

C.S. Lewis & Co. Publicists

Dear Editor/Producer,

In the mid-1990s, Best Buy was a go-for-broke, entrepreneurial maverick that opened a new store almost every week, took on new product lines with confidence and a sense of fun, and let each part of the company function as independently as possible, with little cross-functional collaboration.

During its explosive expansion, Best Buy had more than \$7 billion in sales but was barely breaking even. With management practices and a culture developed for rapid growth but not for sustained profitability, the consumer electronics mammoth was heading for extinction.

Organizational change specialists **ELIZABETH GIBSON, PhD**, and **ANDY BILLINGS, PhD**, were part of the consulting team hired to turn Best Buy around. In their new book, ***Big Change at Best Buy: Working Through Hypergrowth to Sustained Excellence*** (Davies-Black, April 2003), Gibson and Billings take readers behind the scenes to reveal, for the first time, the very methodology and tools that helped change Best Buy's culture and propel the company from the brink of ruin to record-breaking growth, with stock prices skyrocketing 1,000 percent in just three years.

Gibson and Billings are intense, high-powered optimists who believed in Best Buy's turnaround every step of the way. With hands-on experience and an awesome success story under their belt, these insiders offer priceless details about proven strategies that can truly bring about culture-deep, company-wide, fundamental change at any large-scale organization.

They can discuss a wide range of topics related to organizational change, including:

- The real people and situations behind Best Buy's roller-coaster story
- A unique innovation to behavioral change: the Head, Heart, and Hands model
- The Change Scorecard^(SM), a powerful new tool to mobilize long-term change
- How to engage in imaginative, results-oriented visioning
- How to create a dynamic Change Implementation Team at your company
- The seven elements of a successful change process
- Three steps to changing people's mindset
- Four steps to winning employees' commitment
- Stages in the life cycle of a new behavior

The remarkable story of how a real-life team of people changed the behavior and performance at Best Buy has become an undisputed example of how the much-touted principles of the learning organization can be applied to produce long-term value.

Please let me know if I can arrange a time for you to speak with Gibson and Billings directly.

Sincerely,

Cathy Lewis

How to Change a Company

New Book Tells Story behind Best Buy's Record-Breaking Turnaround and Transformation

How do you fundamentally change a company that has 33,500 employees and 251 stores? Consumer electronics giant Best Buy went from making less than one percent profit on \$7 billion in sales, to being a company whose stock prices soared 1,000 percent within a handful of years.

This is the remarkable story of corporate transformation, financial rejuvenation, and radical cultural change, written by the change consultants who were there every step of the way.

ELIZABETH GIBSON, PhD, and **ANDY BILLINGS, PhD**, authors of *Big Change at Best Buy: Working Through Hypergrowth to Sustained Excellence* (Davies-Black, April 2003), present in detailed, replicable steps their proven strategies and tools that fundamentally altered the behavior at Best Buy, turning cowboy management practices and a high-energy culture fixated on rapid growth into the kind of disciplined, learning-focused operation that now drives Best Buy's phenomenal success.

Best Buy's transformation was the result of a careful methodology that focuses on three arenas for human change:

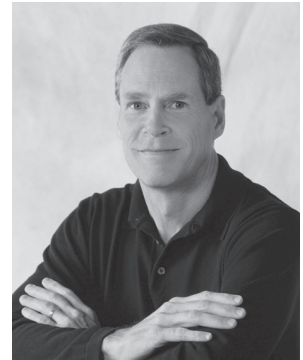
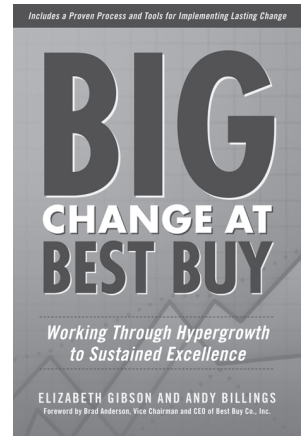
- The Head**—thinking, or coming to grips with the problem
- The Heart**—feeling, or working it through
- The Hands**—behaving, or making it real

Once new behaviors became part of the company's DNA, they were reinforced and maintained with the **Change ScorecardSM**, a powerful change technology for evaluating progress, measuring change, and providing developmental feedback.

Both a compelling story and a step-by-step model for real change, this book offers hard-won lessons for every executive, manager, and employee. Learn:

- Why change efforts typically fail, and why this one succeeded
- How to overcome employee resistance
- How to turn verbal compliance into actual behavioral change
- How to get others and yourself to think differently
- How to effect change on multiple organizational levels
- How to monitor and measure change
- How to insure long-term transformation and growth

With this book, Gibson and Billings bring change management out of the realm of theory and into the dramatic world of real people, real problems, real business challenges, and a real success story.



"In implementing this change, we learned not just business-changing lessons but also life-changing lessons."

—**BRAD ANDERSON**
VICE CHAIRMAN AND CEO,
BEST BUY CO., INC.

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About the Authors

ELIZABETH GIBSON, PhD, an expert in organizational behavior and management psychology, is coauthor of *Big Change at Best Buy: Working Through Hypergrowth to Sustained Excellence* (Davies-Black, April 2003).

After earning her doctorate in psychology from Stanford University, Gibson worked for several years in the high-tech world of Silicon Valley. In 1991, she joined RHR International, a firm of management consultants using psychological assessment and principles to enhance the functioning of organizations.

Beginning in 1997, Gibson led the RHR team hired by Best Buy to implement a highly successful, large-scale change effort that would result in a historic turnaround for the company. Widely recognized for its innovative culture and ongoing organizational learning, Best Buy now dominates the consumer electronics market.

In 2000, Gibson cofounded a new division of RHR International called KnowWorks, specializing in large-scale organizational change, learning, and knowledge-management projects.

She is coauthor of a previous book, *A Practical Guide to Knowledge Acquisition*, which focuses on identifying and capturing the tacit knowledge used in building expert systems.

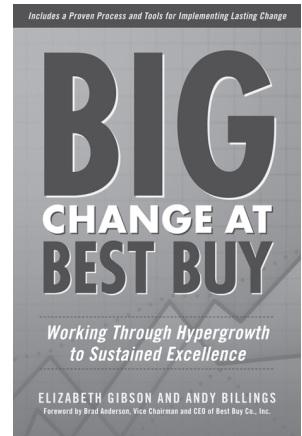
ANDY BILLINGS, PhD, is a specialist in leadership and organizational development and coauthor of *Big Change at Best Buy*. As a member of the change team hired by Best Buy in 1997, Billings helped structure and manage the multiyear organizational change effort.

Billings earned his PhD in psychology and consulting from the University of Vermont, and then continued his academic tour at Stanford University, where he published more than fifty articles on stress, health, and coping with change.

Moving to the business world, Billings joined RHR International in 1984, where he eventually became the managing director of the San Francisco Bay Area office.

In 1998, he joined Electronic Arts, the largest global publisher of interactive software, where he is currently vice president of Organizational Development.

Billings serves on the board of a privately held agribusiness and retailer, Rod McLellan Company, and is chairman of the board of the California Strategic Human Resources Partnership, an organization for HR executives.



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Segment and Feature Topics

Where Change Matters Most: Head, Heart, and Hands

Experts describe three-H framework for implementing change.

Managing change requires paying attention to challenges and questions that arise in each of three key arenas: the head, the heart, and the hands. Change specialists Gibson and Billings describe the innovative change process that brought about profound transformation at Best Buy through focusing on:

- The Head: Understanding people's perspectives and changing their mind-sets
- The Heart: Harnessing motivation and giving weight to intangibles such as emotions, intuition, and opinions
- The Hands: Shaping and reinforcing skills and behaviors needed to implement new practices and processes

Change Scorecards^(SM): Organizational IQ Boosters

Learn about a change technology that made Best Buy smarter.

Change Scorecards^(SM) are powerful tools that can measure change, provide feedback, and transfer organizational knowledge to generate ongoing learning company-wide. Experts Gibson and Billing discuss:

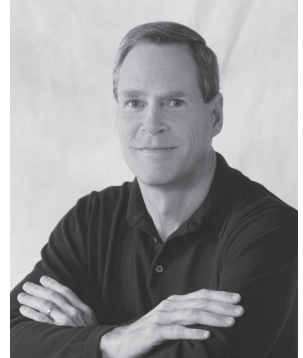
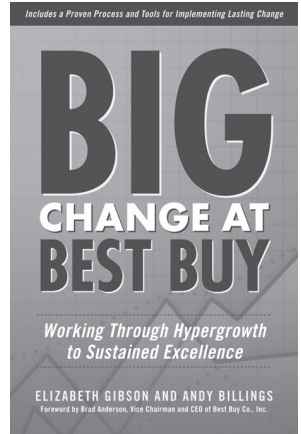
- How to create and use Change Scorecards^(SM)
- How scorecarding can measure an intangible such as culture change and quantify its impact on your business
- How to correlate Change Scorecards^(SM) with down-and-dirty business metrics
- How Change Scorecards^(SM) facilitate large-scale learning and behavioral transformation over the long-term

Does Change Pay?

Change specialists describe the link between change management and increased profitability.

Best Buy provides a textbook example of how working through cultural change, often perceived as "fluffy stuff," can dramatically improve your bottom line. Gibson and Billings were part of Best Buy's change effort every step of the way, and can attest to:

- How the Head, Heart, and Hands framework improved teamwork, communication, and productivity at Best Buy
- How Best Buy embraced scorecarding, a change technology, and still uses it today to boost performance
- How to convince skeptical stockholders and resistant senior management that cultural change produces better numbers



The one thing certain about change is the uncertainty it creates.

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The Best Buy Adventure: True Stories

Change team insiders reveal the real drama and personalities behind Best Buy's stunning transformation.

Gibson and Billings set off on the adventure of their life as part of the Change Implementation Team at Best Buy. They share funny, poignant, and fascinating stories of the real people who made a difference. Hear about:

- The characters who made up the wildly successful CIT team
- Memorable moments, trials, and triumphs during the multiyear change process at Best Buy
- The real American heroes behind Best Buy's historic turnaround

How to Manage Fear

Experts share proven techniques for coping with fear and anxiety associated with change.

Fear is a side effect of change. How do you deal with people's reluctance to learn and experiment with new behaviors due to fear of failure? What if teamwork and collaboration feel too risky? Organizational psychologists Gibson and Billings talk about creative techniques that change fear into an agent of transformation. These include:

- Pity City, a safe place for emotional venting
- Name It and Frame It: An exercise to give fear a name and description, and then look at it from different perspectives
- Effective alternatives to punishing mistakes
- Proven trust-building and relationship-boosting strategies
- Feedback and coaching tricks and traps
- Safe ways to practice new behaviors

What Best Buy Did Right

Discover why the consumer electronics giant, once nearly crippled, now dominates the market.

As change consultants for Best Buy, Gibson and Billings became intimately familiar with the company's personalities, practices, and culture. No other company of its size in recent memory has worked through such a grueling change process. The authors reveal:

- How Best Buy management was willing to face their shadow side, fears, and demons
- How the company's change implementation team turned verbal compliance into real behavioral change
- How Best Buy grew into a unique culture capable of learning and changing indefinitely
- What Best Buy is still doing right and how it continues to benefit from what it learned

During 2001, in a weak economy, Best Buy's earnings jumped more than 40 percent and sales increased 28 percent, to \$19.6 billion. In 2002, Best Buy was named to Business Week's top fifty best-performing S&P companies.

Four Ways to Build Alignment:

1. Create a climate of open communication.
2. Take the stigma out of airing problems.
3. Maintain spirited dialogue.
4. Develop emerging ideas rather than killing them with instant critique.

How to Capture Your Company's Imagination

Change consultants share techniques to create and communicate an inspiring vision.

When change was needed at Best Buy, Gibson and Billings asked team members to answer the following question: *What does good look like?* Answering it, say Gibson and Billings, gets people's heads out of the clouds and thinking in tangible, constructive terms. Effective visioning is the precursor to effective implementation. Learn:

- How to ask focus questions that depict the future
- How to lead dialogue that energizes change
- How to inspire discussion that honors and closes the past
- How to explain the impact of your vision on the future
- How to generate confidence in your vision

Change Consultants Are Human Too

Learn the true story of how Best Buy's change agents were bedazzled by the company's cowboy culture.

Gibson and Billings would be the first to admit that consultants often believe, as do their clients, that they are exempt from the pitfalls and perils of the change process. During the multiyear change effort, the change consultants hired by Best Buy were in for some surprises. Learn:

- How some team members unconsciously adopted Best Buy's high-energy "ready-fire-aim" behaviors
- How the consultants learned to swallow their own medicine
- Best Buy change team mistakes, and what every change agent can learn from them

Six Skills of Powerful Communication

Learn best ways to "create connection" and set the stage for change.

Powerful communication conveys empathy and acceptance, necessary precursors to change. Organizational development specialists Gibson and Billings share six communication skills that will help you create a change-receptive environment. They explain:

- How to tame your own ego and your need to be right
- How to model patience and respect
- How to identify internal filters (mental models, assumptions, biases) that could block your hearing
- How to use eye contact and body language
- How to improve your responsiveness
- How to avoid prejudgments and become a great listener

Five Ways a Change Agent Can Stumble:

1. Act like change applies only to others, not to you.
2. Expect that you will be immune to the culture.
3. Demand deep changes of others, but not of yourself.
4. Never ask for feedback.
5. Try to make changes all at once and skip the incremental stuff.

The Dark Side of Corporate Culture

Organizational psychologists say every company faces its shadow side sooner or later, including Best Buy.

Why do even the mightiest, most positive corporate cultures have a dark side? Change experts Gibson and Billings share fascinating insights about why organizations, like people, sometimes need to unlearn old behaviors and habits. Learn:

- How to change a company that already has a powerful identity
- How stubborn, macho behaviors get imbedded into highly competitive cultures like Best Buy
- How to recognize and confront your company's shadow culture

What's in It for Me? The Emotional Side of Change

Learn how to win hearts and overcome resistance to change.

Deep change is impossible at an organizational level until individual members are motivated to make it happen. Throughout their experience at Best Buy, change consultants Gibson and Billings faced the challenges of the human heart firsthand, and can discuss:

- How to convince others that change is in their best interest
- How to determine people's level of change readiness
- How to surface and release others' fears
- How to realign rewards to reinforce new behaviors, early adopters, and small successes

How to Put Yourself Out of a Job

The ultimate goal of change consultants, say experts, is to transfer all of your know-how and do-how.

You know you have done your job well, according to organizational change specialists Gibson and Billings, when your client is ready to let you go. They discuss:

- The importance of transferring learning, and how that is accomplished
- How to wean a company off change consultants
- How Best Buy trained and grew its own change agents

Before people can shift their motivation (heart arena) they typically ask three questions, often unconsciously:

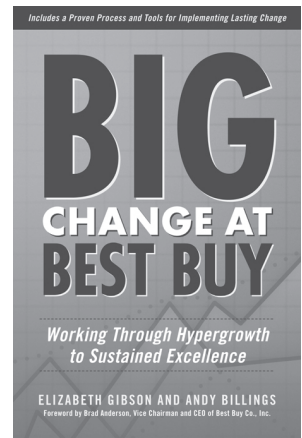
- Why is it important?
 - What's in it for me?
 - Can I be successful?
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Three Stages in the Life Cycle of a New Behavior:

1. Initiating the behavior
2. Strengthening the behavior
3. Making it self-sustaining

Suggested Interview Questions

1. What is the Head, Heart, and Hands framework and why did you structure the change process at Best Buy around it?
2. What is the missing link between a change strategy and the successful implementation of it?
3. What exactly do organizational psychologists do, and how did your team's particular expertise contribute to the success of Best Buy's cultural transformation?
4. How important is having buy-in from the top, and how did you achieve it?
5. The Change Implementation Team is a brilliant example of teamwork at its finest. How did you and Best Buy decide on who would be on the CIT, and what was your collaborative process like?
6. Best Buy's management style had been to let each part of the company function as independently as possible, with little cross-functional collaboration. How did the relatively small team of change agents get so many disparate factions aligned?
7. How was it possible to change the mindset, the motivation, and the day-to-day behavior of tens of thousands of people at Best Buy? Isn't that a bit like changing a small country?
8. What were some of the most daunting challenges of the change process at Best Buy?
9. At what point did you know that all of your hard work was actually paying off?
10. What are Change Scorecards^(SM) and how did you use them at Best Buy? How are they different from other measuring instruments?
11. Can you use scorecarding to take "soft" things such as motivation, cultural change, and commitment and quantify their impact on an organization's bottom line?
12. How did you help Best Buy transfer knowledge and experience from one generation or strata of employees to another in order to bring about organizational learning and ongoing growth?



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13. What were some of the obstacles you came up against with the higher ups at Best Buy? What about resistance from the people working the floors at store level?
 14. Would the Head, Heart, and Hands process and Change Scorecards^(SM) be effective for implementing any change model, or was there something about Best Buy's that wedded particularly well with your process?
 15. Most change initiatives fail long-term. How can you support your claims that the change effort you were part of at Best Buy created sustained change?
 16. What's next for Best Buy? How is it going to keep itself in the lead?
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