

*This article was written by Robert Fritz, inventor of the field of Structural Dynamics consulting,  
with updates made by Joel Alpert of MarketPower, as approved by the author.*

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## **The Structure of Change In Business**

*Moving from oscillation...to developing patterns of success*

*By Robert Fritz*

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The notion that change, by its nature, is hard for people, is really quite a myth. Change, when well motivated, is not difficult at all. Quite the contrary in fact. People readily adopt new technologies, new foods, new forms of entertainment, new cars, and new styles in clothes. I don't know many people who would choose to go back to an old Remington or electric IBM typewriter after using a word processor. The internet has suddenly become a new distribution source for millions, and once people use e-mail, with its almost instant delivery of messages across international borders, most people find it hard to go back to posting traditional letters with all of the extra steps involved.

So, it's important for us not to presume that change *itself* is an anathema to most people. Change that is well motivated is easier to accomplish than maintaining the status quo. But, too often, change has been not well motivated, and consequently, people have found it hard for change to last. When change is not well motivated, people will indeed change their habits and behaviors for a while, but later, there is a predictable turnaround, and they abandon the change and revert to their previous behaviors.

This article is about how organizations and individuals can change their strategic orientation and actions to produce the results they want – including sales and marketing, manufacturing, delivery of services, new product development and launches, and in other areas. And the same principles apply in general in every instance where change is required to support an important goal.

## **Structure Gives Rise to Behavior**

One of the most important insights we can have if we are to understand why companies and individuals do what they do and how we can enable them to change their habits, is the role structure plays in behavior. Over 20 years ago I began to track the long term patterns people had in their lives. I discovered two major types of patterns: *oscillating* and *advancing*.

In the advancing pattern, people were able to take action on behalf of their goals, and successfully create them. The success became the platform for future success, and over time, they were able to create momentum.

The other pattern was not as useful. In this pattern, people would go after their goals, and often reach them. But then a peculiar thing happened. After the success, there would be a reversal, and later they were not able to maintain their goal. Success in the oscillating pattern was always neutralized and the accomplishment eventually failed.

What were the dynamics that led to this phenomenon? After years of research and experimentation, we discovered the principle that seems to be the crucial understanding. What could be called the *underlying structure* the organization was in determined whether a pattern would oscillate or advance.

We also found that if they were in an oscillating pattern, that we could help them change the underlying structure so that the pattern could move to one that advanced. Along the way we discovered many structural principles that helped us understand what was going on, and how to help people reach success...not only the successful accomplishment of their goals, but the ability to have that success last and build, rather than fade and deteriorate.

## **Tension Seeks Resolution**

As *number* is the basic unit of math, and the word is the basic unit of language, the *tension-resolution* system is the basic unit of structure. Whenever there is a tension, it will seek resolution. This is an important insight because the tension-resolution system is a dynamic which motivates and energizes movement. This dynamic is causal. It *leads* people to make various decisions -- some that work toward their benefit, but some that work against their own interests. When we study the structural dynamics involved, we can understand the prevailing structural tendencies an organization faces -- will they lead to successful outcomes, or will they lead to ultimate failure? Not only can we understand the probable outcome, but we can help

a business, non-profit or individual change these structural tendencies if these dynamics work against their own goals.

The simplest tension-resolution structure is one in which there is one tension leading to one resolution. For example, if we are hungry (tension) we usually resolve the tension by eating.

Tension is always composed of at least two elements in which there is a contrast or discrepancy. In the case of hunger, there is a discrepancy between the amount of food the body requires, and the actual amount of food the body has. In the beginning of the tension-resolution cycle the difference is pronounced. But, by eating, the difference lessens, and finally the actual and desired amount of food becomes the same. This is the point of resolution in which the original discrepancy has now been eliminated.

## Equilibrium

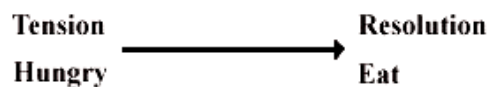
Another way of understanding tension-resolution systems is to observe the power of equilibrium. It is a structural axiom that structure seeks equilibrium. But degrees removed from a "pure" state of equilibrium creates an imbalance that strives to restore balance.

Now, equilibrium is not necessarily a good thing, nor is non-equilibrium a bad thing. In fact, often we can use non-equilibrium or tension strategically as we aim toward a goal. We establish a tension (state of non-equilibrium) so that it will reach resolution exactly at the place of our goal. This is creating tension as the archer creates tension in a bow so as to propel the arrow toward the target.

## Structural Conflict

In oscillating patterns, there is a complex arrangement of competing tension-resolution systems. Here there are two tension-resolution systems in which the points of resolution are mutually exclusive.

Let's say that one of our tension-resolution systems is our friend:



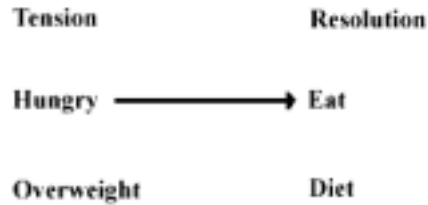
But, this simple tension-resolution system may be combined with another one: Overweight-Diet.

What does it mean to be overweight? Our desired weight is different from our actual weight. This discrepancy creates a tension which has its own tendency to move toward resolution. The most common way to attempt to manage weight is by dieting so that the desired and actual weight become the same.



Let's see what happens when these two tension-resolution systems are tied together in a single structure:

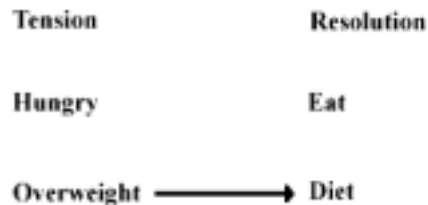
We get hungry, so we eat:



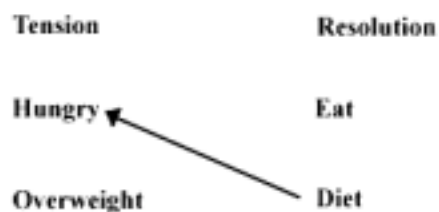
But then we become overweight:



At that point in the structure, the "overweight" tension-resolution system is more pronounced than the "Hungry" one. This is called a shift of dominance, as the system with the most tension becomes the bigger dynamic in play. At this point it is easier to go on a diet than to eat.



But, once having gone on the diet that tension is resolved, and now the hungry tension begins to become dominate again. In fact, it's not only a matter of simple hunger, but that the brain's appetat is generating starvation messages, and the feeling of hungry is intensified. The more the diet, the more the body feels the need to eat. So, after following the diet diligently and losing many pounds, somehow, the diet seems less important to the person than does the compulsion to binge. Now there is a new shift of dominance, and it becomes easier to eat indiscriminately than to maintain the diet.



Structural conflicts generate oscillating patterns. And if a company or individual is attempting to change strategies, tactics, or any basic habits from within this structure, we can predict the oscillation. First they will embrace the new regimen with dedication and commitment. They will have some degree of success, but later, their resolve will weaken as they slide back into previous habits. New pep talks or warnings might seem to work for a while, but later, even these interventions no longer hold their promise, and the organization can't seem to do what is needed to support their own best interests.

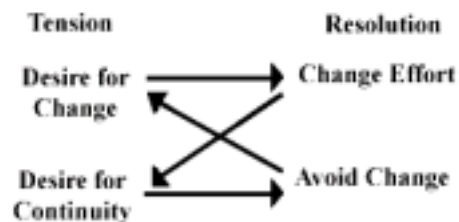
The individuals involved are assumed to be incompetent, or weak willed, or not 'team players.' But the truth is found in a different understanding of the dynamics in force. The successful accomplishment of the new habit has led to a structural situation of pronounced non-

equilibrium, and the structure itself compensated for this situation. The structure's goal may not be the same as the individual's or the organization's best interests. The structure's goal is to produce a state of equilibrium, in other words, all competing forces to be equal or neutralized – while the company's goals will be decidedly different (such as sales, product development, territorial expansion, financial viability, or any number of short-term and long-term goals).

## The Change-Continuity Structural Conflict

Often a company trying to address a problematic business or management issue has many structural conflicts in play that make the adoption of a new plan difficult to accomplish over time. In fact, often the attempt to change simply widens the magnitude of the oscillation in an oscillating pattern.

One of the most common structural conflicts we see when a person or even an organization confronts change is this one:



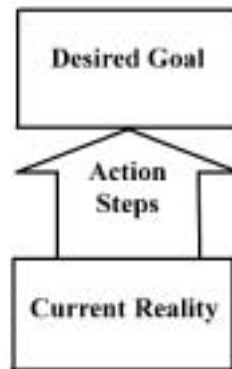
Here, the first tension generates movement which leads to actions designed to change the status quo. But, as that tension is resolved, the competing desire for continuity becomes more and more important. At a critical point, desire for continuity becomes the driving force, and change is abandoned in favor of the status quo. Ironically, in this structure, the more the change, the more the tendency to eventually avoid change. But once the change effort is avoided, the more the desire for change is renewed. The organization will continue to oscillate until the structure neutralizes movement in either direction, and a sense of equilibrium has neutralized competing tension-resolution systems. This is the point at which individuals in the organization feel defeated, powerless, or in a rut.

## Setting Up a Structure That Will Work

The consultant must become an agent of change if he or she is to succeed at supporting the long-term goals of the organization.

We must come to understand that many owners, executives and managers will not be able to enact the consultant's advice unless the consultant is able to help the client set up new structures that support those strategies.

The structure that works best is called *structural tension*. Structural tension is created by two factors: a goal (the desired state) and an objective view of current reality (the actual state.) The tension in this system is established from the contrast or discrepancy between the desired state and the actual state. Once structural tension has been established, action steps can be taken to resolve the tension. These actions are well motivated, and because they are, they are more likely to be taken properly, and they are more likely to succeed.



Structural tension is established by positioning two data points: the goal and the current reality. Establishing and managing these two data points can sound rather simple, but, it is more demanding than it may first seem.

It takes discipline to define goals, and it takes even more discipline to be objective and accurate in observing reality as it is and as it changes over time.

## **The Starting Point for Defining Vision**

As human beings, we have various desires that range from altruistic aspirations to base cravings; from selfless inclinations, to survival instincts; from simple appetites, to more complex longings for love, accomplishment, and contribution. Not all goals or visions are created equal. Some goals are so well positioned that we are able to organize our companies or lives around them. In fact, the goal becomes *the* central organizing principle, one which can foster the commitment, discipline, and resolve needed to change even the most entrenched habits. Because we so care about the goal, we are able to support it with the right choices, decisions, strategies, and tactics.

But not all goals have the impetus to engender such change. Instead of functioning as a focal point, they become points of conflict with competing goals. The difference between goals that work as organizing principles, and goals that the company somehow can't support through consistent action, can partly be understood by how the goal is framed.

## **Frames**

Imagine we had a video camera. We could shoot a close-up, a medium shot, or a long shot. When we play the video on a television monitor, the size of the picture would be the same: 13 inches, or 17, or 21 inches or whatever the monitor's size; whatever type of shot we made, it would fill the entire screen. Each type of shot is a particular frame of reference.

To use this metaphor, a person can frame his or her desires within the context of a close-up, a medium shot, and a long shot. Each frame differs in its focus, what is considered, what becomes important.

## **The Close-Up Shot: A Focus on Appetites and Survival**

The close-up shot would focus an individual or organization toward the immediate, short-term, and instantaneous. This frame could be seen in the form of appetites on the one hand, and survival on the other. Both focus the person in the present with the implicit goal of immediate gratification.

Some people and organizations have orientated their lives toward short-term needs and gratification, ranging, for example, from a quick sale to the wrong kind of client...to appetites for food or pleasure. The person experiences time as if it were made up of short, unconnected moments. Within that narrow time frame, the focus is on satisfaction of some immediate stimulation.

When people become obsessed by appetites, it is very hard for them to consider their overriding aspirations or values. Quite often, conflicts between their long-term desires and their short-term appetites makes them feel guilty and weak. People who know that their health is threatened by smoking cigarettes often are convinced they will quit right after "this one last cigarette." The immediate stimulation of the appetite can be more compelling than the longer-term aspiration of health.

We might think of appetites as a tension that leads to a quick resolution. The desired state is discrepant with the actual state. And the tension is quickly resolved by indulging in instant gratification.

When we are infants, our desires are instinctive. Food, comfort, warmth, and security are inherent desires that demand immediate satisfaction.

As we mature, our parents don't always fulfill our desires as quickly as they did at first. We begin to realize that there are delays between the initiation of a desire (cry!) and its fulfillment (food, clean diaper, hug). Later, as children, we learn that some of the things we want can only be achieved if we can wait for gratification. If we save our money instead of buying candy, we can buy an expensive toy once we have saved enough. We learn to delay the resolution of tension to support our more important desires. We learn to create a path of least resistance that supports our desires.

This learning is important to our process of growing up. We move from an instinctive tension-resolution system to a self-conceived one. We can begin to think in broader time frames, and this helps us develop the ability to be more effective at creating what matters to us.

All of us have appetites we would like to satisfy. The question is, do we want to organize our lives around satisfying appetites, or are there other desires that we care about more? A dynamic urge based on appetites is not the foundation for long-term health goals.

Another aspect of the "close-up" frame is the way time moves. Within this frame, it is hard to conceive of the future in any real terms. There is often no sense of future, and therefore, no sense of ultimate consequences. The individual or organizations are making decisions and acting in such a short time focus, that the overall impact of these choices are ignored.

An organization whose desires are framed within the "close-up" can learn to change the frame. This organization will need help in backing up, locating longer term goals, and expanding their notion of time to include months, years, or longer.

## The Long Shot: A Vague Focus

People who have a long shot frame have vague hopes and longings. These people hope that someday their dreams will come true and give them happiness and satisfaction. Of course, these desires are so hazy, that people find it hard to picture what they want, let alone organize their actions around it. The time frame is so broad that it is hard to think of as real. A person in this frame can be helped by narrowing their focus, bringing their goals into the realm of shorter time frame, and setting up stepping stones to get to concrete results.

## The Medium Shot: A Focus on Aspirations and Values

The medium shot frame is the best when it comes to creating business goals. All of us have aspirations. The question is, do our aspirations matter enough for us to organize our lives or businesses around them? Are we able to discipline ourselves, make the hard choices, and learn whatever we need to learn?

The actions a person may have to take to support their business or personal goals are almost always simply secondary choices to the primary choices they make. Let's use the example of health. Health goals, themselves, are most often secondary choices to other goals. Health is necessary if one is to play tennis, or play with grandchildren, or pursue a career, or raise a family. The mistake many people make who attempt to help people change their habits is to not motivate the actions by connecting them to something the person desires. Instead, there is the faulty tactic of trying to motivate them by avoidance of negative consequences. These will almost always lead to an oscillating pattern of behavior. Similarly, the health of a business needs this orientation, as well – with true aspirations focusing the company's strategic efforts, and with the necessary secondary choices supporting these business directions. Furthermore, the organization's key leadership must ensure that they frame structural tension within this practical perspective.

## Conflict Manipulation

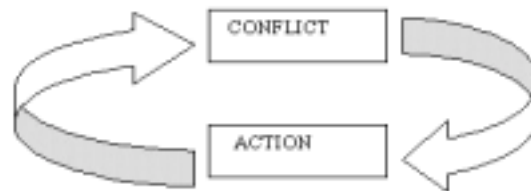
Some approaches to change are doomed to failure before they begin, and yet we often use them as if we can't see the predictable patterns that are in play. The most prevalent is *conflict manipulation*. Conflict manipulation is a structure in which a conflict is established. "If we don't increase sales – and fast – we're going out of business, and you'll all lose your jobs." Or, another example,

"Unless you change your ways, you will die," is an extreme example, in the arena of personal life. Now, these statements might be a fact and if, for example, the person does not quit smoking, or eat better combination of foods, or begin to exercise, he or she will increase their risk of death. Or that the company has to sell more to stay in business. As objective facts in these examples, these merely provide information and insight. They suggest that the behaviors in which the person or company is engaged will lead to a probable destructive outcome.

But, as conflict manipulation, the fact takes on another dimension. It becomes a threat which appeals to the emotions. What emotions are *meant* to be evoked? Fear, panic, anxiety, apprehension, alarm and emotional conflict. The structure of this approach works like this:

- Conflict is established
- The patient reacts to the conflict by changing his or her behavior
- The experience of conflict is reduced
- The motivation for the change is now weakened
- The patient reverts back to the old habits and abandons the new habits

In this structure, the intensity of the conflict drives the action, which in turn reduces the intensity of the conflict, which leads to less future motivation to act, which leads to a return to previous behaviors. Over time, it takes more and more intensity of conflict to motivate a reaction. People become desensitized to the pressure, and they learn how to ignore it. The manipulation, which seem to work at first, no longer is able to lead to beneficial actions, and the individuals involved feel powerless.



The poet Robert Frost said, "I never try to worry anybody into intelligence." And yet that is the hope of conflict manipulation: to worry people into taking more productive action for their own good. Conflict manipulation can work as a temporary measure, but its underlying structure has a built in reversal, and when the intensity of the conflict reduces, as it will over time, especially if the person takes some form of action, the ability to maintain the new habit goes out the window.

## How to motivate change

If warnings, even when they are true, fail to lead to a real change in behavior, how can we work with individuals and organizations so they can learn to support their own well-being? The following are the key factors that can lead to a change of underlying structure, which, in turn, can lead to real and lasting changes in behaviors.

- Help the company define goals that matter to them. These goals must be meaningful. They must not be vague, undefined, or general. They must be based on the real aspirations and values of the company's owners and chief executives. If this piece is not in place, it is hard to connect changes in tactics or habits to something that is truly desired. Without a clear primary choice, it is hard to generate motivation for many needed secondary choices.
- Once the organization's goals have been defined, the next step is to define the current situation – what is current reality. The consultant and client both must be clear and objective. The reason to articulate current reality is that it helps establish the structural tension needed as a dynamic to energize the action plan. It also defines the data points that both consultant and client will track during implementation of the strategy.
- Once structural tension has been established by the clear definition of goals, and clear definition of current reality, an action plan can be devised to accomplish goals. Sometimes the action plan comes from following the conventional business, management and marketing methods. But, often, there are specific inventions that are tailored to the specific client's needs. Convention and invention become the raw material for a strategy the organization can, should, and will follow.
- Some degree of coaching or course correction may be needed at first, until the strategy is deployed. Companies will make mistakes and will make the wrong choices at first. They will need to learn how to adjust their actions. They will need to update or correct their notion of current reality if needed. They may need to learn how to plan better to increase

their chances of success. All of these adjustments should be expected, and the consultant needs to always place these adjustments in the context of structural tension. Consultants need to avoid the temptation to slip into conflict manipulation. Action taken toward a desired goal can be built up over time. Action taken against an unwanted situation cannot sustain itself, and will lead to oscillation rather than momentum.

## The Key to Structural Understanding of Patterns

The key to understanding patterns comes from tracking equilibrium. Here is the event:

*The company has accomplished a goal.*

In an advancing pattern, this event produces a state of equilibrium in that the discrepancy that existed in the beginning (desired state was different from the actual state) is now resolved (desired state and actual state are now the same).

In an oscillating pattern, this *same* event produces a state of non-equilibrium in the system.

If the underlying structure produces a state of non-equilibrium, then the structure produces a dynamic which leads to a structural compensation. No matter what the organization's intentions or commitment, the structure is the dominant dynamic force in play, and eventually, the success will be reversed.

*(Like the 1980's commercial that compared Promise margarine to butter, extolling that the margarine's taste was as good as butter's – it warned that "You can't fool Mother Nature." Similarly, the underlying structure is the all-powerful force in play, and "You can't fool Mother Structure!")*

Without an understanding of the underlying structural dynamics, strategic specialists, management consultants, and creative people can, with the best of intentions and wisdom, prescribe regiments that eventually will fail – not because change is hard in and of itself, or because their ideas don't have some strong elements – because the underlying structure doesn't happen to support the change. The power of working with the structural forces in play must be considered if we desire higher rates of success in any type of business or individual change effort.

Once a clear underlying structure is established, all of the company's efforts can properly integrate under a powerful and practical business strategy – including manufacturing, service delivery, positioning, sales, marketing, customer service, and any other relevant elements – to produce a coordinated business effort that produces success.

The field of structural dynamics opens a door of new considerations and new possibilities that can become a powerful tool in designing organizations that succeed.

## RECOMMENDED READING



The Path Of Least Resistance For Managers  
*Designing Organizations To Succeed*

By Robert Fritz

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### The Path To Advancement

- Chapter 1 An Organization's Structure: The Path to Success or Failure
- Chapter 2 Structural Tension: The Secret of Your Success
- Chapter 3 Structural Tension Charting: The Key to Organizational Design
- Chapter 4 Telescoping: Creating Organizational Counterpoint
- Chapter 5 Checklists: Refining the Chart

### The Path Of Oscillation

- Chapter 6 Structural Conflict: Why Organizations Oscillate
- Chapter 7 The Problem With Problem Solving
- Chapter 8 Structural Conflicts of the Rich and Famous
- Chapter 9 How To Address Structural Conflicts: The Key To Structural Redesign

### Elements Of Design

- Chapter 10 Purpose: What Unifies The Organization
- Chapter 11 Business Strategy: The Path Of Least Resistance To Our Purpose
- Chapter 12 Frames: The Best Way To See Reality
- Chapter 13 Discovering Our True Vision
- Chapter 14 The Power Of Shared Structural Tension
- Chapter 15 Organizational Greatness: Building On Structural Tension



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For more information, please contact Joel Alpert:  
404.636.5635 [joel@MarketPowerOnline.com](mailto:joel@MarketPowerOnline.com)  
404.636.5636