

Case for Change

lamarsh and associates, inc.
consulting services for changing organizations



Tips & Tools for Managing Change and Maximizing Success

Lessons Learned What Leaders Should Know About Change

Leading a major change initiative in any type of organization is tough work! Achieving expected results within a specified time frame and budget can only be accomplished if employees embrace the change. This is no small task. But, it can be easier through effective change management – the systematic process of applying the knowledge, tools and resources needed to affect change. Here are four key lessons learned by successful leaders of change to keep in mind when planning and implementing change in your organization.

#1 – Let Employees Know Where They Fit in the Big Picture

Leaders are often focused on the broad strategy behind change. But the people who have to change need more than the organizational perspective. They want to know how the change will impact their work daily.

#2 – Beware of the “Black Hole”

Between senior management and the workforce, a layer of managers acts as reinforcing sponsors of any change. If they don't know what to do, or if through their actions or words they undermine the change back in their department, the people below them cannot change. These reinforcing sponsors can act as a black hole, absorbing all the energy coming from the executive office and letting none of it escape to those below them. Senior leaders need to check constantly that their entire management cascade is aligned with the change and acting effectively to help people change.

#3 – Negative Attitudes are Contagious

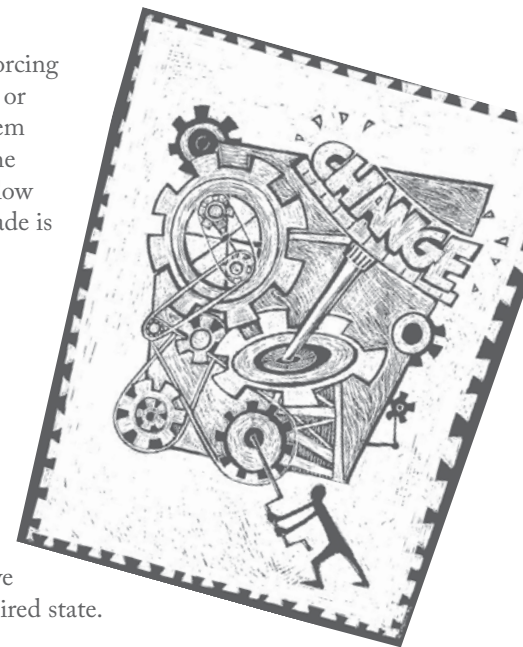
Many changes “forced” upon organizations due to outside factors can result in negative attitudes and resistance from the executive suite to all employees. The result: changes happen slowly, they cost more, and they have to be monitored extensively upon completion to prevent slippage “back to the old way.” Leadership must determine that change will be managed within an objective framework. That doesn't mean people don't get to complain and ask questions. It means they are quickly informed of the reasons and logic behind the change and are constantly encouraged by the sponsor cascade to accept what they perceive to be negative in an objective way and to look for the positive elements in the desired state.

#4 – Communicate. Communicate. Communicate.

Communicate the message until your audience mouths your words along with you. Use company newsletters, intranets, workshops and meetings to communicate key messages to keep people abreast of progress. Always be prepared to answer these three questions:

1. Why can't we stay in the current state?
2. What will my job, my location, my process, my tools look like during and after the change?
3. How are we going about this change?

Incorporating these lessons into your change will mean that any dip in key measures (e.g. productivity, quality, etc.) during its implementation will be shorter and less severe, with a more successful end result. >



Adding up Change

- *Since the first industry study in 1994, IT project success rates have increased from 16% to just over 34% of all projects.*
- *IT projects routinely consume more time than originally budgeted. Time overruns have significantly increased to 82% from a low of 63% in 2000.*

-- 2003 Standish Group CHAOS study

Q: What are the main drivers of change in organizations today?

A: While some changes are internally driven as leaders see opportunities to improve the business, more and more change is being forced upon companies by external factors. The insurance industry, for example, is seeing changes being thrust upon it by regulators at the state and federal levels. This makes effectively managing change more important than ever.

Q: How has change management evolved?

A: In the past, the pace of change was such that companies could concentrate on a change until it was finished and then assume a new status quo and coast for a year or two before the next change. Today, constant change is the status quo. Successful leaders need the skills to manage change well, see how each new initiative is related to the next and communicate with the employees who will be affected.

Q: Why do employees often find it hard to adapt to change?

A: Often, it's not that people don't want to change – it's that they are afraid that change will disrupt a process with which they are already familiar. It may be a location they know how to drive to or a tool they have used for years and find easy to work with. Choosing to leave that process, location or tool isn't easy. At LaMarsh and Associates, we give practitioners the tools and processes to minimize individual and organizational resistance to change and accelerate acceptance through our Managed Change™ model and certification program. >

People often resist change, a behavior that usually results in failure. Determining why they resist, and how to reduce that resistance, is what managing change is all about. The fact is that change is a difficult process inviting resistance from all corners of an organization.

Once the decision to introduce a break-through strategy is made – one that will take your organization to the next level of competitiveness or align it with compliance requirements – it is critical to make sure that strategy is implemented successfully and managed well.

It's not easy, but without effective change management the costs can be high, including:

- **Loss of key people** who cannot or will not make the transition
- **Wasted investment**
- **Decreased productivity** resulting from increased stress
- **Damaged image** in the marketplace
- An organization that is **marginalized**

A comprehensive and well-planned change management strategy will include ways to reduce resistance and its effects by:

- **Identifying the potential sources of resistance** before they become destructive to the change process, as well as the **reasons for their resistance**
- **Developing a communications plan** that increases understanding and acceptance throughout the organization and **building the right learning plans** for the right targets at the right time
- **Deploying the set of action steps** that will reduce resistance
- **Ensuring that people who choose to change are rewarded** and explaining the consequences of choosing not to change >

Individual change agents and sponsors in any organization understandably are concerned with their own responsibilities and objectives, regardless of their overall importance to the entire company. Like the first step in putting together a jigsaw puzzle, change requires the leadership team to understand the destination, as well as the order and relationship between all the pieces.

ACME Insurance – a fictional, yet typical example – is carrying out multiple change initiatives that impact all employees. It is the leader's job to ensure the right information is cascaded to the right people, no matter where they sit or to whom they report. >

Change Initiative	Sponsor	Change Initiative	Sponsor
1 New Strategy Implementation.....	PRES	5 Web Chat.....	VP-OPS
2 Customer Service Cross Selling...VP-TRNG		6 Problem Resolution.....	VP-OPS
3 Compliance.....	VP-FIN	7 New Client Implementation ..	VP-SALES
4 Sales Recruiting.....	VP-SALES		

PRESIDENT (1)					
Sponsor	VP FINANCE (3)	VP HR	VP TRAINING (2)	VP SALES AND MARKETING (4,7)	VP OPERATIONS (5,6)
Manager	1,3	1,4	1,2,5	1,2,3,4,5,6,7	1,2,3,5,6
Supervisor	3	1,4	1,2,5	1,2,3,4,5,6,7	1,2,3,5,6
Front-Line	3	1,4	1,2,5	1,2,3,4,5,6,7	1,2,3,5,6