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The rules of business transformation

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Business transformation initiatives update a company's production methods and aim to ensure it operates more efficiently. However, the author suggests that a reactive, piece meal approach to needed change relegates a company to lagging behind its market and stagnates its growth. A proactive, holistic approach to business transformation ensures that a company is attuned to its evolving market environment. It secures the long term the survival, sustainability and success of a company. Findings from this study suggest that customer focus, transformative strategy, ethical practices and well executed growth metrics are essential for successful business transformation. The study shows that transformative leaders step away from limited competitor driven tactics to focus on securing long term growth, superior service delivery and stakeholder satisfaction. These companies use technology to unlock new markets and engage in open collaboration with their customers to create valuable new products. The study reviews metadata drawn from published interviews with transformative CEOs to derive the rules of business transformation. While there are many business development options to choose from in the 21st century, the author challenges company management teams to rethink their company strategy and adopt the essential rules of business transformation to secure their long term survival and success. The study suggests that business transformation is not about making a profit from a bottom-line business plan. Rather, it is about taking the lid off performance, ensuring company sustainability and relevance while fulfilling stakeholder expectations, today and into the future.

Key words: Transformative strategy, business transformation, ethical leadership, transformative leadership, sustainable performance, business rules, 21st Century.

INTRODUCTION

So, what's new in business transformation (Faeste and Hemerling, 2016), why do we need transformative leaders to address contextual change (Grin et al., 2018) and why do we need to renew our organizations (Mckinsey and Company, 2016)? What has changed since Henri Fayol and Alfred Sloan put together scientific management theory to get factories to operate more efficiently. What has changed since Henry Ford developed a method of mass production that made the Black Model T Ford available to the average American (Wren and Bedeian, 2009) and what has changed since Peter Drucker talked about Management by Objectives, MBO and later the concept of the corporation (Drucker, 2009)? How have businesses evolved through Total Quality management, TQM (Mohanty and Lakhe, 2008), Gemba Kaizen (Imai, 2012), Balanced Score Card, BSC (Kaplan and Norton, 1996) and Business Process Reengineering, BPR (Hammer and Champy, 2006)

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alongside other developments in business management theory including Management by walking around, MBWA (Peters and Waterman, 2004)?

A close examination of these structural, systems and philosophical business development approaches reveal an underlying need for companies to continuously change, adjust and transform themselves in order to keep pace with the advancing and evolving environment. New ways of doing business do not come about because the old ways have failed. Rather, they come about because the environment has moved on and new opportunities have opened up. A business that does not adjust is likely to suffer strategic dissonance with its evolving environment. Such a business will find itself with unsellable goods, outdated technology and a rotting philosophical core of a dying, irrelevant business outfit (Montgomery, 2013). From the end of the agrarian age to the industrial revolution, through to the information age and now the exponential power offered by innovation and technology, businesses have had to keep transforming to simply remain in business. The bottom line of business survival is that a business must transform itself and keep pace with the changing environment if it wants to survive the long term. The topline of business success is to either: a) study where the market is going and position the company to advance it, or b) advance the market to where it believes the market wants to go.

However, undertaking business transformation simply because other companies are transforming is to miss the point. Business transformation helps a company optimize performance, productivity and profitability in the context of its operating environment. Nonetheless, the need for a constant state of vigilance suggests that the company itself is in a constant state of transition. Improvements serve a purpose for a period. Once that period is over or new opportunities arise, a company must move on to refine or redefine itself to remain relevant in its market. The challenge today is that change is so rapid and dynamic that non-investment in business development is as costly as investment in a product that fails to meet market expectations. Yet, the Internet of Things, IOT is urging businesses to quickly rethink basic concepts such as “factory”, “office” and “production” in pursuit of unfolding new business opportunity (Rogers, 2003).

The challenge CEOs and management teams have today is to keep their business attuned to the environment while serving the interest of stakeholders. Companies have to keep changing and growing in order to remain relevant, reliable and competitive (Caldwell et al., 2012). However, just how do you achieve superordinate performance in the rapidly evolving, dynamic and disruptive 21st century environment. With many different approaches on offer, what are the basic rules of business transformation that every CEO and management team should observe in order to avoid a company lapsing into unproductive oblivion.

Business transformation today is rendered urgent by four important factors: First, the departure of the stable and long-range economic planning environments; second, the enlightenment of the customer and the growing power of stakeholders; third, the ease of use and availability of information and other technologies; and fourth, the arrival of the highly dynamic and disruptive business environment of the 21st century. Business that survive todays conditions make technology work for them (Davila et al., 2006) and find innovative ways to thrive and grow in turbulent times (Hamel, 2002). While the new century has unleashed an unprecedented chaotic environment onto the business world, managers are still expected to deliver outstanding performance. This author researched the approaches used by recognized CEOs to turnaround company performance in unstable market conditions and presents them as useful rules for successful business transformation.

MATERIALS AND METHODS

This study reviewed interviews published in the June 30, 2013 Sunday Nation Newspaper pullout titled, “Transformative CEOs with Golden hands” (Nation Newspapers, 2013). The pullout featured 37 CEOs and company profiles. The report covered 30 men and 7 women. Eight of these CEOs held doctorate (PhD) degrees. The organizations ranged from Billion-Shilling corporations to SMEs and successful startups in both the public and private sector. Industry categories included Public service (2), Retail (1), Real Estate (1), Education (5), Finance (9), Technology (3), Regulatory authorities (6), Manufacturing (5), NGO (1) Agriculture (1), Insurance (1) and Services (2).

This study used metadata from this publication to examine the transformative impact these CEOs had on their company and analyzed the available descriptive statistics to identify the characteristics that describe a transformed or transforming business. The study sought to identify: a) the strategy employed by each CEO/ organization; b) the leadership philosophy that prevailed during the period of transformation; c) the measurable growth metrics of such an organization; and d) the time frame in which transformation was achieved. The study also sought to highlight common qualities that identify transformative CEOs. The study findings were analyzed using descriptive statistical techniques of data arrangement and thematic evaluation of the text. The study sought to identify commonalities and disparities among the sample population. Drawing from transformative leadership theory, the researcher derived ten rules of business transformation. The study assumes that the selected CEOs, under whose stewardship the organization achieved phenomenal success, were intentional in their leadership efforts to transform the state of the business. The study was limited to the information and data provided by the published report.

Transformative leadership

Caldwell et al. (2012) describe transformative leadership as “an ethically based leadership model that integrates a commitment to values and outcomes by optimizing the long-term interests of stakeholders and society and honoring the moral duties owed by organizations to their stakeholders” (Caldwell et al., 2012: 176). The authors explain that it draws on six leadership approaches namely: Transformational leadership (Burns, 1978); Charismatic leadership ability (Bass, 1985); Level 5 Leadership (Collins, 2001); Principle centered leadership (Covey, 1991); Servant leadership (Greenleaf, 2003); and Covenantal Leadership (Senge, 2006). This aspirational form of leadership challenges managers to ensure that the company accomplishes the goals it sets out to achieve and keeps the promises it makes to the public. While this study draws on the corporate definition offered by Caldwell et al. (2012), an overview of broader transformative leadership theory provides further understanding of its operational principles.

The observance of ethics is critical to enable transformative organization change through the participation of individual agents (Langlois, 2011). Shields, describes transformative leadership as a process of managing change by deconstructing and constructing new ways of thinking to facilitate organization transformation (Shields, 2011). Montuori and Donnelly define transformative leadership at its heart as a "participatory process of creative collaboration and transformation for mutual benefit" (Montuori and Donnelly, 2017). These authors also develop the idea that leaders and followers engage in interchangeable roles to ensure overall goals are achieved through collaborative teamwork. Eisler and Carter overturn the conventional top-down view of leadership and call for a partnership that harnesses voices at all levels of organization, as a more effective approach to achieve corporate goals (Eisler and Carter, 2010). Transformative leadership challenges leaders to adopt adaptive methods to address crisis rather than relying on conventional theory to tackle evolving challenges in a dynamic environment (Keeney, 2010). Ncube (2010) calls for the establishment of a sense of community ethos in striving together for higher goals.

RESULTS AND DISCUSSION

The data was analyzed and tabulated showing the company industry, name, transformative approach, leadership philosophy, growth metrics, magnitude of transformation, transformation period and years as shown in Table 1 and its interpretation in Table 2.

Industry distribution

The industry distribution in this sample size shows that a majority of the firms were drawn from Financial (24%), Manufacturing (16%), Education (13%) and Regulatory authorities (13%) as shown in Figure 1. Though this analysis indicates that this study would mostly find application in financial institutions, manufacturing firms, educational institutions and regulatory authorities, it does give a broad spread between private and public (government) organizations. This indicates that the principles of business transformation are not restricted to private enterprise, but can be implemented in non-commercial enterprises as well (Hammer and Champy, 2006). Nonetheless, the size of the organizations referenced indicates that business transformation can be activated in both small and large companies alike. This suggests that there are no special qualifications for an organization to embark on a transformation journey.

Transformative strategy

In the sample population, 10/37 (27%) companies used a strategic plan to enable transformation, 8/37 (21.5%) employed technology and innovation, 4/37 (11%) used a customer-oriented approach, 4/37 (11%) used a form of BPR. 3/37 (8%) focused on expansion, while 8/37 (21.5%) used other approaches to drive transformation. The percentage distribution is shown in Figure 2. This evaluation indicates that the most common approach used by transforming businesses is to design and implement a transformative strategic plan, masterplan or a super-ordinate plan that guides and aligns company operations (Montgomery, 2013). The second most used approach is to employ technology and adopt innovative methods to drive the transformation process alongside customer focused initiatives (Davila et al., 2006). The third approach implements business process improvement programs such as; BPR, TQM, BSC and International Standards Organization, ISO certification (Hammer and Champy, 2006). While many companies may have a strategic plan or may be in the process of implementing some sort of business improvement program, not all of them will have these two elements speaking to each other in a far sighted transformative strategic document.

Philosophy

From the study, 16/37 (43%) organizations employed a Strategic Human Resource Development, SHRD driven approach, while 9/37 (24%) employed a customer driven approach. Four companies 4/37 (11%) employed ethical leadership principles, while 8/37(22%) employed other management related approaches. The percentage distribution is shown in Figure 3. These findings indicate that the sample organizations employed a three-point people focus in establishing a transformational philosophy. In this study, 43% of the companies developed equipped and empowered their human resource teams to delivery competent services (Armstrong and Taylor, 2014). The second largest category focused on customer service and the third category focused on individual and social ethical responsibility (Langlois, 2011). In reality these three elements are points of emphasis of a core community ethos or corporate organization undertaking to improve business performance (Ncube, 2010).

Growth measures

The analysis shows that transformative growth metrics are measured variously. The metrics include:

a) Multiplying the range of products or services provided; b) Substantive financial returns in terms of turnover or profitability; c) Physical expansion and service reach; d) massive expansion in customers served; and e) Organization turnaround, from loss to profit.

Table 1. Organization characteristics.

RefNo.	Ind.	Org.	Trans. approach	Philosophy	Growth metrics (Ks-Million/Billion)	Mag.	Trans. Period	Years
1	AGR	KTDA	Technology and innovation	Professional, dedicated workforce	45 » 65 New factories	1.44	2000-2013	13
2	EDU	COI	Improved facilities	Motivation and innovation	New campus amphitheater	-	2007-2013	6
3	EDU	KASNEB	BPR	Providing user friendly services	New Linkage with Edu. Institutions	-	2008-2013	5
4	EDU	KMTC	Expansion	Human touch	13,000 » 20,000 Students	1.54	2009-2013	4
5	EDU	KU	Strategic plan	Transformational leadership	15,000 » 61,000 Students	4	2006-2013	7
6	EDU	SBS	Quality	Servant leadership	10 » 40 Investors	4	2004-2012	8
7	FIN	BARODA	Gradual expansion	Relationship management	1 » 10 Branches	10	1960-2012	52*
8	FIN	COOP	Unit Integrity and accountability	(Kingdom bank) *Ethical leadership*	2.3 B Loss » 2.3 B Profit	∞	2001-2007	6
9	FIN	DTB	Technology	Energetic mindsets, adaptable, innovative	5.5B » 138.7B 5 » 90 Branches	*25*	2001-2013	12
10	FIN	EQUITY	Customer service	People	21M » 200B in Deposits 2,942 » 8.3M Customers	∞	1994-2013	19
11	FIN	FAMILY	BSC, Re-Eng. and new services	Performance culture	21.9B » 32.7B Balance sheet	1.5	2011-2013	2
12	FIN	LAPTRUST	Corporate strategic plan	Commitment to superior service ISO	3.7B » 19.4B Fund growth	5.24	2006-2013	7
13	FIN	POSTBANK	Technology	Understanding customer needs	99 Branches » 680 Agents	6.9	2008-2013	5
14	FIN	RAFIKI	Innovation	Remaining relevant and focused	1 » 50,000 Customers	e	2011-2013	2
15	FIN	STANLIB	Wealth creation	Investment culture	70B » 200B Turnover	2.86	2010-2013	3
16	INS	PALA	Performance improvement	Team spirit	117M » 834M Turnover	7	2008-2012	4
17	MAN	BETA	Technology, people and research	Tenacious teamwork	New manufacturing plant	-	-	-
18	MAN	CROWN	BPR	Knowledge sharing culture	1.2b » 4.4b Turnover	3.67	2005-2012	7
19	MAN	GMEA	Customer value	Team trumps talent	18.5 » 26% Market share	1.4	2010-2012	2
20	MAN	KENGEN	Strategic plan(good to great)	Diligent staff	800mw » 1300mw Electrical power	1.65	2003-2013	10
21	MAN	KENYA POWER	Connecting power to customers	Customer focused teams	15 » 35% Customer access	2.3	2007-2017	10
22	MAN	KEROCHE	Authentic local product	Made in Africa	3% » 20% Market share	6.67	2009-2013	4
23	PSC	KTDC	Marketing	Performance culture	Funded 200 projects bed capacity & quality	-	2009-2013	4
24	PSC	KWS	Strategic plan	Right staff and stakeholder	Increase in population of species	-	2012-2017	5
25	REA	AWSB	Strategic master plan	Improving access to water services	Water sector reforms	-	2011-2013	2
26	REA	CDSC	Technology	Effectiveness and efficiency	200 » 2700 Transactions 30,000 » 1.97m Clients	65	2004-2013	9

Table 1. Cont'd

27	REA	KCA	Accountability	Public service	Financial sustainability	-	2010-2014	4
28	REA	KCAA	Strategic upgrade plan	ISO certified quality standards	Revamped operating services	-	2002-2013	11
29	REA	KENHA	Vision 2030	Quality Service delivery	New national road network	-	-	-
30	EST	SURAYA	Changing lifestyles	Family teamwork	30 » 3000 Housing units	e	2007-2013	6
31	RET	UCHUMI	Customer service	People are important	Loss » Profit 32 Branches	∞	2006-2012	6
32	SER	KICC	Strategic goals (1.8 » 3 m visitors)	Attracting global conferences	Revamping services locally	-	-	-
33	SER	POSTA	Strategic revenue plan	Electronic service delivery	Laying ICT service infrastructure	-	2013-2016	3
34	SER	VSO	Volunteerism	Driving social change	Impacting lives at the grassroots	-	-	-
35	TEC	COMPULYNX	Strategic plan	Trust, teamwork, efficiency	» 400 (x16 countries)	16	2009-2013	4
36	TEC	MTN	Technology	Communications solutions	Innovative digital business support	-	2010-2013	3
37	TEC	SEVEN SEAS	Technology Innovation	Talent development	Business solutions	-	1999-2013	14

Table 2. Interpretation legend for table 1.

Header	Description
Ref. No.	Population element number
Ind.	Industry; AGR- Agriculture, EDU- Education, FIN-Financial services, INS- insurance, MAN- Manufacturing, PSC- Public service company, REA-Regulatory Authority, EST- Real estate, RET-Retail, SER- Services, TEC- Technology. NGO- Non-Governmental Organization
Org.	Abbreviated name of the organization
Trans. Strategy	Identified transformative strategy adopted by the organization
Philosophy	Philosophy driving transformation initiatives
Growth measure	Measurable growth indicators, the financial figures are in Kenya Shillings, M = Millions & B = Billions
Mag.	Order of magnitude of transformation Mag= Growth measure after trans. period/growth measure before trans. period
Trans. Period	Years of transformative period under review
Trans. Years	Numbers of transformative period years.
-	The (-) sign indicates no data available from the source document
52*	This figure was not included in the statistical calculations in this study

The findings suggest that there is no-one-size-fits-all measure of performance and neither is it available in a linear measure. Analysis of the data text suggests that each company predetermined the metric they would use to measure growth. The metrics ranged from increased products and services, more customers, company expansion, to financial performance (Bukusi, 2017). Companies need to be flexible and creative in determining their growth rather than stick to conventional methods (Keeney, 2010). The analysis indicates that transformation metrics can be changed or adjusted as the company transforms. Some companies registered growth in several metrics. It also suggests that a company needs to make a

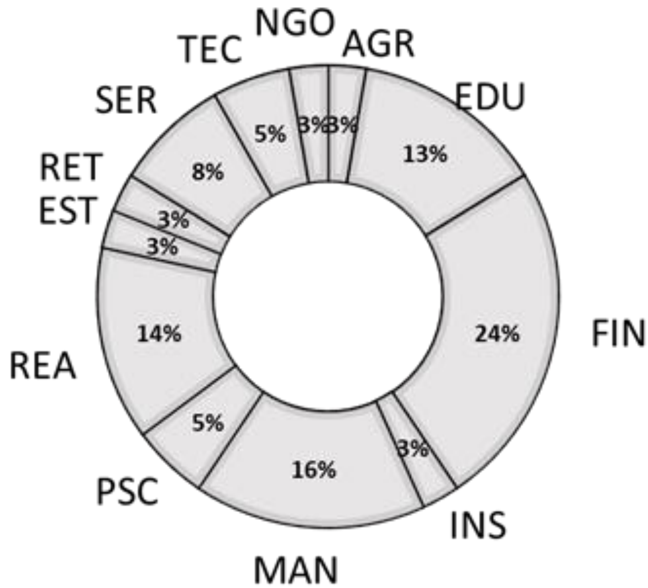

Figure 1. Sample population industry distribution.

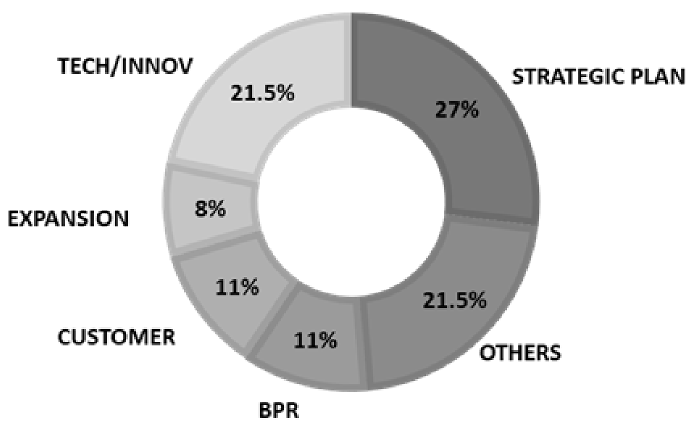

Figure 2. Transformative strategy distribution approach.

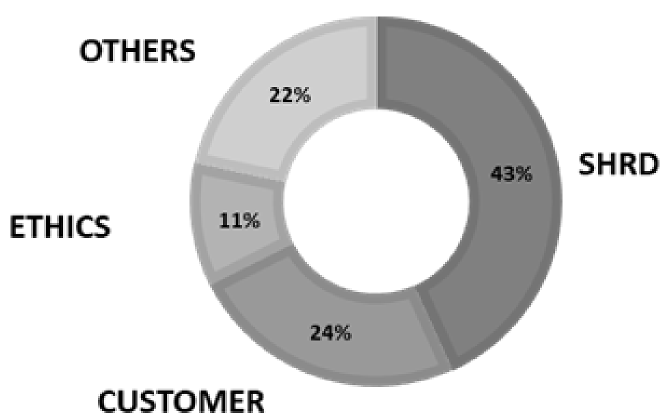

Figure 3. Leadership philosophy distribution.

careful selection of the metric they choose to measure, monitor and drive company growth (McChesney et al., 2012). Choosing a poor metric causes a company to put its efforts and resources into low impact initiatives resulting in unprofitable outcomes.

Order of magnitude

The data shows seven orders of magnitude where organizations are recognized as transformative by their level of: a) innovation, projects, structural reform or other high impact initiative; b) turnaround performance from substantive loss to substantive profit shown as an infinity (∞) sign; c) magnitude of growth in excess of 1.44 and multipliers of x4, x7, x10; and d) exponential (e) growth of the order of 100 and beyond.

This section can be interpreted in the same manner as the explanation of the growth measures above. The measure of growth chosen by the company will require the company to consider "by how much" the company should grow in that area. For example, a company focusing on growth of its customer accounts must monitor and drive its transformation by growing its customer accounts. However, the data shows that transformative growth is only achieved when the numbers exceed a factor of approximately "1.5" times the original number at the start of the plan period. In other words, growth from 100 customer accounts to 110 customer accounts is growth but it is not transformative growth. Similarly, a hotel expanding its bed facilities from 10 rooms to 11 rooms is not transformative. The hotel must put in place measures to achieve beyond 15 rooms. While the growth measure of "1.5" appears to be the minimum, the data shows that transformative growth is measured in quantum leaps (Bukusi, 2017) in multiples of trend growth, rather than incremental units.

Transformative years

The following descriptive statistics from the sample population provided insight on the number of years it takes to transform a company. Median = 5.5yrs, Mode = 4yrs, Average = 6.47yrs, Standard deviation = 3.96yrs, Inter quartile range Q1=(2-4yrs), Q2=(4-5yrs), Q3=(6-8yrs), Q4= (9-19yrs).

The analysis showed that the average time it took for a business to accomplish transformation was 6.47 years. However, the largest number (mode) of companies in the sample took 4 years, while the middle point (media) in the range was calculated at 5.5 years. The standard deviation was calculated at 3.96 years with the first three interquartile ranges Q1, Q2, Q3 registering a 2-year interval. These findings suggest that it would take between 4 and 6 years to register a sustainable business transformation initiative. This may be due to the need to put in place structures and organization systems to support the process and not just record outstanding results in one or two exceptional seasons. This latter interpretation is further expounded in the following rules.

Rules of business transformation

This section also draws from the text of the published interviews to interpret and discuss the findings gathered from the data tables.

Transformative strategy rule

A business seeking to achieve successful transformation should draw up a long term transformative strategic plan, master plan or superordinate plan; preferably running in several phases over 4-18 years. The plan should incorporate a technology, customer and a business operations makeover.

The study revealed that 27% of the companies chose to develop and implement a transformative strategic plan. Companies may choose to brand the plan to ensure management does not go about it as a normal plan. Two companies in this study chose, *Master Plan* and *Good to Great* as their titles while 15/37 (41%) linked the uniqueness of their plans to the transformative Kenya Vision 2030 initiative (Vision 2030 Delivery Secretariat, 2007). Typically, the plan ran in several phases providing a superordinate framework to satisfy stakeholder interests. However, strategic growth was not measured by routine incremental profit, but by the achievement of strategic milestones. This shift in perspective may be what separates transformative companies from normative companies pursuing incremental annual growth. A transformative strategic plan is proactive and preemptive unlike conventional business plans that respond and react to market shifts.

Technology rule

Harness innovative technology to maximize productivity and provide a platform for further growth.

The second driver of organization transformation is the adoption and deployment of technology and innovation (21.5%). Technology and innovation provide an immediate hyper jump or quantum leap in company performance. The investment pays off in increased capacity to do more business in real time (Hamel, 2002). Thus, startups and technology firms are able to register phenomenal short-term growth.

Business process improvement rule

Continuously engage service and operational improvement *and efficiency as a process of keeping attuned to evolving market needs.*

Third, is a tie between companies that focus on customer service (11%) and BPR (11%). Customer service takes a wager to grow a business to meet the evolving needs of the customer. In these cases, transformation is pursued in response to customer queries, expectations and satisfaction. BPR systems ensure the company maximizes the use of its available resources.

Philosophy rule

A transforming business engages an ethical staff development and customer focused ethos that celebrates service delivery, embraces change that stimulates personal, business and environmental transformation.

Internally driven companies employ strategic human resources development, SHRD, approaches that center on performance management, teamwork, people development and professionalism. Externally motivated customer focused philosophy incorporates; customer service, creating value, research and sharing of information. Virtually all the companies listed in this study had vibrant ethos, vision, mission, values and strategic priorities championed by the CEO (Shields, 2011). A second more subtle conversation is the organization commitment to ethical business practices (Langlois, 2011) and participation of all the voices in the transformation process as members of teams and contributors of ideas (Eisler and Carter, 2010). Members of such organizations subscribe to the company ethos and values (Ncube, 2010). Successful CEOs are passionate about the organization's strategic intent, but also engage people as moral agents of change with the knowledge, expertise and talent to facilitate transformation (Covey, 1991).

Transformative growth metric rule

Companies need to carefully select and focus effort and resources on an appropriate growth metric to drive business transformation.

The data analysis reveals five distinct Transformative Growth Metrics (TGM) or measures of transformation. TGM1- The adoption of an initiative, innovation or project that substantially changes the brand, competence or capacity of a company to do more business; TGM2- The achievement of a substantive turnaround from loss to profitability; TGM3- The achievement of digital growth and replication of unit performance; TGM4 – The multiplier growth which enables the organic spread of a business into new markets; and TGM5 – The realization of massive service and customer impact influence. This growth metric scale is not proposed as a linear continuum. Rather the TGM is a quantum measure of what the company sets out to achieve in "milestones" to accomplish. While conventional companies measure growth in terms of market share and bottom-line performance, transformative companies track growth in terms of accomplishment of strategic milestones.

Order of magnitude rule

Businesses are transformed in quantum leaps and not linear progression or gradual improvement: The minimum order of magnitude appears to be "1.5". A business cannot be said to be transformative unless its, turnover, customer base or other measure of growth exceeds the previous plan period by more than 50%. This metric suggests that anything less than 50% growth may be incremental development, but may not be noticeable or substantive enough to be labeled "transformative". Growth in excess of 50% is noticeable by any measure and changes the character of a business in terms of outlook, branding, culture and performance. This measure of growth induces a paradigm shift and quantum leap in the nature of business operations. This finding suggests that CEOs need to select, define and drive a "50% growth target" in a selected TGM. For example, a newspaper increasing its circulation by 50% is likely to experience massive new inflows in revenue. This shift in customer service will demand and require a major facelift of its production technology, scaling it up for further growth. Setting a transformative growth target, TGT may be a useful technique to trigger business transformation.

CEO legacy rule

Transformative leaders leave a progressive legacy: Transformative CEOs are expected to drive ethical growth, where ethics extends to an organization keeping its mission promises, service delivery and stakeholder commitments. Ethics involves leaving an organization better than one found it (Senge, 2006). In this study 9/37 (24%) of the CEOs were quoted as committing to a legacy … *"I pray to leave a legacy as a CEO who boldly served God in the market place and who led co-operative Bank to diligently serve the Kenyan people and, in the region," (Muriuki) "I want to be remembered for my transformative leadership and double growth. As such, want to impact our employees by developing their capacity and exposing them to what is being done better elsewhere, so they can add value to our customers" (Kaveshe) "… As a director who confronted poaching head on and brought it to an end and one who built and maintained a cohesive team" (Kiprono)… "A CEO who came and made a difference" (Advani), "To leave behind an institution that is a centre of excellence in teaching and learning, research and innovation and the provision* *of defining research output that offers solutions to societal challenges and enhances the quality of life of the people of Kenya. I also want to be remembered as a VC who created a truly world class University that is globally competitive" (Mugenda), "When he joined KMTC, the student population was a paltry 13,000. Today, the college boasts of more than 20,000, and is still growing, giving thousands of Kenyans a chance to train at the Premier college, a legacy he says he would want Kenyans to remember him for" (Onudi)… "to me, service as an individual and public servant is about God and country" (Jordan),… "You [Njoroge] will leave a strong legacy, having made a great difference in KenGen, Kenya as a country and Africa as a continent" (Njoroge), "a legacy of dedication to nation building" (Kili).*

Other commonalities of these CEOs include: a) acceptance of the leadership challenge in the situation (Kouzes and Posner, 2012), b) embraced the troubled environment in which they were thrust, not shying away from the chaos or reality on the ground (Montuori, 2010), c) committed to the cause of the institution, but also made a promise to teamwork, participatory process and human resources development (Burns, 1978). The office of the CEO carries a substantive burden of the responsibility for company performance. The office can be considered as an organization "structure" or "institutional" asset (Collins, 2001). Transformative CEOs appear to drive business performance and take on the entrepreneurial role of growing the enterprise. Nonetheless, it may be that it is "legacy" rather than "results" or "rewards" that drives transformative CEO performance (Caldwell et al., 2012).

Six-year rule

It takes 6 years to establish corporate structures to sustain business transformation: The 6-year marker appears to be a critical time period indicator of successful transformation. This marker may also be tied to a phase of a strategic plan, it also suggests that it may be impractical to expect transformation in a shorter time frame. Hence normative annual plans are unlikely to achieve transformative outcomes. This may be valuable information for governing boards appointing CEOs and top leadership teams to transform a business. In other words, boards seeking company transformation need to provide 6-year CEO contracts, with a two-year threshold evaluation point, to provide sufficient time for the CEOs to engineer change. CEOs serving a four-year term may just have time to lay the groundwork of a master plan. The six-year rule also suggests that appointing a non-transformative leadership team to pursue business transformation can be a costly mistake. It may take six years to find out that the company does not have the *right* team in place. The six year rule also underscores the importance of having a phased, superordinate plan to pipeline the process of transformation.

SHRD rule

Business transformation is driven by visionary leaders and strategic human resources: While it is easy to celebrate the efforts of a CEO in transforming a business, the role of SHRD cannot be ignored. In this study it scores 43%, the highest individual score influencing company transformation. This highlights the importance of hiring, equipping, developing ad empowering business teams to enable and sustain new levels of performance. The team needs to capture the spirit of the organization and interpret the intent of the CEO to facilitate the desired transformation (Ncube, 2010). Not developing a strategic, as opposed to operational, team may place an unrealistic burden on the CEO and introduce institutional inertia to the transformation process (Greenleaf, 2003).

The stakeholder rule

Business transformation is upheld by stakeholder satisfaction and corporate social responsibility: Under the Philosophy rule, external stakeholders (customers) and internal stakeholder (staff) drive a combined 67% of a company's ethos or reason for existence. This would support Caldwell et al assertion of leadership's accountability to stakeholders (Caldwell et al., 2012). The Stakeholder rule suggests that all (internal and external) stakeholders are critical to successful business transformation. The stakeholder resource is mobilized and substantively engaged in the success of any transformative process. However it also calls for the ethical sharing of benefits with all business stakeholders. The onboarding of stakeholders appears to be a valuable investment in driving successful business transformation.

Conclusion

The CEO and management teams are critical players in the pursuit of the corporate goals and social mission of the organization, providing transformative, transcendent leadership to guarantee long term institutional survival. Findings form this study indicate that business transformation can be described as the mechanisms a company puts in place to ensure the survival, growth and expansion of its service provision to satisfy evolving stakeholder demands. Such a business achieves sustainability by remaining relevant, attuned to its dynamic environment and enjoys trend growth as opposed to incremental growth over the long term.

CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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