

Are there Lessons from Elon Musk's Twitter adventures?



What can be learned from Elon Musk's handling of change ?

However you view the events at Twitter and/or in the "Musk-sphere" of the last short period, there are important and valuable lessons to be learned from them. Twitter was an extreme example of an approach to business change that is consistently chaotic, unreliable and risky. The current events are even more extreme. The extremity of this approach has made the whole world to back away from the "go fast and break things" philosophy. This paper highlights the problem. But we would say that, wouldn't we? The key would seem to be "controlled change" but many will argue that a short time to market is a laudable and in many situations a not-negotiable requirement. Can you have both? We would argue the answer is "Yes".

My colleagues and I have watched many problematic transformation projects (and we have, on occasion, been asked to intervene) and we see the Twitter debacle as an extreme example of many of these programmes.

Amongst executives needing to make operational transformations, there is a perfectly justifiable impatience, a need for speed. There are many internal and external drivers of impatience and arguments can be made for the need to just "rip off the band-aid". Programme cost is a common issue, as is "time to market" which can weigh heavily because the sooner the result can be delivered, the greater the NPV of the benefits.

This often drives haste (vs. speed) and the acceptance of flawed and arguably overly simplistic views of how to deliver speed. Simplicity is good but has a flip side.

We call it the "Red pen syndrome". Personally, I have seen this syndrome on a large scale at different times among many of my employers and customers but seemingly this is how Mr. Musk has approached the transformation needs at Twitter (and now, "X") and the US government.

The red pen syndrome goes like this:

- Ask for an organisation chart.
- Requisition a red pen.

- Start crossing out business units, departments, teams, and even individual employees with the red pen.
- Slide the modified org chart over the table and tell the executive and management teams (or your twenty-something flunkies) to "go execute this", confident in the willingness to believe (delusion?) that there will be no real damage to the fabric of the business but what there is, will be repaired and the team will just cope. After all, isn't that what you pay them for?
- Retreat to the boardroom for the next big thing.

It's fast and it "feels about right". Job done. We can be impatient about execution complexity later.

Clearly, this is a cartoonish exaggeration although less so recently. I also can be accused of being simplistic. I am obviously ignoring nuances and variability in drawing this caricature. After all, some operations have been "featherbedding" for years and need just to be excised, or maybe dramatic market shifts lead to over-resourcing nearly overnight. But the point of caricatures is that they exaggerate certain features to offer insights that are otherwise lost in the noise – like someone cartoonishly drawn as having a "big brain".



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However, it's clear that the journey Twitter has been on in recent times displays many extreme consequences of the red pen syndrome. And those consequences have been dire, resulting in possibly the most dramatic shedding of net worth at twitter and enterprise capitalisation in history, probably ranking with Enron, just without the criminality. And in the government, it forms a wrecking ball that damages critical services on which lives often depend.

I would argue that the value of this chaotic episode to observers is that it delivers a cogent red pen syndrome case study for us to examine and consider.

In particular, what could have been done differently?

First some background:

In our experience, for years, there has been a constant tension between advocates of a simple organisation chart centric way of seeing change and those that advocate a more considered and designed centred approach.

This disparity in viewpoints has become a tension, at times even an enmity. This is mostly because so many have made an industry and/or a life's work of such analysis that every executive is fully equipped with vivid war stories of the problem. Designers and analysts became a pre-eminent example of "paralysis by analysis" or, as one client put it, "death by wallpaper" referring to proudly pinned up process models all over the project room walls.

In these fairly common scenarios, business value delivered is low, cost is high (especially when certain consultants become involved) and speed is poor: it just goes on for ever. Who has time, or money, for that?

So, the (attempted) drive to disciplined architecture causes the rolling of eyes and drives even more impatience even when it's done in a practical way.

The adoption of the red pen syndrome is a

direct outcome of an inability of the design advocates to deliver to the business value brief and, in particular, to the required time scales.

When Musk bought Twitter, it was clear that the company was in bad shape. It had struggled with profitability for years notwithstanding its prominent role in the attention economy. It also wrestled with operational issues like content moderation and looming regulatory threats.

There was clearly a need to do something and do it fast, especially given the exposure caused by the leverage needed to complete the acquisition.

If ever there was a need for speed, it seems like this was it. Twitter seems like it was a prime risk for extreme red pen syndrome.

The mass and indiscriminate headcount reductions alongside the inevitable bad blood amongst those left behind as well as those leaving had significant and well documented operational impacts because key resources were ripped away with little warning. It was extremely unlikely that any company would have had contingency plans for an event like that.

Large swathes of staff were let go and others could volunteer to go if they hadn't been asked to. A very large number of people were told to reapply for their jobs, and they were warned only 20% of them would be re-hired. Few reapplied.

To be clear some areas of the business were protected to an extent. e.g., someone had to

keep the server farms running or the entire business would collapse.

However, those who remained were subjected to formal demands to "work very long hours at high intensity or leave". Many chose the latter

option.



Overall, that approach meant the operational impact of these resource shifts were essentially chaotic and random.

This can by no means be a healthy change strategy for any enterprise. That's because when resource shocks happen and the enterprise team are unable to trace those back to the process, regulator, service, and deliverable impacts, especially in a highly integrated business. This can be catastrophic in highly regulated industries.

The ask is essentially "let's see what happens if we do **this now**". The result is unpredictable and creates risk to operational integrity and especially serious escalations of existing operational dysfunctions.

So, we get that a more considered approach to change is desirable but doing it fast may be the number one priority.

So, we and our partners asked, "if it is a good idea to have the courage to take a step back and think for a moment, can we still meet the time goals?" Or is taking a more designed approach *at speed* a fantasy that relies on a magic wand – is this possible in the real world?

The answer is: yes, it is possible, and yes, there is a magic wand.

For the last 12 years we have been working on and proving in the real world with challenging real business problems the operation of a unique technology enabler. It is a "Digital Twin" for operational business transformation. It represents a unique and fundamental shift in the way operational transformation can be realised. And we have proven this approach and shown that it can help deliver quality outcomes at speed, that is scalable (up

and down) and that it is easily trainable.

How does it do that? It is a unique approach and customer designed and built capability that allows an enterprise to rapidly acquire and tease apart the threads of process, technology, organisation, services and many other factors in a way that makes impacts back and forth rapidly traceable.

As a consequence, we can quickly answer innocent questions like:

- If I fired these people what is the real world impact on our business process, service delivery, compliance, deliverables, etc.
- What already underperforming processes might decline further?
- Is there a better alternative to the resource actions being contemplated?
- What part of our process has objectively the most labour cost and therefore what are the alternative delivery/execution approaches I could employ to reduce cost?
- I've taken the resource actions, what do I need to repair and what will it cost?

However, how long does it take to answer these simple questions? If it takes six months or a year more and needs \$5m worth of consultants (at a time when tight cash made the reductions necessary in the first place) what good is it?

The successfully delivered approach was to

bring the disciplines of well-designed transformation within reach of the speed, cost, and quality goals of any organisation, and to enable a step improvement in output quality, completeness, and reductions in risk. In the same way the



Digital Twins deliver large reductions in cost, cycle time, and risk in engineering settings, we discovered that the same can be done in a business setting.

This solution can deliver very high business value at speed, at significantly lower cost, and with a clear line of sight to execution.

So how does this work?

In developing this capability we have seen that:

1. Teasing the threads apart in a highly integrated business is a question of having well-ordered and joined up data on which to base the analysis and questioning. No spreadsheets, no disconnected private data, but only an industrial strength highly managed database and a consistent and integrated data-model.
2. Maintaining the integrity of this data is a function of making sure that the proper workflow is being observed by the project teams: are you changing process? then ensure all other changes needed are reviewed and aligned as needed. For example, the organisation that executes that process. Or perhaps the training courses to teach the process.
3. Building flexibility to represent the business simply or deeply depending on need, plus the depth in the system capabilities to be able to quickly answer important questions in terms of a variety of performance metrics: cycle time, cost, resourcing, process / technology alignment, procedural and policy observation, process dysfunctions, etc.
4. Being able to migrate the modified business design into execution has been another key capability which has saved our customers a great deal of money.

Fundamentally, that's what our Digital Twin does and does it at speed.

Digital Twins are not new. They exist in sophisticated incarnations in mechanical engineering, civil engineering, architecture, motor racing like F1, and a variety of other disciplines. What makes them valuable is their ability to test a design, to understand its physical characteristics before committing to possible expensive manufacture or construction.

The unique application of this principal to business change is a powerful lever to support the delivery of complex change in challenging situations.

Could we have helped Twitter?

We're not close enough to the internals of Twitter to really be able to have that conversation. We would like to say "yes", but we would say that wouldn't we?

What we are sure of is that we could have (and have done for many clients) helped assess the operational impact of what was proposed rationally and quickly. We might, at Twitter, have been able to find a smarter way of addressing the challenges, and we strongly suspect what we might have been able to help mitigate the massive fall in market cap.

Of course, we will never know because Elon didn't have our number. And still may not.

If you would like to explore what the Digital Twin and our approach to its use could bring to your business change programme, then our contact details are below. We specialise in skills transfer and practical and advanced enablers so that your entire team can be world class business change practitioners. And now YOU have our number.



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