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# **The Merlin Factor: Leadership and Strategic Intent**

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Reprinted from Business Strategy Review  
Volume 5 Issue 1 Spring 1994 published by  
**Oxford University Press**  
Walton Street Oxford OX2 6DP UK  
tel: + 44 (0) 865 56767 fax: 267773

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# The Merlin Factor: Leadership and Strategic Intent

**Charles E. Smith**

*The principal impediment to changing an organization's strategic direction is its existing culture: that is, people's current beliefs about the limits of what is possible. Changing people's beliefs about the future can produce extraordinary improvements in quality management, technical innovation, customer service and profitability. This culture-changing process of leadership through a radical strategic vision follows a pattern the author calls, 'The Merlin Factor.' (The reference is to the legendary magician who 'lived backward in time'.) The leadership tasks faced by executive 'Merlins' are: (1) Co-Invention, (2) Engagement, and (3) Practice.*

There is a literature replete with examples of companies that have turned a daring vision into reality, achieving extraordinary results which defy conventional analysis or prediction. What characteristics distinguish these successfully transformed organizations from those which labor mightily to produce little more than business as usual?

One important factor is the possession of a long-term strategic intent that aligns the actions and beliefs of everyone in the organization toward a challenging goal. Formulating and implementing such a strategic intent requires a particular brand of leadership. This process of organizational leadership through the use of strategic intent, in this paper can be characterized as the 'Merlin Factor'. It begins with a personal quest to cast off the shackles of old habits of thought in order to reinvent the future. It takes hold in the present through the effort to enroll others as committed participants in the enactment of a new collective purpose. It gathers momentum with each 'impossible' obstacle that is overcome. The essence of the Merlin Factor process in organizational leadership is simply stated: what you choose for your future is more important than what you know about your past or present capabilities.

*... what you choose for your future is more important than what you know about your past or present capabilities.*

## Strategic Intent and Organizational Culture: A Leadership Perspective

*Instead of beginning with an analysis of current or projected conditions, they relied on a commitment to create a future which could not be reasonably extrapolated from the state of the business at the time that commitment was made.*

In the May—June 1989 issue of the Harvard Business Review, Gary Hamel and C.K. Prahalad analyzed the exceptional success of winning competitors in a number of industries. Instead of beginning with an analysis of current or projected conditions, they relied on a commitment to create a future which could not be reasonably extrapolated from the state of the business at the time that commitment was made. This ‘stretch’ commitment transformed the internal cultures of those corporations.

Strategic intent envisions a desired leadership position and establishes the criterion the organization will use to chart its progress. Komatsu set out to ‘Encircle Caterpillar’. Canon sought to ‘Beat Xerox’. Honda strove to become a second Ford—an automotive pioneer. All are expressions of strategic intent.

What changed when the companies Hamel and Prahalad studied adopted their strategic intents? No tremors shook Xerox headquarters the day that Canon’s leadership determined to ‘beat’ them. The marketplace was similarly unperturbed. The impact of the new strategic intent affected Canon’s internal culture first. People throughout the organization took personal responsibility for changing every aspect of the business that was inconsistent with the realization of the new strategic intent. The extraordinary results which flowed from those change eventually rippled outward to transform the industry.

## The Merlin Factor: A View From the Future

Legend has it that Merlin the Magician was the great King Arthur’s mentor. As depicted in *The Once and Future King* by T.H. White, Merlin had an uncanny ability to know the future. Occasionally he would give Arthur some insight into just how he knew what was going to happen before it did:

“Ah yes,” Merlin said. “How did I know to set breakfast for two? ...Now ordinary people are born forwards in Time, if you understand what I mean, and nearly everything in the world goes forward too. This makes it quite easy for ordinary people to live, ...But unfortunately I was born at the wrong end of time, and I have to live backwards from in front, while surrounded by a lot of people living forward from behind...”

White’s legend provides an apt metaphor for the ‘future-first’ perspective adopted by leadership that successfully instills strategic intent in their organizations. *The Merlin Factor is the ability to see the potential of the present*

*from the point of view of the future. It is the ability to enlist people throughout the organization as ambassadors who listen, speak, and act on behalf of that future, and it is an absolute commitment to performance breakthroughs that explode the existing cultural limits on what's possible.*

These characteristics of the Merlin Factor expressed in leadership are what makes the difference in organization change. The process is one in which leadership teams transform themselves and the culture of their organizations through a creative commitment to a radically different future. Leading from the premise of a strategic intent requires one to think and plan backwards from that envisioned future in order to take effective action in the present. Leaders who employ the Merlin Factor are engaged in a continual process of revealing the desired future in the competitive opportunities of the present. In this sense a leader works rather like the sculptor who, when asked to explain how he had turned a featureless block of marble into a wildlife tableau, replied: "I just chipped off all the parts that didn't look like an elephant."

*Leading from the premise of a strategic intent requires one to think and plan backwards from that envisioned future in order to take effective action in the present.*

Merlin leadership starts with personal vision of the organization's future which confronts the shared reality of its existing culture. As other members of the organization make their own commitments to this vision it becomes a strategic intent. The means for fulfilling this strategic intent may be unknown or non-existent at the time it is adopted, as in the following examples:

Put a man on the moon by the end of the decade (NASA)

A Coke within arm's reach of everyone on the planet (Coca Cola)

Encircle Caterpillar (Komatsu)

Become a second Ford (Honda)

In each case commitment to the strategic intent preceded the development of the requisite methods for accomplishing it. *Acceptance of a future vision entailing a new set of beliefs about the identity and capability of the organization freed the creative thinking necessary to invent ways to achieve the strategic intent.* Managerial 'Merlins' played a critical role in this process by consistently representing the strategic intent in an ongoing dialogue with the existing organizational culture. The leader is an 'attractor' in the field of creative tension between the entrenched culture and the new strategic vision. As Peter Senge notes in *The Fifth Discipline*:

*Managerial 'Merlins' played a critical role in this process by consistently representing the strategic intent in an ongoing dialogue with the existing organizational culture.*

"There are only two possible ways for creative tension to resolve itself: pull current reality toward the vision or pull the vision toward reality. Which occurs will depend on whether we hold steady to the vision."

The Merlin Factor in organizational leadership takes a variety of forms as

strategic intent is transformed from an individual commitment to a collective reality. The remainder of this article will explore these forms and their relationship to the desired outcome of culture change.

There are three distinct stages to the process of culture change via strategic intent.

The first stage is **Co-Invention**—the stage at which the leadership’s vision of the future is formulated as a strategic intent. Co-Invention is essentially a revolution in the thinking and the shared commitment among leadership.

The second stage is **Engagement**—the stage in which the entire organization is engaged to participate with a strategic intent based on their own commitments. The effects are enrollment, ignition, and a platform for support for change and development activities.

Finally, there is a stage of **Practice**—the stage when rigor and discipline are brought to the organization so it can on-goingly learn by having its actions be consistent with values and a shared future. It is a state change from how people were doing things to what they can do and how they can be in the future. It involves the development of change agents and champions for the new culture.

## Stage 1 — Co-Invention

### Become More Than One’s Self

The ‘ceiling’ on any attempt to change the strategic direction of an organization is the personal limitations of its senior executives as a team and individually. Whatever the CEO and the top management team regard as possible becomes possible for the company. Whatever proposals they cannot or do not listen to generously become effectively impossible in the future of the organization.

In order to see the possibilities of the future through fresh eyes it is necessary to disentangle oneself from the grip of the past. The first step toward leadership through strategic intent is to become more than oneself, to the extent that one’s sense of identity is limited by one’s ‘truths’ about the past.

Four ‘Merlin’ leaders were interviewed for this article. They are:

**Dr. Robert Barthelemy**, Program Director of the National AeroSpace Plane Program (NASP). NASP is a joint program between the Air Force, NASA, the Navy, and the Department of Defense. Dr. Barthelemy brought the program to a unique dedication to quantum leaps in technology and organization. His mission was to create and manage an organization that will fly an airplane at Mach 25 (twenty-five times faster than the speed of sound), a seemingly impossible technical goal from the standpoint of current knowledge.

**David Clark**, President of Campbell Soup of Canada. Well known in the canned food business, Campbell's has in recent years also taken a strong position in frozen and fresh foods. The company has been involved in a total transformation effort that is driven by a radical strategic intent. David Clark described Campbell's future in the deceptively simple phrase, "Fastest Gate to Plate". In other words, "Nobody in North America will deliver fresher food faster from the farm gate to the customer's plate".

**Woody Beville**, Executive Vice President, The Rouse Company. The Rouse Company owns and manages 70 shopping mall complexes in the United States and Canada. It is known for showplaces of urban revitalization such as Harborplace in Baltimore and Boston's Faneuil Hall. Beville's commitment was that the company be distinguished by "extra-ordinary management teams responsible for the shopping centers being great places ..., and all of them operating at a very high level of quality and performance, ... literally flying".

**Tony Gilroy**, Managing Director, Land Rover Ltd. For several years Gilroy was Managing Director of Land Rover Ltd., maker of the renowned four-wheel drive vehicle used by the British Army and famous for its uses in jungles and third world countries. Under Gilroy's leadership, Land Rover enjoyed a major financial turnaround and introduced the very successful Range Rover product in North America. Today Gilroy is Managing Director of Perkins Engines, a global manufacturer and distributor of diesel engines. The interview concerned his experience at Land Rover.

'Merlin' leaders and leadership teams reported undergoing a personal transformation that coincided with the creation of the new strategic intent. This transformation consisted of an identification of themselves with a particular vision of the future of the organization. It occurred as a moment in which they took complete responsibility for the future of the whole organization and its place in the world. No blinding lights or burning bushes accompanied this experience, just a decision to identify oneself with a future for which the way must be opened. This decision constituted a radical break with their previous beliefs about the possibilities of the future.

For example, Robert Barthelemy said:

"I became much more than myself when I took the goal of making an airplane fly at Mach 25 and made it my own. I was able to go beyond the limitations I had previously placed on myself as an individual. Things like a Mach 25 aircraft or other things that most people don't think are possible, become possible because it's already there before you find the way to get to it. It happens when you commit. I think the key thing is to finally commit that you're going to go for it. Then it takes on an aura of its own."

*No blinding lights or burning bushes accompanied this experience, just a decision to identify oneself with a future for which the way must be opened.*

David Clark lends support:

“From the first, this strategic intent was an interesting juxtaposition of coolly rational thinking about what has to be done for the benefit of the business with an exciting personal challenge to test myself against something I’d never done before. It is almost a Jekyll and Hyde situation ... I found I had to deal with many issues at once: personal and corporate, cerebral and emotional, analytical and chaotic.”

These leaders discovered that their own willingness to be changed by their commitment to the organization’s future was instrumental to the success of their subsequent efforts to induce others to change. Identifying themselves totally with the achievement of a strategic intent meant undertaking a commitment to a process they could not entirely predict or control. And, thereafter they were personally defined by the future they had chosen rather than by their past or present identity.

### **Think the Unthinkable**

The first element of the Merlin Factor in leadership consists of an a priori personal commitment to a creative purpose. The second task of the Co-Invention stage is to envision that purpose in terms of achievements beyond the prevalent cultural consensus on what is reasonable and possible.

Cultural taboos can silence the imaginative thinking necessary to create a compelling strategic intent. Consider the experience of a professional strategic planner working with a group of senior executives from one of the nation’s largest brokerage firms:

“It was easy to do a strategic plan when we addressed our internal concerns, but we were totally unable to come to grips with the external environment. It was almost frightening—we could talk about the present year, and maybe speculate a little about next year, but no one was willing to commit himself to anything 2 or 3 years down the road. People didn’t just express uncertainty, it was like they became mute. We literally couldn’t discuss the future.”

Thinking about a future that is ‘unthinkable’ by current standards immediately raises the spectre of the practical difficulties separating one from its attainment. Whether these obstacles are technical, financial, or political in nature, they loom very large indeed at the inception of a new strategic intent. Whenever an ambition exceeds the organization’s consensual limits on the future, taboos dictate that, for any number of plausible reasons, ‘you can’t get there from here’. Hamel and Prahalad state:

“In companies that overcame resource constraints to build leadership positions, we see a different relationship between ends and means. While

strategic intent is clear about ends, it is flexible as to means—it leaves room for improvisation. Achieving strategic intent requires enormous creativity with respect to means. But this creativity comes in the service of a clearly prescribed end.”

Cultural barriers to innovation must be overcome within the thinking of the leader before they can be credibly challenged at the organizational level. The first step is to recognize that familiar, accepted ways of thinking about the business are bankrupt with regard to achieving a strategic intent. Barthelemy says:

“Mach 25 is unthinkable fast for an airplane. The materials problem is so difficult that the people involved have dubbed the sought-after material ‘unobtainium’. Mach 25 requires a kind of thinking that cannot be derived from what is already known.”

Most people think about what they actually see, or have seen before, in order to determine what is possible. The genius in thinking about the unthinkable is to dwell on what’s missing, what’s not there that could be. Thinking about the unthinkable breaks up the existing cultural interpretation of what can be done and what’s possible.

### **Become An Ambassador From the Future to the Present**

Making a personal commitment to change was the first leadership task of the Merlin Factor. Formulating a radical vision of the future was the second. The last task of the Co-Invention stage is representing and enacting that vision in order to move it from the realm of private discourse into an explicit strategic intent for the organization.

A leader who makes an internal commitment to an ‘impossible’ future becomes an ambassador from that future to the existing culture of the organization. An ambassador is a spokesman for the interests of one sovereign entity to another. Leaders who use the Merlin Factor, identifying themselves with a particular visionary future, likewise act on behalf of that future in the circumstances of the present. They represent and speak for the interests of a future state of affairs, negotiating with others to bring it into being.

This ambassadorship is perceptible in the way the leader listens and speaks in conversation with others. Confidence in the strategic intent must be balanced with openness in the matter of means. The leader sets a powerful counter-current to work in the culture by insisting that the ‘impossible’ strategic intent is both achievable and urgent.

A new cultural reality is created by speaking and behaving as though it were an established fact. The challenge this presents to the leader is to keep speaking on behalf of the vision in the initial absence of evidence or agreement. Speaking passionately from the perspective of the envisioned future, the leader

creates a relationship of creative tension between the vision and the present organization. Whatever in the present culture is inconsistent with the commitment required by the vision becomes distinct as a result of that tension. Recognition of these gaps leads to action.

A bridge from the future that focuses on the conditions of the present narrows the possible actions an organization can take because it always begins with an apparent 'first' step. If people don't feel able to take that initial step, the path to the future seems blocked. When people are unable or unwilling to move in a particular strategic direction, they either do nothing or sabotage the whole initiative. Ironically the most successful organizations are often the most rigid in this respect because of their commitment to structures and formulas that have worked in the past.

On the other hand a bridge to the future that focuses on the creation of new possibilities imposes no prohibitive initial step to begin movement toward that future. Instead there are a number of possible starting points. This expanded field of possibilities enables the leader to speak authoritatively on behalf of the practicality of the future vision without being able to specify all the intervening steps between point A and point Z. The strategic intent is fixed, while the means to its attainment are opportunistic.

By way of example, Hamel and Prahalad point out that Japanese penetration into Western markets over the past two decades has followed the pattern of entering whatever portion of the field domestic industry leaders dismissed as undesirable. Throughout this entire process the Japanese manufacturers picked targets of opportunity as they arose, rather than following any detailed formula or master plan.

As ambassadors from the organization's future, Merlin leaders offer a vision that appeals to the highest potential in everyone. Purely financial goals may provide a measurement of progress, but they are seldom sufficient to sustain creative effort throughout the organization over long periods of time. Profitability, shareholder return and market share are important indicators of organizational health, but in and of themselves they provide little sense of purpose for employees who do not directly benefit from them. It takes something more fundamental to stir the blood and set a culture change in motion.

*Speaking passionately from the perspective of the envisioned future, the leader creates a relationship of creative tension between the vision and the present organization.*

## Stage 2 — Engagement

In the Co-Invention stage of the Merlin Factor, leadership undertakes a process of commitment, envisioning and advocacy. During the Engagement stage, the challenge is to engage the organization at large in the strategic intent. Over time this internalization produces a culture change which results in what Hamel and Prahalad call 'an obsession with winning at all levels of the organization'. For

practical purposes, whatever the members of the organization believe constitutes winning is (or becomes) their strategic intent, the core of their group identity.

This future vision however, is not something employees are required to adopt as an article of faith, nor is it presented as the leadership team's personal credo. Employees must have the opportunity to co-invent its implications for themselves, and to engage critically with the new strategic intent. Early formulations of the intent may change during this exploratory process as a result of the ongoing dialogue. In this respect, strategic leadership is assumed to be located everywhere in the organization rather than being the exclusive domain of the CEO or senior executive group. Here too, the leadership emulates the Merlin legend, using their own vision of the future to influence and tutor rather than dominate others. Strategic intent can be brought to life only by infusing the organizational culture with an urgent desire to bring the envisioned future into being. Collaborative effort is the key to successful Engagement. As in the Co-Invention stage, certain key leadership tasks are characteristic of Engagement.

### **Enroll Other People As Co-Creators**

Enrollment happens when people become part of something by choice. A strategic intent is only as powerful as the level of commitment people bring to it, and commitment is only possible when there is choice. People who are enrolled or committed identify themselves with the vision and apply themselves to its realization. By contrast, people who have someone else's vision imposed on them by fiat, experience it as a loss of control over the direction of their own lives. The result in the latter case is likely to be grudging compliance at best, if not outright non-cooperation. In enrolling others as co-creators people always have a choice. This aspect of the Merlin Factor calls for willingness on the part of the leader not to have his personal point of view prevail.

*Employees must have the opportunity to co-invent its implications for themselves, and to engage critically with the new strategic intent.*

This collaborative process of alignment building moves the strategic intent through the organization, acquiring shades of local meaning according to the differentiated nature of various business units. Consider the following example:

“Soon after the introduction of ‘Best Food Company in North America, Fastest Gate to Plate’ as our intention,” Clark said, “people in Campbell’s began to change their point of view of what was possible. Not a lot of people at first. Then some of those started to build and reinforce it with me. They expanded on the vision and saw it from a different angle. Increasingly, numbers of others were drawn to a future that promised each of them whatever had been lacking in their own sense of what the company could become. Others restated the goal in terms that had meaning for people who could not accept it the way it was originally said.”

*In enrolling others as co-creators people always have a choice.*

The more ambitious the strategic intent, the more people will be able to design their own futures in its context. Enrolling others as collaborators begins

the process of creating a culture that will support the strategic intent. As you multiply the number of hands and minds working to achieve a future vision, it takes on substance and specificity in the present. In time the strategic intent will become a point of reference: a basic cultural assumption that will continuously focus perception and action throughout the organization.

The final factor in enrolling others as co-creators is dialogue. Physicist David Bohm draws a useful distinction between conventional ‘discussion’ and ‘dialogue’. In the ordinary practice of discussion, differing points of view are presented, analyzed and defended. The goals of discussion are usually persuasion, vindication or problem resolution. Dialogue is a more open-ended process in that resolution is not necessarily a goal. Rather it is a free and creative exploration, requiring careful, non-judgemental listening from all parties. When leadership is vulnerable to their own people, when they engage in dialogues rather than issue directives, when they ask for commitment without having answers at the ready, there are always breakthroughs in culture as a result, and almost always subsequent breakthroughs in performance. It’s not a comfortable process, but it works.

### **Put People to the Test**

The Merlin Factor in leadership consists of approaching the present as a larval stage of the future: looking at a caterpillar but seeing a butterfly. This approach is particularly applicable to the other people one works with. Visionary leadership puts the organization to the test. In order to achieve a higher order of performance you must be prepared to risk or discard associations as they are presently constituted. Inviting people to be responsible for producing a future they cannot yet see creates dramatic crises—and breakthroughs—as the boundaries of possibility are pushed back and the hurdles to accomplishment are set higher. Until you put people to the test you cannot know what you or they are really committed to. Only when the challenges get extreme do people’s irreducible commitments show up clearly. There are no agents or observers in the context of strategic intent: everyone is a co-creator, and shares a creator’s total responsibility.

Edwin Land, founder of Polaroid Corp., said:

“The first thing you do is tell the person that the undertaking is manifestly important and nearly impossible. That draws out the kind of drives that make people strong.”

Putting people to a test that they meet successfully strengthens their commitment to you, to the organization and to the strategic intent. Tony Gilroy, currently Managing Director of Perkins Engines, was interviewed about his experience at Land Rover of introducing the Range Rover into the United States:

“We needed to completely change the internal and external perception

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of Land Rover. We needed a dealer network around the world to invest in completely changing their whole approach to servicing the customers. Unless they did that, no matter what we did with the product, we wouldn't sell it. The result was unheard of. The volume doubled and the price increased with the introduction of the Range Rover into North America. It put us into a different sector and gave totally different levels of customer satisfaction."

*Until you put people to the test you cannot know what you or they are really committed to. Only when the challenges get extreme do people's irreducible commitments show up clearly.*

By putting people to the test the leader focuses their attention and energy on the results encompassed in the strategic intent. At the same time, the leader's support for people's successes and failures as they come to grips with the demands of the strategic intent, models the collegial relationship necessary for its accomplishment. Both the testing and the support send important signals to the organization at large about the standards of performance and behavior, commitment to the strategic intent will require of them. After an initial shaking-out period these heightened expectations become cultural norms, automatically guiding and aligning people's actions. This cultural alignment is one of the great strengths of strategic intent, empowering people to act with initiative and flexibility in support of the overarching commitment without explicit direction or authorization from above.

### **Building Dragonslayer Teams**

A strategic intent sets up an urgent challenge. It creates a misfit between resources and goals. This discrepancy may cause many people to react with skepticism or defensiveness. By setting up a goal that seems 'impossible', the leadership is asking for more from people than they may initially feel capable of. Merlin leaders create an environment of respect, a team spirit that honored what people had to ask for from themselves to meet the challenge. By emphasizing the scope of the challenge, and then recognizing people's extraordinary efforts to meet it, leaders can impart a note of heroism to the entire enterprise. This inspires further prodigies of effort. Every obstacle overcome increased people's confidence and raised their level of aspiration for the next challenge.

An episode from the history of the National AeroSpace Plane Program illustrates this principle in action:

"We formed a *materials consortium*", says Barthelemy, "in which the five prime contractors would play as a single, national team. Faced with this dilemma, which absolutely had to be met if the program were to continue to receive national support, the government team met with the five contractors to seek a solution. In less than a month we had come up with a remarkable answer. The five prime contractors would develop cooperatively the key materials needed for the airplane. On their part, the contractors would take full responsibility for managing the process for success, share their raw materials, research and development infor-

*Every obstacle overcome increased people's confidence and raised their level of aspiration for the next challenge.*

mation with each other, and essentially remove materials from the program competition. The government would in turn work cooperatively with the contractors to this end, facilitate the contractual process in order to rapidly initiate the activity, and significantly enhance the government funding in the materials area.”

As this example shows, teams with a shared strategic intent are capable of accomplishing feats of collaboration that would be dismissed as impossible at a lesser degree of organizational alignment. Once a team has achieved a few successes that carry them beyond the boundaries of what was considered ‘possible’ in the past, their willingness to volunteer and accept risks will increase.

Using a series of incremental challenges of this type the organization bootstraps its way toward the long term strategic intent. Hamel and Prahalad invoke the simile of a marathon race run in 400 meter sprints, each sprint representing a distinct problem or opportunity such as quality improvement, customer service, new product lines, etc.

At Campbell’s David Clark asked each breakthrough project team to save the company a million dollars in their first six months of operation. Acceptance of the request was the ticket of admission to participation in the project. They set up a world class challenge—one that required engagement to play. The result was a positive 16 million dollar impact in the first year.

The Engagement stage of the Merlin Factor, though grounded initially in the vision of leadership, only becomes a full fledged strategic intent when that vision is co-invented and lodged in the hearts and beliefs of other people and restructures their collective reality. Enrolling, supporting and developing others is the key to lasting culture change. The legend of Merlin has survived to our time not because of his personal vision or magic powers, but rather on account of the heroic achievements of King Arthur, his pupil.

### **Stage 3 — Practice**

One of the more daunting aspects of the Merlin Factor process is that you never know exactly how you’re going to get to the strategic intent. The third stage of the Merlin Factor concerns the process of continuous improvisation required to create a pathway to your goal. Thinking about the present from the Olympian perspective of the future is like standing on top of a mountain, looking down. The path up seems clear from the summit, but it is difficult to see from the valley. From the stand-point of the strategic intent, later actions may seem clear while interim steps are not. Each new achievement discloses another set of required actions. ‘Where we are going’ looms steadily before us, while ‘How to get there’ unfolds like water flowing around barriers, rather than a master plan. A

constant process of experimentation, entailing unexpected reverses and opposition, is an inescapable element of leadership through strategic intent.

Organizations can achieve their strategic aims only to the extent that they are efficient systems for tapping the creative energies generated in the Engagement process. At first they are likely to be more inefficient than otherwise, for the simple reason that some parts of the system will be working to thwart the new strategic intent.

Executive Merlins offset the inefficiencies of the existing organizational systems by keeping people's attention focused on the relationship between current challenges and the strategic intent. Once people begin to see their daily work in the framework of fulfilling the strategic intent, it becomes easier for them to independently determine what is urgent and what is not. The outcome is inspired action driven by the desire to win, rather than deference to precedent. As in the Co-Invention and Engagement stages, certain leadership tasks are crucial to successful Practice of strategic intent.

### **Maintaining the Future Focus**

The executives we interviewed, while committed to a vision of the future, were not always certain about the outcome of tactical decisions. There were inevitable setbacks, reversals and breakdowns. Their experience was often one of start/stop, failure and doubts. David Clark said:

“The work that we have done has been anything but easy. But I will also tell you that the level of breakthrough activities in this organization has gone from the usual minimum in a large, somewhat bureaucratic organization ..., to an absolute, exponential increase. The essence of realizing strategic intent is that you have to give up control to the extent of following a nice measured, foreseeable path to the future. That's damn uncomfortable in the early stages. It's only when you start to see some of the extraordinary results that you begin to think it's worth it.”

Problems often accompany imminent accomplishment. The bigger the problem, the greater is the likelihood that resolving it will cause your vision of the future to become more robust and closer to realization. Big obstacles in your plans force you to rethink your assumptions about the best path to the organization's future and your current tactics. Analyzing today's setbacks will help you identify what you don't yet know about the future. A certain amount of turbulence is desirable. Much as the moguls (bumps) on a snowy hill enable a skier to gain speed and turn with greater ease, turbulence and conflict can result in increased momentum and velocity toward the strategic intent. The leadership trait called for is grace under pressure. One's ability to be composed in the face of turbulence helps resolve it and allows for rational inquiry into what's possible at a given moment. Tony Gilroy said this well:

*A constant process of experimentation, entailing unexpected reverses and opposition, is an inescapable element of leadership through strategic intent.*

“I knew if I showed any hopelessness it would make the problem worse. So, irrespective of how difficult things looked, I had to show people that I was confident there was a solution down the road and we would find a way out of it. I had to convince them that no matter how bad things were, we would learn something from that experience that would carry us inexorably forward to the future we intended.”

A Merlin leader is grounded in the choice they've made for the future rather than circumstances of the moment, and they epitomize grace under pressure in their organization.

### **Converting Opposition to Momentum**

Whenever a vision of the future departs radically from the past it generates opposition and resistance. The more radical the strategic intent, the more insupportable it appears to those who continue to regard the future as an extension or projection of the past. People invest something of their personal identities and self esteem in the cultures of their organizations. Even a very attractive strategic intent, fraught with the potential for an exciting future, entails some degree of loss and separation from the existing culture as well. This break in belonging can be painful to the point of arousing overt or passive resistance to the necessary changes.

Organizational culture is a form of consensual reality, and a radical strategic intent is a blow to that reality in its present form. Small wonder that grief, loss, and confusion lead to denial, anger or resistance. If we acknowledge this pain for what it is rather than trying to suppress it, much apparent opposition simply disappears. A significant amount of what passes for resistance is merely people expressing their upset and concerns. To appreciate this gives one access to the compassionate listening necessary for healing and resolution. Clark says:

“More than any other management initiative I've ever attempted, I've had to persevere in the face of strong opposition from my colleagues within the organization. At times I could dismiss it as being knee-jerk opposition to the unknown, by people who didn't understand yet. That's fairly easy to overcome because all I had to do was listen to their concerns and help them see the light. Once they saw I was listening they got on board.”

Resistance is an intrinsic part of the dynamics of strategic intent. It provides valuable information about the belief system you are trying to change. Resistance is a notification that you are on the verge of leaving something (or someone) behind. Conflict and opposition are exciting and can stimulate creative thinking. A leader seeking to practice a strategic intent will benefit more from a committed adversary than a half-hearted supporter.

Of course, not all opposition is tidily resolvable. Enrollment is a matter of

choice and some people will elect to opt out of the strategic intent.

### Looking For Magic

The final leadership task in the Practice stage of the Merlin Factor is frequently one of proverb. Barthelemy said,

“When I think of the NASP and the fact of transformation of airplane to spaceplane, to me that’s kind of like the Holy Grail, in the technology world. I think that conjures up images of alchemy, or magic. If you look at when magic occurs in the mythologies, it’s always because there’s a quest in progress that forces magic to occur. No quest, no magic.”

In the quest to achieve your organization’s strategic intent, the destination is fixed but the path is opportunistic. Unpredictable things happen on quests. Helpers, hindrances and tests of resolve appear unexpectedly, as if by magic.

To lead through the Merlin Factor one must be a master of change, sensitive to the interaction of long range strategy and emergent circumstance. You will want to be armed with the normal range of business disciplines as you pursue your strategic quest, but remain alert for irregularities, exceptions and other interruptions in your plans. They may conceal the one thing you never realized you would need in order to achieve your goal. That’s where the magic of strategic intent lurks: in the possibilities you couldn’t have foreseen when you made your initial commitment. Merlin-like leaders cultivate a mental state of search rather than certainty. If you refuse to be seduced by the understandable desire to feel in control at all times, serendipity will often assist you on your way. But you have to be looking for the magic of unanticipated opportunity before you can recognize it.

*Even a very attractive strategic intent, fraught with the potential for an exciting future, entails some degree of loss and separation from the existing culture as well.*

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