



INTRODUCTION

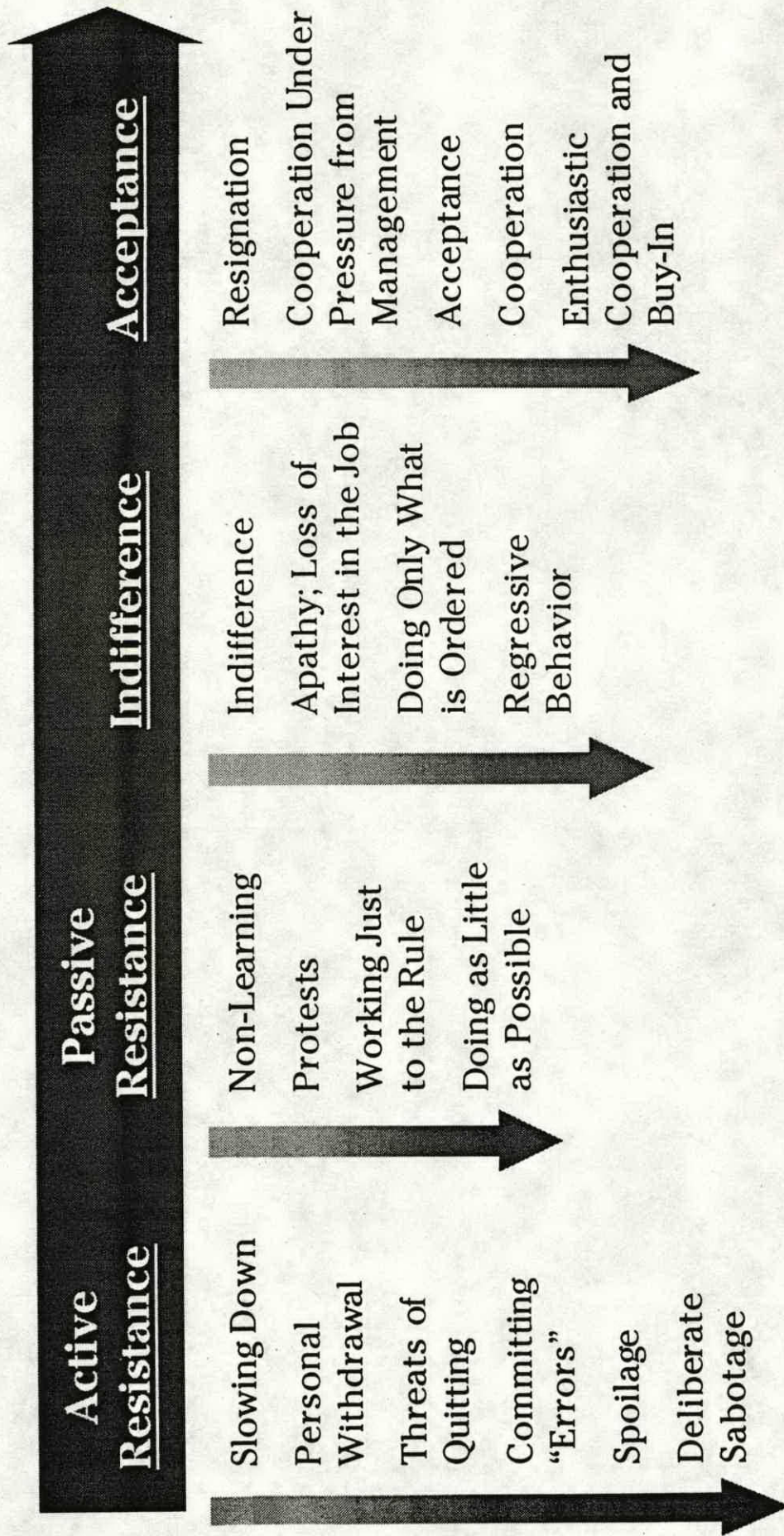
What If?

- *What if* you had an organization in which everyone understood the strategy?
- *What if* everyone understood their role in making the strategy work?
- *What if* everyone had a specific performance plan to contribute to the strategy?
- *What if* everyone received accurate feedback and had a way to measure whether their plan was working?
- *What if* everyone consistently took action that made a difference?
- *What if* everyone cared?

Could anyone compete with you?

Change Response Continuum

Typical Reactions to Change



Change Resistance Factors

1. Lack of a clear business case for the change.
2. Unclear goals regarding both the long run result and the steps in between.
3. Poor communication; Insufficient or distorted information.
4. Lack of involvement; "Ownership" of change does not belong to those affected by its implementation.
5. Ignoring present group norms, culture and values.
6. Lack of trust in those suggesting the change.
7. Satisfaction with the status quo.
8. Inadequate rewards for attempting the change.
9. Excessive work and performance pressures.
10. Fear of failure; punishments for failure are greater than rewards for attempting to change.
11. Negative past experience with change influencing current attitudes toward change.
12. Too rapid or too many changes at one time.
13. Conflict between the change goals and individual or group goals.
14. Lack of appreciation for what it will take to bring the change about.
15. Lack of confidence in ability to truly achieve change goals.

Change Agent Success Strategies

Strategy #1 Invest Yourself Strategically


Choosing to be a champion of any change initiative means taking on a host of responsibilities. Be sure before you commit yourself fully that the change you are about to promote is one worth promoting. Ask yourself the following questions:

- Is there a compelling business case for the change?
- Who are the likely allies of the change?
- Who is likely to oppose the change?

Strategy #2 Establish Your Position

Being a change agent in any change initiative creates a certain level of complexity. Every organization has its political infrastructure along with its unwritten rules. Once you've committed yourself fully to a change, establish your position in relationship to the change process and work to get both the clout and support you need to be effective. Consider the following:

- What, if any, shift in role/position/title do you need to enhance your effectiveness as a change agent?
- How will you optimize the resources both financial and human available to you?
- How will you address any efforts to sabotage the change?



Change Agent Success Strategies contd.

Strategy #3 Know the System and Work With It

All too often change agents become zealots. So impassioned are they about their cause that if they're not careful they create more resistance to the change initiative than was initially present. Understanding the emotional barriers that exist and dealing with those barriers strategically can often make the difference between success and failure. When seeking to understand and work within the system ask yourself the following questions:

- What organizational structures and systems are in place that support and/or inhibit the change effort?
- What aspects of the organization's culture, i.e. norms, attitudes, patterns of behavior, and assumptions support and/or inhibit the change effort?
- Historically how has the organization managed change, and what can you learn about those efforts that will inform your current change effort?

Strategy #4 Remember the "Ripple in the Pond Effect"

Like a ripple effect witnessed when one tosses a pebble in a pond, this strategy serves as a reminder that any action taken in one part of an organization has implications for every other part of that organization. When choosing to be a change agent be mindful of the fact that:

- Word travels fast. Organizational grapevines are always more efficient at transmitting information than formal channels. Don't make the mistake of thinking you have time before the ripple effect kicks in.
- What seems like isolated, distinct initiatives within a department or division will quickly trigger activity and reaction in every corner of the organization. The unobservant eye can easily miss subtle reactions that if left unattended can threaten even the most well-intended change effort.



Change Agent Success Strategies contd.

Strategy #5 Stack the Deck for Success

The change management literature, and the collective memories of millions of corporate citizens are loaded with examples of failed change efforts. Many of these efforts failed because the sponsors of these efforts took on too much with too little. If you are going to sign up to be a change agent in your organization make sure:


- There is a careful, well thought out plan for the change, that includes a compelling rationale for changing.
- There is enough support for the desired outcomes so that overall the enthusiasm is likely to overshadow the resistance.
- The scope of the change is manageable. Try to keep the scope of the effort reasonably contained without diminishing its potential impact. Try to find the right balance between what is possible and what is reasonable.

Strategy #6 Build and Support a Change Management Team

Being a change agent can be intoxicating, especially if there is an organizational imperative to change. However, heroics can get you into trouble as the challenge of change becomes complicated as it invariably does. When leading a change effort be careful to:

- Empower those around you who can and should be doing things that are best done by others.
- Build commitment within your team so that when efforts to kill the change surface you have a critical mass to overpower the naysayers.
- Look for opportunities within the team to develop others who could be positioned to become change agents in their own right.

Change Agent Success Strategies contd.



Strategy #7 Understand Others' Perspective

Knowing how other people in the environment are likely to respond to your efforts can significantly impact your effectiveness as a change agent. Being a change agent is by definition, risky business, therefore, make sure you:

- Understand fully what you're up against.
- Identify all stakeholders and what their vested interest is.
- Get everyone on the "same page" to the extent possible.
- Anticipate sources and levels of resistance.

Differences between “good managers” and Real Change Leaders

Key Issues	Traditional GM View	Emerging RCL View
Basic Mindset	Analyze, leverage, optimize, delegate, organize, and control it – I know best	Do it, fix it, change it – and do it all over again; No one person knows best
“End-Game” Assumptions	Earnings per share Market share Resource advantage Personal promotions Always make the numbers	Value to customers, employees, and owners Customer loyalty Core skill advantage Personal growth Satisfy customer and employees
Leadership Philosophy	Strategy driven Decide, delegate, monitor, and review Spend time on important matters Leverages his/her time A few good men will get it done for me	Aspiration driven Do real work Spend time on what matters to people Expand leadership capacity I must get the best out of all my people
Sources of Productivity and Innovation	Investment turnover Superior technology Process control Leverage the people People = exploitable resource	Productivity People superiority Process innovation Develop the people People = critical resource
Accountability Measures	Comprehensive measures across all areas Clear individual accountability I hold you accountable	A few key measures in the most critical areas Individual and mutual accountability We hold ourselves accountable
Risk/reward tradeoffs	Avoid failure and mistakes at all cost Rely on proven approaches Limit career risks Analyze until sure I cannot afford to fail – or to leave	Expect, learn from, and build on “failures” Try whatever appears promising Take career risks If in doubt, try and see I can work here – or elsewhere

Personal Action Plan for Managing Change



Areas of Strength in Managing Change	Ways to Apply Strengths to Current Change
_____	_____
_____	_____

Areas of Development needed to Support Current Change	Ways to Develop
_____	_____
_____	_____

Key Learnings about Managing Change	Ways to Apply Learnings
_____	_____
_____	_____

Support Needed	From Whom
_____	_____
_____	_____

Detailed Design Guidelines

The following design guidelines are intended merely as a starting point. We suggest that the design team:

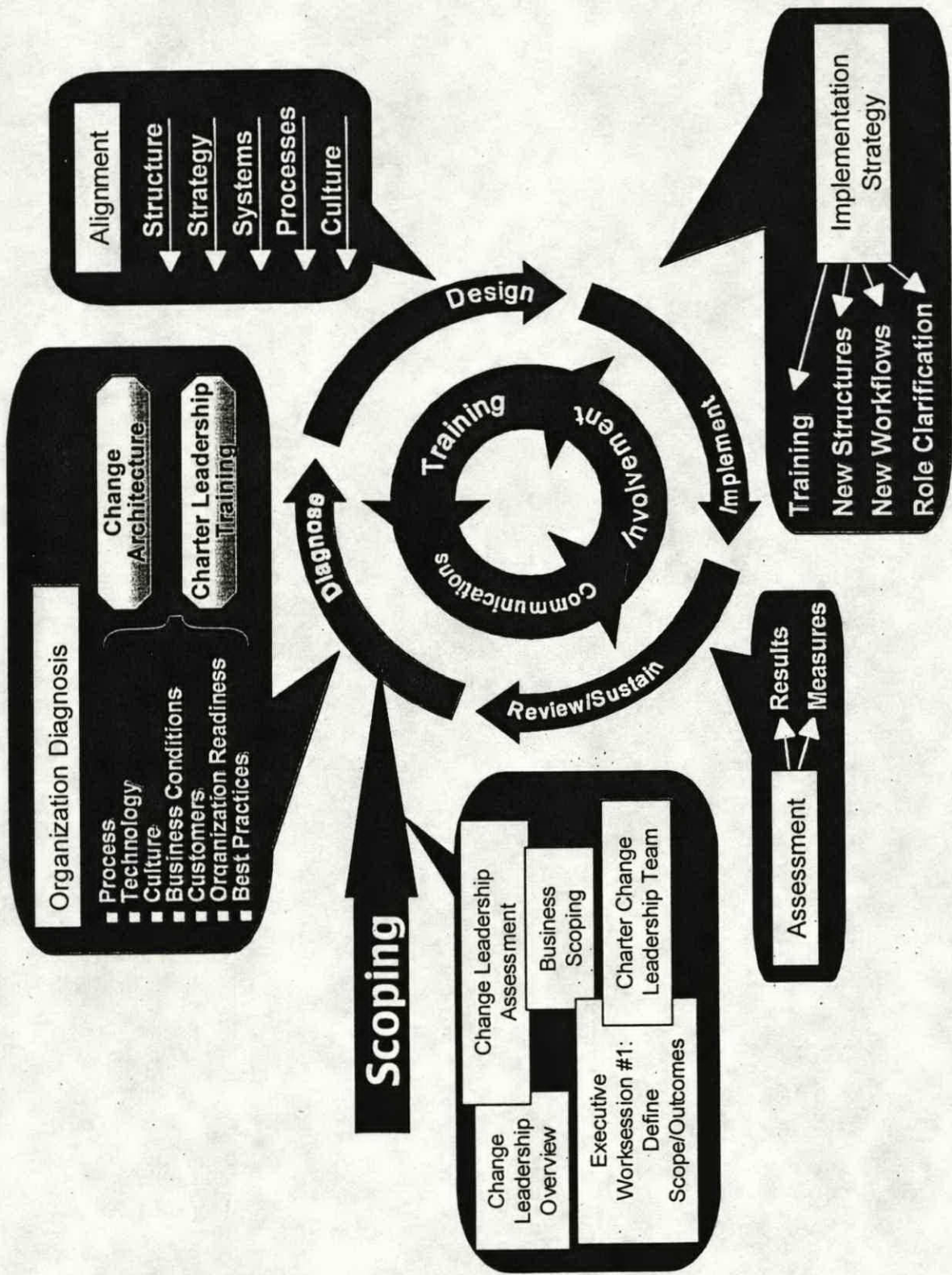
- Review them thoroughly.
- Brainstorm some possible implications of a few guidelines (i.e., practice using them).
- Add, delete, and modify them to suit the team.

Design Choice	Design Guidelines
<p>Mission</p>	<p>The mission should:</p> <ul style="list-style-type: none"> • Define the fundamental purpose of the organization. • Provide members with a sense of direction and meaning. • Be simple, easily remembered, and energizing.
<p>Vision</p>	<p>The vision should:</p> <ul style="list-style-type: none"> • Define the future direction of the organization. • Be simple, easily remembered, and energizing. • Be attainable. • Be shared.
<p>Values</p>	<p>Values should:</p> <ul style="list-style-type: none"> • Define the guiding principles that are most meaningful to members. • Be unambiguous and operationalized in terms of concrete practices. • Be simple, easily remembered, and energizing.
<p>Strategy</p>	<p>The strategy should:</p> <ul style="list-style-type: none"> • Be grounded in a precise understanding of industry attractiveness (e.g., competitive rivalry, threat of new entrants, threat of "substitutes," and bargaining power of suppliers and buyers). • Be grounded in a precise understanding of the organization's position within the industry (i.e., type of advantage and scope of advantage). • Identify a clear course of action for responding to the most vital external demands of the organization. • Identify the one to three most critical company-wide improvement priorities. • Be simple, easily understood, and energizing.

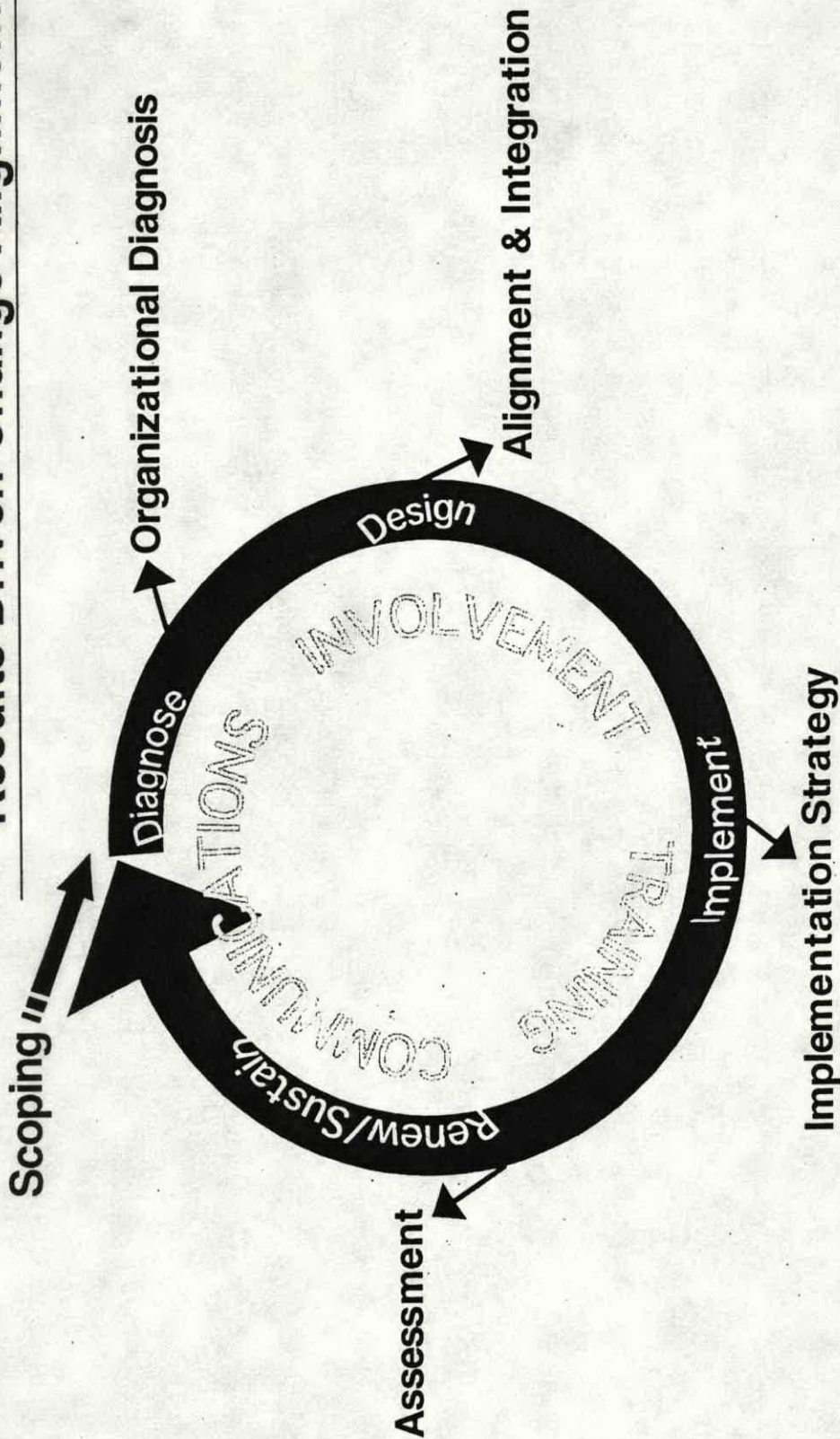
Design Choice	Design Guidelines
<p>Work Processes</p>	<p>Outputs</p> <ul style="list-style-type: none"> Maximize the quality, quantity, cost, and timeliness of the outputs of state changes. <p>Work Processes</p> <ul style="list-style-type: none"> Prevent variances (defects) by "designing out" the possibility of their occurrence whenever possible. Control remaining variances at the point of origin and by those who are doing the work. Design work around whole processes, products, customers, or projects. Eliminate non-value activity. Also eliminate "time in line." Design objective: Elapsed time equals value-added time. Minimize the distance traveled by materials from input to output. Do not allow a support activity to gate the main sequence. Eliminate it, carry deliberate excess capacity, or take it off line. Reduce batch sizes and execute each batch more frequently. Synchronize operations. Especially balance the cycle time across different mix loads so that downstream activities are not held up by mix variations. Do not allow incomplete or defective work to be passed on. <p>Equipment and Technology</p> <ul style="list-style-type: none"> Design technology to support optimal workflow (not work flows to support existing facilities' configurations). <p>Furniture and Facilities</p> <ul style="list-style-type: none"> Design facilities to support optimal work flow (not work flows to support existing facilities' configurations).
<p>Information System</p>	<ul style="list-style-type: none"> Capture information once at the source. Inform people on a just-in-time, need-to-know basis. Have information flow first to the people who need to act on it most. Link information directly to external demands and related goals and objectives. For instance, measures should be designed in terms of what customers consider to be most important. Build in flexibility so the information system can evolve as often as external demands and the needs of the people who use the information. Design for horizontal (i.e., linkage throughout the customer-supplier chain) and vertical (i.e., can roll up or break down easily) integration.
<p>Development System</p>	<ul style="list-style-type: none"> Attract and select people who will thrive in a high-performance environment. Attract and select people with attributes that would be difficult to train at a later date (e.g., customer orientation, desire for collaboration, etc.). Use realistic, competency-based job previews and encourage self-selection. Train people on a just-in-time, need-to-know basis. Ensure that employees develop and utilize multiple competencies. Identify and respond to performance difficulties immediately. Ensure that performance is managed by those who depend on the performers.

Design Choice	Design Guidelines
<p>Structural System</p>	<p>Vertical Structure</p> <ul style="list-style-type: none"> • Form should follow function. Optimize the work process, then design structure and responsibilities. • Flatten the hierarchy by minimizing subdivision of processes. • Combine managerial and non-managerial activities as often as possible. <p>Horizontal Structure</p> <ul style="list-style-type: none"> • Structure group boundaries around, not between, interdependencies. People who most need to work together should be members of the same group. • Ensure that each main phase of the work process (i.e., state change) is "owned" by one, and only one, group. • Minimize handoffs between groups and individuals. • Organize around similarities in customer needs instead of around similarities of functional tasks or equipment. • Organize around outcomes, not tasks. • Make teams, not individuals, the focus of organization performance design. Remember: <i>Groups</i> are collectivities of people. <i>Teams</i> are collectivities of people who depend on one another to accomplish their responsibilities. • Reinforce a clear contribution to a tangible output by structuring end-to-end responsibilities in jobs. • Design in optimal job variety. <p>Responsibilities and Accountabilities</p> <ul style="list-style-type: none"> • Make sure that authority = responsibility and responsibility = authority.
<p>Reward System</p>	<ul style="list-style-type: none"> • Share the wealth with those who help to create it. • Reward and recognize the behaviors and the results that are most critical to meeting external demands. • Ensure that rewards lead to increased, not decreased, wealth. • Do not reward some members at the expense of other members (e.g., the top 10%). Every member should have the opportunity of succeeding within the reward system. • Reward group performance in addition to individual performance when the whole is potentially greater than the sum of its parts. • Ensure that rewards and recognition are clearly understood and perceived to be consistently equitable. • Ensure that members who most depend on others' performance are involved in related reward and recognition decisions. • Ensure that informal rewards contribute at least as much to positive behaviors, feelings, and outcomes as formal rewards.
<p>Decision-Making System</p>	<ul style="list-style-type: none"> • Include members with the right expertise in the decision-making system. • Ensure that decision-making systems are as close to the work as possible. • Ensure that decision-making authority and accountability are clear. • Ensure that decision-making processes are non-bureaucratic.

Results Driven Change Alignment Plan



Results Driven Change Alignment Plan



- Scoping**
- Results Driven Change Overview
 - Results Driven Change Assessment
 - Business Scoping
 - Executive Worksession#1: Define Scope Outcomes
 - Charter Change Leadership Team

- Organizational Diagnosis**
- Process
 - Technology
 - Culture
 - Business Conditions
 - Customers
 - Organization Readiness
 - Best Practices
 - Change Architecture
 - Charter Leadership Training

- Alignment & Integration**
- Structure
 - Strategy
 - Systems
 - Processes
 - Culture
 - Integrated Work Plan

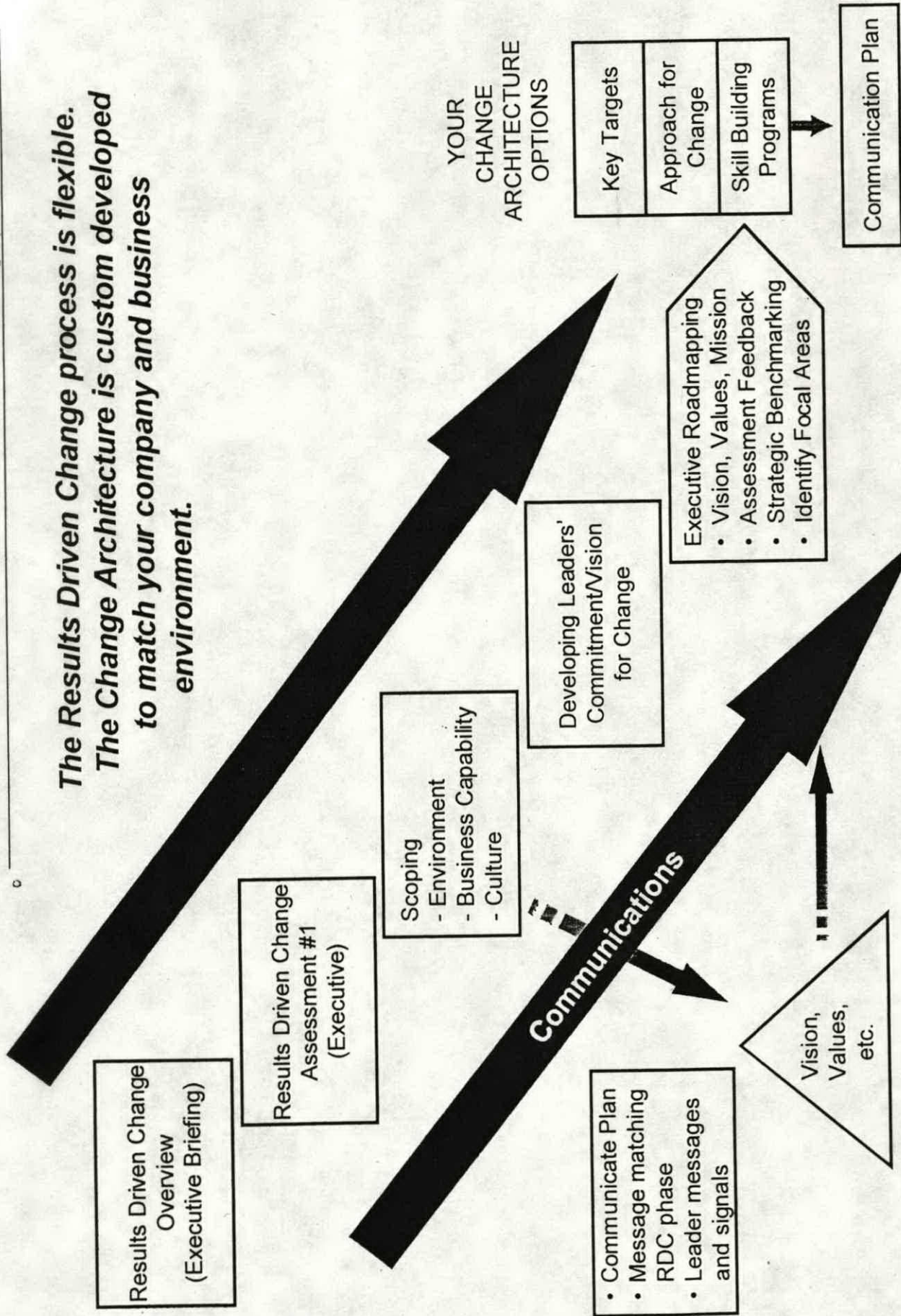
- Implementation Strategy**
- Training & Team Development
 - New Structures
 - New Workflows
 - Role Clarification

- Assessment**
- Results
 - Measures

Scoping Phase

Results Driven Change

*The Results Driven Change process is flexible.
The Change Architecture is custom developed
to match your company and business
environment.*



Results Driven Change Overview
(Executive Briefing)

Results Driven Change Assessment #1
(Executive)

Scoping
- Environment
- Business Capability
- Culture

Developing Leaders' Commitment/Vision for Change

Executive Roadmapping
• Vision, Values, Mission
• Assessment Benchmarking
• Identify Focal Areas

YOUR CHANGE ARCHITECTURE OPTIONS

Key Targets
Approach for Change
Skill Building Programs

Communication Plan

Vision, Values, etc.

Communicate Plan
• Message matching RDC phase
• Leader messages and signals

Diagnosis Phase

This methodology takes a systemic approach to understand all elements of the business environment...internal and external and identify targeted change areas.

Leadership Development / Skills Training

Charter Change
Leadership Team
(clarify mission, roles
and boundaries)

Diagnosis/Data Collection

- External environment
- Internal capability
- Change capacity
- Stakeholder needs
- Performance gaps
- Systems alignment

Identify
"Quick Hits"

Identify Change
Targets

Change Readiness
Assessment

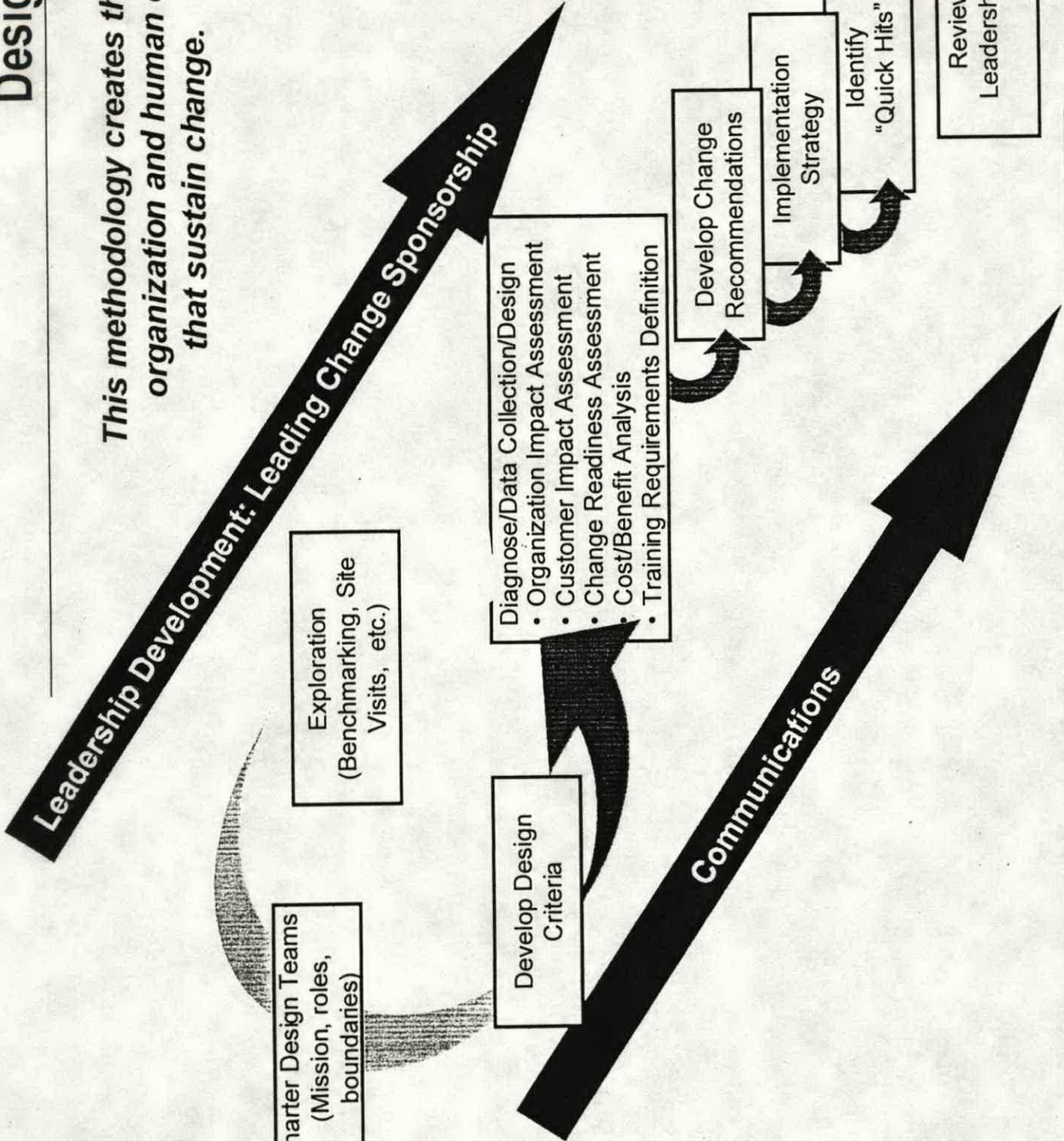
Develop
Business Case

Presentation to
Executive Team

Communications

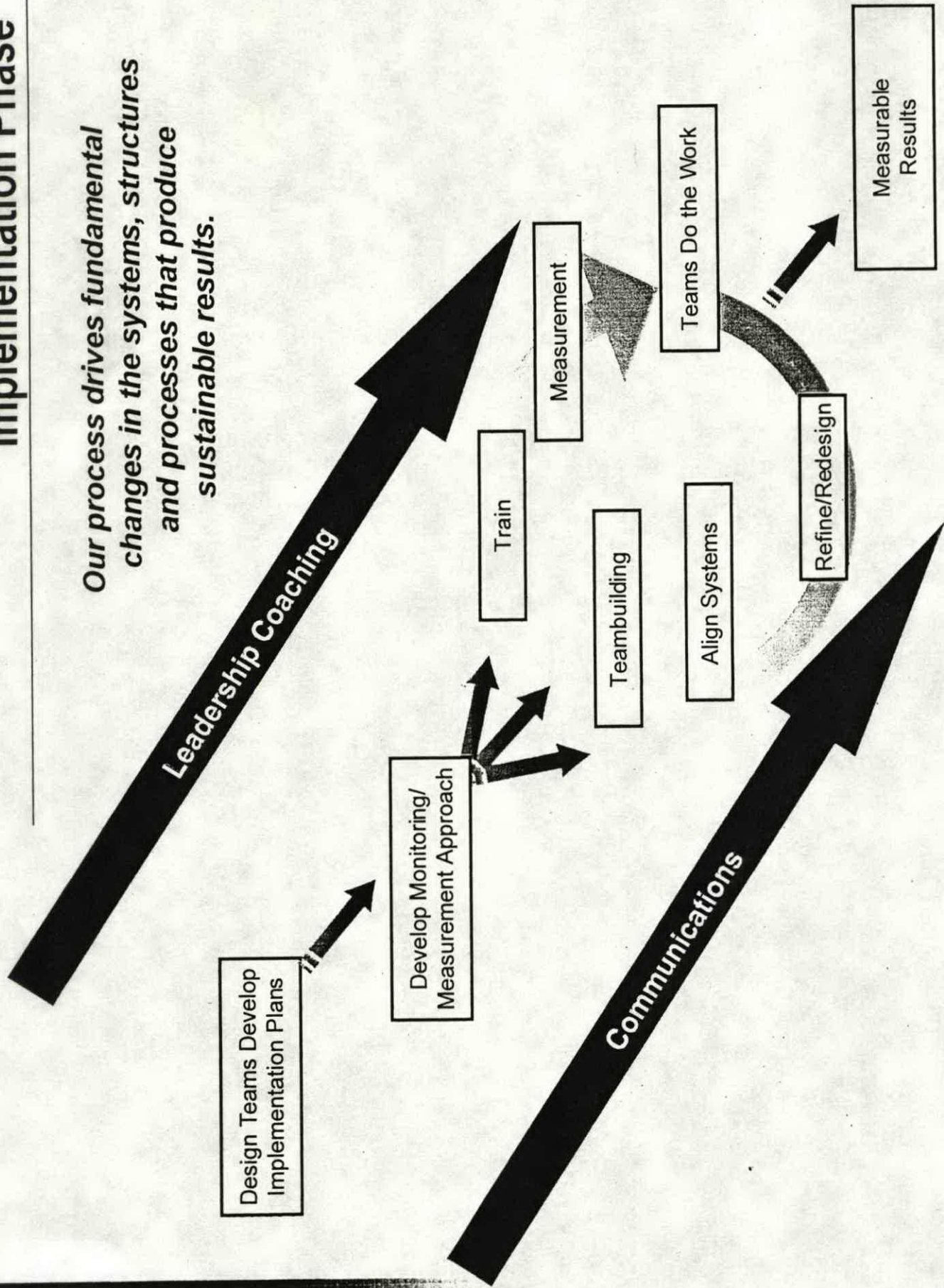
Design Phase

This methodology creates the organization and human elements that sustain change.



Implementation Phase

Our process drives fundamental changes in the systems, structures and processes that produce sustainable results.



Renewal Phase

Our process is dynamic...it builds the capacity for ongoing improvement.

