



Stable

Stable is positioned at the top of the Lifecycle curve, but it is not the place to be. That position is Prime, where organizational vitality is at its maximum. Companies that are in the Stable phase have started to lose their vitality and are aging. When an organization first begins to age, the symptoms won't show up on its financial reports. In fact, the opposite is true. Stable companies are often cash rich and have strong financial statements. Like medical tests, financial statements reveal a problem only when abnormal symptoms finally surface late in the Aristocracy stage. If you wait until the signs of aging appear in the numbers, the company will already be significantly aged. If you want to catch aging early, you must look elsewhere.

When people begin to age, the initial signs aren't apparent in their actions or bodies. Aging starts in their minds with subtle changes in attitude, goals, and their outlook on life. This is also true for companies. When an organization starts to age, the first place the symptoms appear is in the attitudes, outlook and behaviors of its leaders.

The leaders of Stable companies are starting to feel content and somewhat complacent. This attitude has been developing for some time. The company is strong, but it is starting to lose flexibility. It is at the top of its lifecycle curve, but it has expended nearly all of the "developmental momentum" it amassed during its growing stages. The rocket is slowing down and starting to change direction and head down the lifecycle curve. The organization suffers from an attitude that says, "If it ain't broke, don't fix it." The company is losing the spirit of creativity, innovation, and the desire to change that brought it to Prime. It has sown the seeds of mediocrity.

As the desire to change lessens, the organization mellows. There is less contention than in previous stages. More and more, people are adhering to precedence and relying on what has worked in the past. The company's dominant position in the marketplace has given it a sense of security. From time to time, creativity and a push for change surface, but such eruptions become less and less frequent. Order and predictability prevail. To avoid endangering success, people opt for conservative approaches.

In contrast to earlier stages, managers in Stable companies spend more and more time in the office, reducing the time they spend in the marketplace or on the firing line. Whereas during the growing stages, disagreements were expansive and vocal, now, people express their opinions with sheepish grins, as if to say, "It's not really that important." The sense of urgency is not there. When people are asked to attend the prolonged meetings that are typical in a Stable organization, they no longer object or rage. Unlike the growing stages, nobody screams, "Where the heck do I find time for another meeting?" The atmosphere is decidedly more formal. Like a company in Prime, people still discuss long-term strategy, but short-term considerations increasingly creep into the decision-making process. Bold new ideas still get discussed, but there is diminished enthusiasm for moving into risky new territory.

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The centers of power are gradually shifting. Corporate staff positions such as finance, accounting, HR, legal and risk management are gaining power at the expense of marketing, sales and production. Intuition and judgment play decreasing roles as facts, figures, and detailed analyses begin to rule the day. Sales continue to rise, but the revenues generated by new products that did not exist say, three years ago, are declining. Often these “new” products are not really breakthroughs. They are merely product enrichments more related to new packaging or bundling than innovation.

Slowly and subtly, the entrepreneurial spirit in the Stable organization dwindles. The momentum of aging increases and the organization slides down into Aristocracy, the next phase of its lifecycle. This transition is subtle. Unlike the transitions in growing companies that are dramatic and obvious, the slide into deeper aging is more of a continuous process of gradual decay.

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