



BIZ CHAT



Transitional, Transactional, and Transformational Speeches

[By Dan Coughlin, author of *Accelerate: 20 Practical Lessons to Boost Business Momentum*]

Mary, the vice president of operations, had to give a 30-minute speech at her company's annual conference. She asked if I would review her presentation. I opened, as I always do, by asking, "Is this a transitional, transactional, or transformational speech?"

She said, "What are you talking about? What does that mean, and why does it matter what type of speech it is? I've been given 30 minutes to talk. I thought I would give people an update on what we've been up to and thank them for all of their hard work."

"In other words, you're going to give them a speech they've already heard about 300 times, and you're going to tell them stuff that has already happened that they already know about. Why not use your time more purposefully?"

"Ok, fine. I see your point. So what do I do now?"

The Nuances of Different Types of Speeches

"First, you have to decide whether this is a transitional, transactional, or transformational speech. The purpose of a transitional speech is to help the audience more effectively deal with a major change. The purpose of a transactional speech is to sell the audience on buying into an idea that they might otherwise reject. The purpose of a transformational speech is to guide the group to behave in new ways."

"How do I decide which one to go with, and why can't I do all three in one speech?"

"You could do all three, but you would dilute the impact of each of them. Tell me about your current work situation, and that might help us determine which type of speech to create."

Mary paused and thought about that.

Then she said, "Our competitors are slashing prices on products that are very similar to ours. We don't want to compete on low prices because we know that's a game that could put us out of business. Instead we need to enhance the value of our products by improving the value they deliver to our customers. The audience doesn't really have a choice. We either do it or we die."

I looked at her. Clearly this wasn't going to be a transactional speech because the audience didn't have a choice. They had to buy in to the change in the organization. But the change was not a change in policy or a change in initiatives. This was going to require a completely new set of behaviors. People would need to think differently about the products they created and the type of value that customers received from those products.

Consequently, it wasn't a transitional speech she needed to give, but rather a transformational speech. In a transitional speech, you explain what a group is changing from doing and why it needs to *stop* doing that, what the group is doing differently and why it needs to *start* doing that, and how the group is going to make that change. A transitional change is about changing activities. A transformational speech is about changing the way people think. Mary's group needed to move from selling commodities that were moderately priced to selling high quality items that were priced at higher levels.

The Guts of a Transformational Speech

When I think of a transformation, I think of those TV commercials where one face morphs into another face. It starts out as one person and transforms itself into another person. An organization that transforms itself starts out doing business one way and ends up doing it in an altogether new fashion. Mary had to get that point across in 30 minutes. No small task.

Mary knew she had to convey the message that a radical change was needed in her company, and she knew that she had to deliver the message in a radical way. It had to spur the audience to see and believe that a new way of doing business had to replace the old way of doing business. The audience had to walk away with a transformed idea of what their business should be all about.

The Making of a Speech

Mary and I started to assemble her speech. Our parameters were time — 30 minutes — and technology — which could include video clips, PowerPoint slides, and a wireless lavalier microphone.

To start the speech, a video ran for 60 seconds that showed a steady stream of faces morphing into new faces. As the video ended, the lights went up, and Mary opened by saying, "Our competition is radically slashing prices. We have three choices." The choices were shown on a PowerPoint slide, which included the following:



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- We can continue business as usual and keep our same products at their same prices, which is what our customers are used to seeing from us.
- We can keep the same products and lower our prices, which is what our customers are getting from our competition.
- We can radically improve the value of our products and services, and raise our prices significantly.

"In reality, we have one choice. Maintaining the status quo is the quick path to extinction. Our current products are commodities. If our customers shop on price, they'll leave us immediately. If we play the price war game, the worst thing that could happen is that we would actually win. We would end up eroding our margins and having to cut staff and quality to achieve the same level of profit we have today."

"Our only choice is to radically transform the face of our business and the way we do business. We must radically increase the value our customers receive from our products and services. Then we must radically change the way we market the value our customers receive from our products and services. And we have to have the guts to charge for the value we will be delivering."

As you might imagine, this opening caught the audience right between the eyes, which is exactly what Mary wanted to do. She wanted to challenge the audience to think differently about their business.

"Look at our business today." (Mary showed a slide of a customer interacting with the sales staff.)

"Now look at what our customer interactions could look like in the future." (Mary showed a short film clip of an employee interacting with a customer and explaining a host of new products and services that were vastly more solution-oriented than the current way of doing business.)

"We're not the only company that has gone through a transformation. Here are three others."

Mary then showed a series of slides of Apple, GE, and IBM. She showed how IBM transformed its business by getting into the music industry and later the cell phone industry. She showed pictures of GE selling commodities like light bulbs and refrigerators and then of GE Capital selling medical imaging. She showed photos of the old IBM mainframe computers, which morphed into photos of IBM business consulting services.

Mary closed by saying, "Transformation or annihilation? Do we have the guts to grow our business in a new way, or will we stay stuck in the quicksand of same old, same old? I believe our greatness lies in our willingness to change."

And then she walked off. The audience didn't know how to respond. So they sat and thought, which was exactly what Mary wanted to have happen. Over the next 24 months, the company changed radically, although not to the total degree that Mary had described. They kept a foundation

of products at reduced prices, and then they added an array of new products and services at higher prices. Slowly but surely, the company began to head in a different direction from its former competition.

Accelerate Your Career through Speeches

The ability to deliver purposeful speeches that improve results will affect your career as much as any other skill. It all starts by deciding if a given speech is a transitional, transactional, or transformational speech. Make that decision, build your speech, and deliver the goods.

About the Author

Visit Dan Coughlin at www.businessacceleration.com. Coughlin is a business keynote speaker, management consultant, and author of *Accelerate: 20 Practical Lessons to Boost Business Momentum*. He has been quoted in *USA Today*, the *New York Times*, and *Investor's Business Daily*. Dan's clients include Coca-Cola, Toyota, Boeing, Marriott, McDonald's, AT&T, American Bar Association, and the St. Louis Cardinals. He speaks on entrepreneurial habits, quality, leadership, branding, sales, and innovation.

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