



Delivering Change Effectively



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The Case for Change

Change is inevitable it's all around us. The last decade has provided us with constant change. Our technology, our political systems, our climate, our social norms; just about every aspect of our lives have been on a constant change cycle. And, pardon the pun, this doesn't look like it's going to change anytime soon. Change is driven by a myriad of internal and external forces:

- Competition
- Staff Expectations
- Investor requirements
- Diversification
- Regulation and de-regulation
- Technological Innovation
- Environment issues
- Labor market forces
- Merger and Acquisition
- Divestiture
- Customer expectations
- Macro/Micro Economics

And, the cost of failing can be substantial. Gartner tells us that for every dollar spent on technology, \$3-\$10 of additional “soft” costs are incurred and over 30% of change projects cost more than budgeted. And, according to the 2016 **PMI Pulse of the Profession** study, nearly 70% of all change projects fail or fail to meet the stated outcomes. So why do change initiatives fail or fail to meet expectations? The list is long:

- Insufficient planning
- Insufficient resources or skills to execute
- Insufficient funding
- Outcomes not clearly defined or documented
- Strategy is not simple to understand or clearly communicated to stakeholders
- Too many initiatives happening at the same time – Initiative Fatigue!
- Lack of senior leadership and commitment
- Misalignment with corporate strategic objectives
- Poor risk management
- Rewards are not clearly articulated to those effected

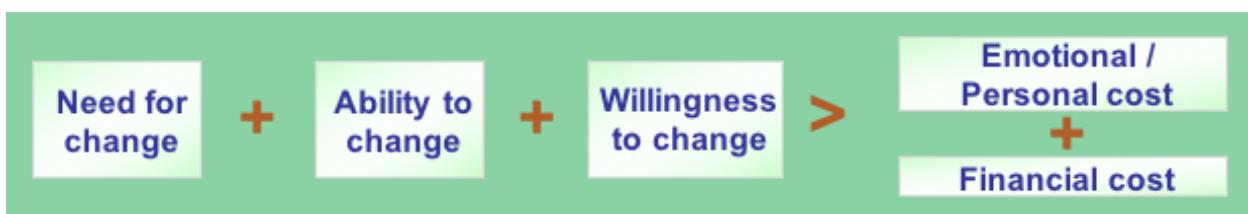
These challenges are exacerbated by other macro trends:



- The scope and scale of individual changes is expanding
- Changes are increasingly complex, with greater risks
- The pace and urgency of the business climate are increasing
- The sheer volume of concurrent changes is growing
- There is greater pressure on top teams to deliver ‘real’ value
- There is correspondingly less tolerance of failure

So, why do we do it?

The Change Equation explains the motivation (or lack thereof) to change. Simply put, if the need to change plus the ability to change plus the willingness to change is greater than the emotional or personal cost plus the financial cost, we will change. If not, we won’t. It’s rather simple. This mathematics is rarely done consciously but it does happen, conscious or not.



Implementing Successful Change Initiatives

It's about Strategy! The change equation dictates the strategy used to achieve the best results in executing a change initiative. The change leader must evaluate the situation and determine the best strategy to follow to achieve the desired outcomes. The wrong strategy, no matter how well executed, will still have undesirable outcomes. When you have a clear overall strategy, you can make good day-to-day decisions about the tactics to implement to achieve the desired outcomes of the program.

Sun Tsu tell us in ***The Art of War***, there are five strategies to all human endeavors whether it's a sales opportunity, Change Program or armed conflict:

- Direct
- Indirect
- Divisional
- Containment
- Exit

“The key to victory is not in defeating the enemy, but in defeating the enemy’s strategy – for therein lies their vulnerability.”

A **Direct strategy** is one in which you have total and complete superiority. You would use your overwhelming strength to directly oppose opposition and overcome. In a sales situation,



you would be the preferred vendor of choice as articulated by the client and appeal to this legitimacy by directly pitching your services as superior [think IBM in the 1980's]. In an armed conflict, you would attempt a full-frontal assault knowing your opponent could not successfully oppose you. In a Change Program, you would have complete buy-in from all interested parties and a clear mandate to lead.

"If you know the enemy and know yourself, your victory will not stand in doubt."

An **Indirect strategy** is one in which you do not have superiority in the given situation so you attempt to change the situation into one in which you can be superior. In a sales situation, you would attempt to change the buying criteria to one in which you have a superior offering. In an armed conflict, you might attempt a gorilla campaign and change the rules of engagement. In a Change Program, you have to change the initial objectives to those that could be accomplished.

"Appear where you are not expected. Make your way by unexpected routes."

A **Divisional strategy** is one of divide and conquer. You would attempt to break the situation into smaller parts and then attempt to win one segment at a time. In a sales situation, this might mean attempting to win many smaller pieces of business that would add-up to winning a much larger single opportunity. In an armed conflict, it would mean opening several smaller conflicts in an attempting to win them one by one. In a Change program, it might mean breaking the program up into much more modest objectives and attempting to complete them one at a time.

"If the enemy's forces are united, separate them."

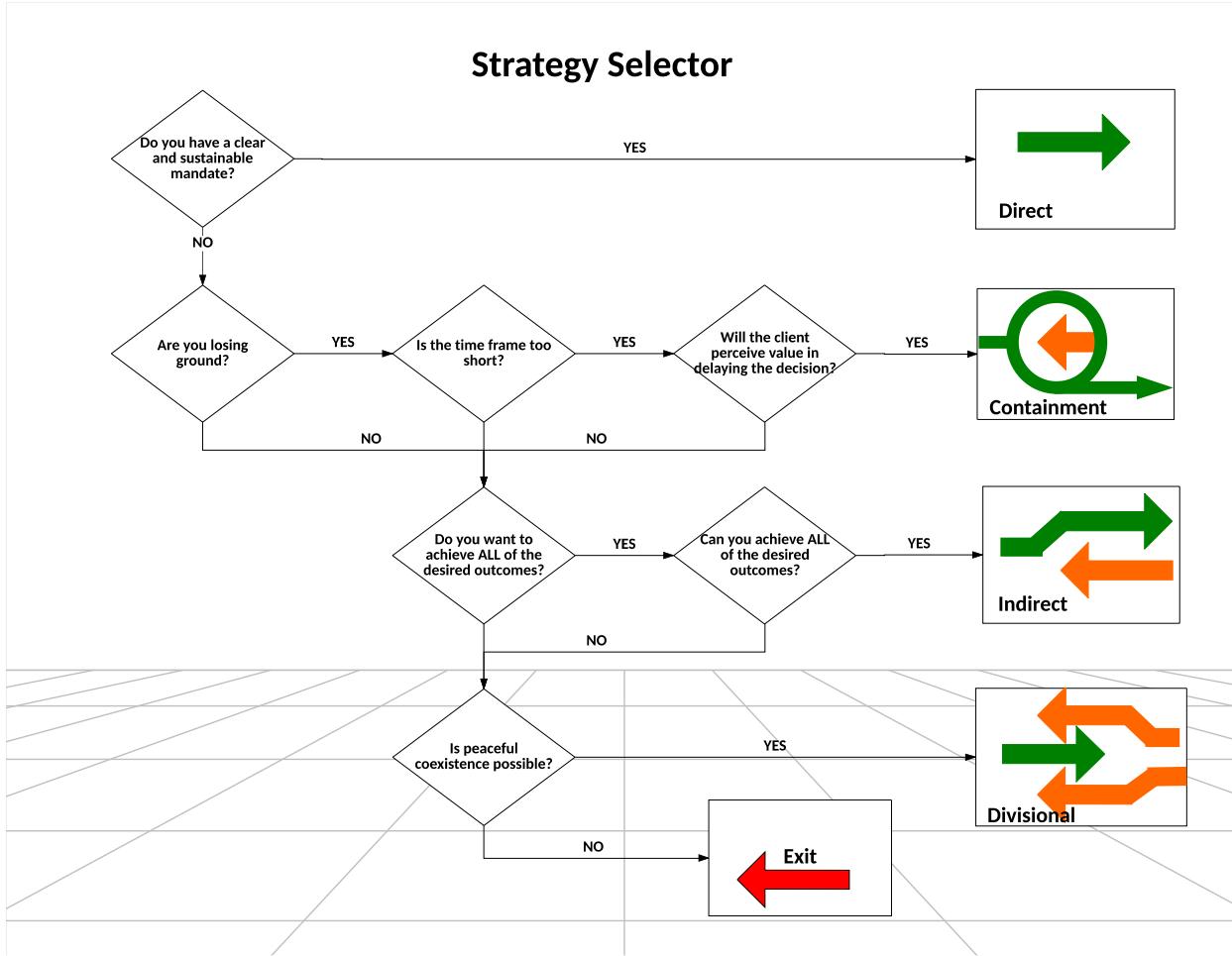
A **Containment strategy** is one of containing and delaying your opponent until circumstances are more favorable to your strengths. In a sales situation, this might be a delaying tactic to delay the buying decision until the environment is more favorable towards your efforts or deliverables. In an armed conflict, it may mean tying up your opponent until reinforcements can arrive. In a Change program, it might mean delaying the program until certain organizational changes have occurred making it more favorable to your program.

"Though the enemy be stronger in numbers, we may prevent him from fighting."

An **Exit strategy** is one of a planned retreat. The adage of discretion being the better part of valor applies here. In a sales situation, it might mean respectfully "No Bidding" an RFP. Or it might mean turning over the customer to a vendor who can better meet their requirements. In an armed conflict, it means retreating and regrouping to be able to fight a battle that can be one at a future date. In a Change program it might mean admitting defeat and informing your client that their expectations cannot be met.

"He will win who knows when to fight, and when not to fight."





The Process

Once you determine the best strategy to follow, there are 6 “things” that must be done to deliver change effectively:

- The Vision Thing** - Build a compelling case for change. As the change leader, you must build a compelling reason for the change. You must make sure the Change Equation is heavily weighted to the left or others will not follow or change.
- The Leadership Thing** - Engage Leadership at all levels. The change leader must identify change leaders at all levels of the organization that will embrace the change but none are more important than senior leadership; all the way up to the CEO.
- The Enrollment Thing** – Win commitment of the critical stakeholders. The critical stakeholders must be identified and “enrolled” in the change program. They need to believe the Change Equation is balanced in their favor; they must be able to see, “what’s in it for me?”
- The Communication Thing** - Communicate, communicate, communicate. There is no way to over-communicate a change program. The message, the desired outcomes, the



benefits to employees, customers and stakeholders must be constantly reinforced. Remember the Change Equation!

5. **The Commitment Thing** – Build commitment step-by-step. Commitment to the program is built little-by-little, over time. Be patient and continuously sell the benefits of supporting the program.
6. **The Program Management Thing** - Drive the program using the ACTIVE[©] approach and proven program/project management techniques.
 - a. Articulate a strategy that's easy to understand
 - b. Communicate the strategy to all stakeholders in clear unambiguous language
 - c. Trial/Test the solution(s) in small, controlled environments, re-engineer as required
 - d. Implement the solution(s) across the entire organization
 - e. Validate the solution using measurement and feedback to demonstrate success
 - f. Enhance the solution through continuous process improvement



Critical Success Factors

Change succeeds when everyone focuses consistently on the business outcomes. Focusing everyone involved in the change program on the business outcome and the way of delivering it will create the key foundation for success. Delivering change effectively means expected outcomes and benefits are successfully realized. There are a few key elements the change leader must consider for success:

- The change process doesn't run out of steam
- Team members are treated with respect – their views and concerns are acknowledged and addressed proactively
- Problems which could rapidly escalate are handled at source
- You know where you are and what issues you have to deal with
- Confidence and reputations build day-by-day

So, in a nutshell the critical success factors are:



- Senior leadership “Bone-deep” commitment
- Pick the correct strategy
- Make a commitment to manage all key stakeholders
- Established and adhered to a clear decision-making framework (with escalation path and criteria)
- Participants need to be of sufficient stature, experience and objectivity to be able to engage stakeholders and gain their frank insights
- Process must result in timely and appropriate stakeholder interventions
- Communicate, Communicate, Communicate
- Dogged Execution!

Conclusion

Change is pervasive and un-relenting. You can embrace this concept, be a change leader and succeed or you can try to fight the tide and resist. As W. Edward Deming once said so succinctly, ***"It is not necessary to change. Survival is not mandatory."***

