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The Case for Evolutionary Transformation™

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THE CASE FOR EVOLUTIONARY TRANSFORMATION™

Why Executive Leaders Must Lead the Charge to Adapt, Compete and Thrive
By Ruchin Kansal

Executive summary: This paper examines how the Evolutionary Transformation framework enables leaders of scaleups, midsize firms and corporations to lead through ambiguity and safeguard business continuity while engaging in purposeful innovation through deliberate disruption. It offers a new way for teams to come together to solve problems, shift their systems to enable sustainable change, build teams made up of people with the capacity to be change agents, and nurture an adaptive culture that supports transformation.

We have had the opportunity to work with many companies seeking sustainable change over the past 20 years, from scale-ups to Fortune 500 corporations looking for new strategies for growth and digital transformation. All had very different objectives, but all were at an inflection point: In pursuing lasting, sustainable change, they wanted to scale their entire organization or business units from a startup or growth phase into a more structured and sustainable business, or to reinvigorate a mature organization. However, technology, globalization, and evolving customer expectations were transforming their industries, creating a moving target.

All found a gap in the tools available to lead through ambiguity and safeguard business continuity while engaging in purposeful innovation through deliberate disruption. Often, their teams looked at challenges from narrow silos and were not coming together to solve problems. They needed a way to shift their systems to enable sustainable change, build teams made up of people capable of being change agents, and nurture an adaptive culture supporting transformation.

Evolutionary Transformation is the answer we developed. Evolutionary Transformation, under our definition, balances continuity with innovation to create capacity for embracing systemic shifts, enabling sustainable change. It offers leaders a framework to view challenges from a perspective that is rational and scientific, and, at the same time, human so that they can stay ahead of the changes sweeping many industries. It offers novel ways to engage key stakeholders in determining what changes would occur, and how and when that would happen.

It also guides leaders on how to balance the need for growth and innovation with the often unexpressed ethical, emotional, and political factors that ultimately determine the success of new initiatives. Our LEAP™ methodology—Learn, Empathize, Adapt, Prevent—helps them develop a mindset that supports this growth. To pursue a transformational initiative, team members must first learn deeply about the forces that are necessitating the transformation in the first place.

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> LEAP™ guides leaders through transformational change by focusing on four essential actions: Learn, Empathize, Adapt and Prevent.

Gen AI is a case in point. This foundational learning in our methodology is what we find most lacking, yet it helps them recognize both the risks and opportunities it presents. They must then empathize with those who may take longer to understand or adopt the change, adapt the organization to support and scale it and work to prevent harm from disruptions—whether AI, quantum computing, climate change, sweeping economic policies like tariffs, or future shifts we can't yet predict.

Change sometimes happens more slowly than expected, but when it does arrive, it often seems to accelerate suddenly, as we've seen in the case of artificial intelligence in the workplace.

Even the largest organizations that fail to anticipate change as they focus on short-term profitability risk falling by the wayside if they don't safeguard innovation while avoiding the pitfalls of bureaucracy. Corporate mortality has been accelerating as the pace of change speeds up, with the average lifespan of a publicly traded corporation declining from 61 years in the late 1950s to just 20 years.[1]

Many analysts predict it could drop further to 10–12 years in the near future, given the advances in AI. In 2022, the median CEO tenure at S&P 500 companies was 4.8 years, a 20% decrease from 6 years in 2013.[2]

This trend is picking up speed, and leaders understand this. The Future of Leadership survey highlights the enduring concerns leaders continue to face: dealing with crisis and failure, creating environments where employee contributions are valued, building adaptive organizations, and supporting work-life balance. These persistent challenges now intersect with emerging pressures, including uncertainty in the global economy, talent acquisition aligned with organizational goals, managing digital transformation and navigating growing regulatory demands.

[1] Statista. 2024. Average company lifespan in years on the S&P 500 index from 1965 to 2020. Statista. Retrieved May 14, 2025, from https://www.statista.com/statistics/1259275/average-company-lifespan/

[2] Chen, J., & Jerotich, C. (2023, August 4). *CEO tenure rates.* Harvard Law School Forum on Corporate Governance. https://corpgov.law.harvard.edu/2023/08/04/ceo-tenure-rates-2/

WELCOME TO THE AGE OF EVOLUTIONARY TRANSFORMATION™

Fortunately, it is possible to navigate complex business environments in a way that positions organizations to innovate and continue to scale. That entails shifting from incrementalist thinking, linear mental models, and predictability bias to an Evolutionary Transformation mindset. This is a blueprint to create a path to long-term sustainability, built on co-creation and innovation, powered by Leadership, Management and Innovation, with all three working together simultaneously in real time.

Hindu philosophy and other wisdom traditions are built on the concept of intentional transformation: by aligning our actions, thoughts, and desires with our higher purpose, we can use this framework to guide ourselves toward a higher stage of development. They look at what to hold constant while understanding the potential for change, helping their students realize the essence of the self. Evolutionary Transformation does the same for organizations. It is about balancing continuity and recognizing the essence of the organization with innovation to create capacity for embracing systemic shifts and enabling sustainable change. Meaningful progress and true innovation emerge when diverse principles, continuous learning and ethics converge.

FIGURE 1: EVOLUTIONARY TRANSFORMATION: BALANCING CONTINUITY WITH INNOVATION TO CREATE CAPACITY FOR EMBRACING SYSTEMIC SHIFTS, ENABLING SUSTAINABLE CHANGE.™

The framework also offers guidance on how to integrate rational considerations such as profit; emotional factors such as team members' well-being; political realities such as the leadership team's openness to new ideas; ethical concerns related to organizational standards and codes of conduct; and moral considerations rooted in personal or societal values about what is right or just. It is a holistic and human-centered approach built on empathy, adaptability and strategic foresight.

To achieve Evolutionary Transformation, companies must advance three core functions in tandem: leadership, management and innovation. It's the coordinated progress across all three—not isolated gains—fueling lasting change. Even small, incremental improvements in each area—becoming just 1% better, in tandem—compound to create meaningful advantages, such as greater resilience and adaptability.

FOUNDATION #1: LEADERSHIP

Purpose-driven Change Agents

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Evolutionary Transformation addresses this need for a new type of leader—one who approaches leadership as a privilege and embodies four elements: mindset, skillset, courage and what we call "lovestance." Transformation comes from a mindset that sees possibility, embraces uncertainty, views challenges as opportunities and is open to growth. Organizations develop this by cultivating a skillset that combines technical expertise with emotional intelligence, cross-disciplinary collaboration and the capacity to let go when necessary to catalyze change. Thriving in complexity requires problem-solving, strategic clarity, resilience and an ability to navigate transitions with both resourcefulness and grace. It also requires the courage to act. Without venturing into the unknown, challenging what's always been done and pursuing visionary goals, there will be no transformation. Underpinning that courage are character, integrity and empathy.

Leaders can create a culture that supports Evolutionary Transformation through lovestance—a commitment to leading with love for people, purpose and the process of doing the work. Leaders must build trust by showing compassion, listening deeply and creating environments where all team members feel seen, valued and empowered to thrive. Beyond this, organizations must link their goals to society's needs and ground them in the service of others to stay relevant.

As the business environment becomes more complex, the traditional reliance on a single leader no longer serves organizations as it once did. In a more complex world, it is hard to find one leader who understands all of the challenges of a business. This trend will only accelerate as AI transforms many industries.

Under our framework, many organizations are better served by diversifying leadership across teams—having a team of leaders. Just as diversification across financial investments can reduce risk, diversification of a team of leaders from an individual-centric model to a team-based, diversified leadership portfolio approach can ensure adaptability. This is because it distributes responsibilities across diverse strengths. Some companies are already experimenting with co-leadership structures, but so far, there is no widely accepted model.

Co-leadership builds on a principle with which many executives are familiar: governance. We think of governance as the bridge from effective leadership to sustainable organizations. This includes teams and multidisciplinary groups, such as boards, that oversee the work of the organization to make sure all of the pieces of work connect and create a platform for collaboration and participation.

Co-leadership will take its own form in every organization. Ultimately, leaders—or teams of leaders—who embrace Evolutionary Transformation will be well poised to steer companies through uncertainty while fostering the innovation that fuels long-term growth.

FOUNDATION #2: MANAGEMENT

Enabling Adaptive Organizations

Management is what we "do" to maintain business continuity. It is based on rational problem-solving and built on strategy, processes, technology, systems, and cash flow. What organizations often miss are the emotional, political and ethical aspects.

It is a given that managers need strong intelligence (IQ) to solve the problems of their organization. This is a combination of technical or functional proficiency or knowledge and cognitive ability, as expressed through perceptual reasoning, verbal comprehension, working memory and processing speed.

In addition, effective managers need to bring a strong emotional quotient (EQ) to how they manage emotions, relate to others, and solve problems. The emotional quotient reflects our emotional and social functioning and general psychological well-being. The EQ-i 2.0, a tool we use when working with clients, breaks this into five components:
1. Self-perception (self-regard, self-actualization and self-awareness)
2. Self-expression (emotional expression, assertiveness and independence)
3. Interpersonal skills (interpersonal relationships, empathy and social responsibility)
4. Decision-making (problem solving, reality testing, impulse control)
5. Stress management (flexibility, stress tolerance and optimism).

One way to identify a high emotional quotient in a manager is high impulse control. A manager who has learned to delay action on immediate impulses can make more careful and thoughtful decisions than one who is immediately talkative, short-fused, or explosive.

In our experience, emotional intelligence is directly proportional to the ability to address the most complex challenges and crises — those Jim Collins might call Big Hairy Problems. Emotional intelligence contributes to work performance, job satisfaction, organizational commitment, physical and psychological health and leadership effectiveness. It is a strategic asset. It equips leaders to stay grounded in the face of ambiguity or crisis, foster high-trust collaboration and guide systems-level responses and change.

As they usher in transformation, managers also need a healthy Political Quotient—meaning their ability to influence, build alliances and lead teams and organizations. Their Political Quotient combines social astuteness, the ability to convey sincerity, networking capability and interpersonal influence, as expressed through the ability to innately "know what to do" in rapidly changing situations.[3] It depends on skills such as the ability to read the room and recognize patterns in human behavior. These qualities allow managers to understand others and win their buy-in on personal or organizational objectives.

[3] Gerald R. Ferris, Darren C. Treadway, Robert W. Kolodinsky, Wayne A. Hochwarter, Ceasar Douglas, and George R. Frink, "Political Skill in Organizations," Journal of Management 33, no. 3 (2007): 290–320, https://doi.org/10.1177/0149206307300813.

Beyond this, a company's management team needs a strong grasp of ethics as organizations navigate compliance and emerging issues such as the responsible use of AI. Organizations must bring together key stakeholders to create policies, guidelines and practical applications that reflect a holistic perspective on integrating new technologies into their operations. They must develop systems and cultures that provide a foundation for managers to make decisions, support their teams and create ways of acting on the company's values and purpose that become second nature. Tapping this collective, on-the-ground intelligence allows leaders to navigate the future with confidence.

These qualities are often emphasized at the leadership level today. However, it's at the managerial level where they must be more intentionally cultivated. Identifying team members who demonstrate strengths in these areas early on can help pinpoint where to invest in leadership development, ensuring the organization builds a strong pipeline of future leaders from the ground up.

[3]FOUNDATION #3: INNOVATION

Powered by Deliberate Disruption

Innovation is at the heart of almost all leadership strategies. How it is defined depends on the organization. Some focus on developing new products. Others come up with new processes. Still others focus on building an innovation ecosystem.

To achieve their goals, organizations must overcome resistance to innovation and measure the impact of their efforts. Based on our experience working with large and middle-market companies, we have found that four fundamental principles drive success in innovation:

1. Alignment: All stakeholders must recognize innovation[3] as critical for sustaining the company's long-term value. Without collective buy-in, any efforts will be fragmented and short-lived.
2. Definition: Every organization must define innovation in a way that works within its culture and strategy. There is no single "right" definition — but there must be one that aligns the organization.
3. Balance: Innovation thrives at the intersection of creativity and process. In many organizations we work with, "design thinking" fuels ideation, while "systems thinking" ensures execution and scalability.
4. Deliberate disruption: To make room for the new, organizations must be willing to let go of the old. Innovation and disruption must go hand in hand. This principle is one of the greatest challenges most organizations face. It is one thing to innovate; it is another to actively dismantle outdated systems, processes and mindsets to create space for new possibilities.

Traditional innovation models often overlook the importance of this disruptive counterpart. They tend to focus on building the new, without preparing the organization to release the old. Without intentional disruption, new ideas are frequently rejected by the core business, similar to how an immune system resists unfamiliar elements. Leaders must create an environment that ignites and supports innovation and the creativity from which it emerges.

The Innovator's Compass is our dynamic tool to help leaders balance innovation and disruption across time horizons. It guides strategic thinking by pairing innovation intent with the disruption required to make that innovation viable.

THE INNOVATOR'S COMPASS™: FUSING INNOVATION WITH DISRUPTION FOR STRATEGIC ADVANTAGE

Time Horizon	Innovation Intent	Disruption Intent
Near-Term (<1 year)	Core Innovation: Enhancing existing products, services or operations for better performance.	Refine & Release: Streamline current processes and prepare to let go.
Mid-Term (1-3 years)	Adjacent Innovation: Expanding into new but related markets or capabilities.	Reposition & Replace: Shift systems and models to open space for growth.
Long-Term (>3 years)	Breakthrough Innovation: Creating entirely new offerings or markets through radical innovation.	Reimagine & Reinvent: Dismantle the outdated to build transformative futures.

Using the Innovator's Compass, leaders can balance building for tomorrow and clearing what no longer serves today. Take the example of a trucking company whose core business involves transporting goods and maintaining cold storage. A long-term breakthrough might be deploying drones capable of carrying loads between 30 and 150 pounds—an entirely new logistics model.

However, that innovation requires disruption. The company may need to retire portions of its truck fleet to invest in drone technology. It's a conscious choice to reimagine and reinvent rather than simply add on. Without letting go of legacy operations, innovation often fails to gain traction. Innovation without disruption is like planting seeds in crowded soil—without clearing space, nothing new can grow.

[4] It is our experience that organizations that accept they will be 80% right 80% of the time outperform those that expect to be 100% right 100% of the time, as explored in "Redefining Innovation: Embracing the 80:80 Rule to Ignite Growth in the Biopharmaceutical Industry," which I co-authored with Jeff Huth. Innovators have an overarching vision and are not afraid to experiment and make mistakes as they take the actions necessary to transform that vision into reality. Only by embracing purposeful disruption can they benefit from Evolutionary Transformation. That means leaving some room for messiness.

[4] Ruchin Kansal and Jeff Huth, Redefining Innovation: Embracing the 80-80 Rule to Ignite Growth in the Biopharmaceutical Industry (Boca Raton, FL: Productivity Press, 2018), https://www.routledge.com/Redefining-Innovation-Embracing-the-80-80-Rule-to-Ignite-Growth-in-the-Biopharmaceutical-Industry/Kansal-Huth/p/book/9781032178707.

THE METHODOLOGY FOR EVOLUTIONARY TRANSFORMATION™

For companies that are ready to embark on Evolutionary Transformation, we have found there is a clear path forward—one built on our Sustainable Change Model. Recognizing the need for speed in most organizations, we typically work with clients in three phases.

The Sustainable Change Model consists of:
- Design, in which we identify the executive sponsor's goals for creating long-term value
- Engage, in which we use high-impact activities to drive stakeholder engagement
- Sustain, in which organizations ensure that change is "sticky."

These three gears need to turn in tandem for an organization to move forward. If one moves faster or slower than the others, it will lead to breakdowns in the "system." The good news is that if you move only 1% faster than the competition with all gears in tandem, you will not only achieve Evolutionary Transformation but also have a powerful and lasting competitive advantage. This

approach helps with any kind of transformation, providing structure for scaleups, midsize companies, and corporate business units. That transformation could be embracing AI, innovation, or other triggers of business disruption. Evolutionary Transformation is a holistic approach that keeps the entire organization aligned, unlike piecemeal initiatives that may have failed to pick up traction in the past because they were not fully integrated and absorbed into the organization.

Consider the case of Boehringer Ingelheim, a manufacturer of innovative healthcare products, which aimed to build a new Business Innovation function. Brought in as the Head of Business Innovation and Transformation, I worked with the company's leadership team to define innovation strategy, governance, and execution frameworks, and the company accelerated enterprise-wide transformation. The new function led to new strategic, cross-sector co-creation partnerships with payors, providers and tech companies, a ground-breaking approach to developing patient-centered solutions and new digital products and services, including the first commercial launch of a smart inhaler. Meanwhile, we transformed the culture and professional development initiatives, making it more attractive to sought-after talent.
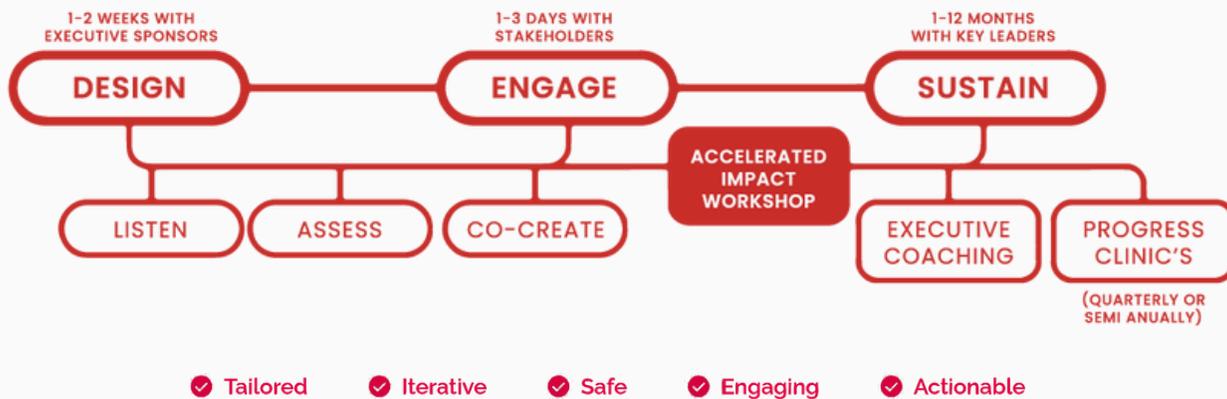
THE PATH FORWARD

A rapidly evolving business environment will bring new opportunities for companies to emerge as leaders. However, change will also take many organizations by surprise.

Embracing Evolutionary Transformation can ensure that C-suite executives, leaders of lines of business, and boards not only anticipate what is coming but also make the most of disruptive innovation thinking and use their findings to create an exponential first-mover advantage for themselves. Ultimately, it will help them balance the need for both continuity and sustainable growth with innovation as they move forward into a business environment that is both unpredictable and full of opportunity.

KEY TAKEAWAYS:

1. Evolutionary Transformation is a blueprint to create long-term sustainability, built on co-creation and innovation, powered by Leadership, Management and Innovation, with all three working together simultaneously. Evolutionary Transformation enables leaders to balance continuity with innovation to allow for systemic shifts and enable sustainable change.
2. The LEAP (Learn, Empathize, Adapt, Prevent) methodology helps leaders develop a mindset that supports Evolutionary Transformation.
3. Adaptive cultures are built from the ground up, making it essential to intentionally develop this capacity at the managerial level. Leadership programs should identify and nurture high-potential managers early to strengthen the pipeline of future leaders.
4. The Innovator's Compass is a strategic tool to align innovation and disruption across time horizons to help organizations navigate change, clear space for growth and build sustainable advantage.

5. Leaders need the ability to instill trust to be effective. Evolutionary Transformation addresses the need for a new type of leader, one who sees leadership as a privilege and embodies four elements: mindset, skillset, courage and "love stance"—a commitment to leading with a love of people, process and the purpose of doing the work.
6. Organizations are often better served by having a team of leaders than by using an individual-centric leadership model.

Evolutionary Transformation is built on the Sustainable Change Model. That model consists of Design (identifying the executive sponsor's goals for creating long-term value), Engage (using high-impact activities to drive stakeholder engagement), and Sustain (ensuring change is sustainable).

INTELLECTUAL PROPERTY PROTECTION STATEMENT

1.Evolutionary Transformation™ is our strategic framework for helping organizations evolve continuously—at the pace of disruption—through leadership, management and innovation working in tandem.

2.LEAP™ is a proprietary methodology designed to guide leaders through transformational change by focusing on four essential actions: Learn, Empathize, Adapt and Prevent.

3.Innovator's Compass™ is a strategic tool that aligns innovation and disruption across time horizons to help organizations navigate change, clear space for growth and build sustainable advantage.

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