levels of meetings. We have one compound... I sit in 6 meetings, and I still have to call 20 people to find out what's going on.”

APPENDIX II: THE INTERVIEW QUESTIONS

1. Name?
2. Position?
3. How long have you worked at Cellzine? In the industry?
4. Tell us about your role? What results are you accountable for?
5. Why are you at Cellzine? What gets you out of bed in the morning?
6. What would represent a “breakthrough” for Cellzine?
7. Which seven words would you use to describe the corporate culture of Cellzine?
8. Why did you choose those words?
9. What resources are missing in order to have the company be successful?
10. Regarding the future at Cellzine: what are you optimistic/excited about?
11. Regarding the future at Cellzine: what are you pessimistic/concerned about?
12. What is the most satisfying aspect of working at Cellzine?
13. What do you have to put up with to work at Cellzine?
14. Which processes or procedures don’t work, get in the way, slow work down, or create redundancies of work?
15. How would you describe the effectiveness of communication across Cellzine?
16. Are there any changes to the organizational structure that are needed to fully realize the potential of the organization?
17. What political dynamics at Cellzine should we know about that will or could impact the success of the organization?
18. In your opinion, what are the strength of the current leadership team?
19. What doesn’t work or could be improved regarding the leadership team or how the team operates?
20. What recurring complaints do you have or have you heard from others about work?
21. Is there anything else we should know or you would like to tell us?