

Is the Role of Corporate Change Agent for You?

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Disclosure - My Bias



- **I believe massive strategic change is with us forever**
- **Most management people don't have a clue as to how to handle change**
- **Soft skills are increasingly scarce as you look up**
- **Facilitators can bridge the gap but aren't often asked to help**
- **Companies that don't get it won't be around long**



Purpose

- **Work together on a new model of facilitation with impact on organizational survival**
- **Share successes and failures in context of corporate strategic imperatives**
- **Identify a mechanism for enhancing your value and increasing the likelihood of survival of your organization**



Agenda

- **Introduction, scope, and expectations** 15 minutes
- **Strategic aspects of change mgmt.** 15 minutes
- **Organizational alignment** 15 minutes
- **Assessment of change readiness** 10 minutes
- **Stretch break** 5 minutes
- **Facilitation for senior management** 15 minutes
- **Denial and resistance mechanisms** 10 minutes
- **Discussion** 25 minutes
- **Expectation review** 10 minutes



Code of Conduct

- **Informal**
- **Don't be bashful - please share**
- **Respect other opinions**
- **Interrupt me if necessary**
- **Hold major discussion items for end**



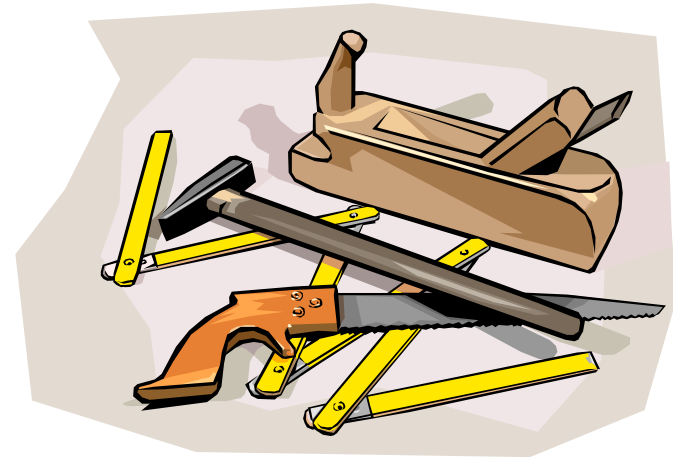
Expectations

- **Samples from a recent class**
 - **Decide if I want to be a change management specialist**
 - **Find out why I should consider being a change agent**
 - **Understand why management doesn't just do it**
 - **Learn some tools to help deal with change in my job**
- **Please share yours today**



My Guarantee

- Four or five tools you can take home and use tomorrow
- At least one gem that has potential of making big change happen
- For sure, I will make you think about your situation in a new way



Road Map for Today's Discussion

- **Starting point**
 - Shared model of tactical facilitation today
 - Make the case for improving change capability
- **Why do so many change efforts fail?**
- **Why do so many corporations fail?**
- **End point**
 - Strategic role for facilitators
 - Delivering value to senior management



Learning Points

- **Importance of organizational alignment**
- **Assessment of change capability**
- **Needs of different organizational levels**
- **Denial and other defense mechanisms**
- **And some targets of opportunity depending on your inputs**



Context for Change Management

- **Career potential of young managers will depend on your ability to lead successful change**
- **Change management is a core competency behind many successful corporate strategies**
- **No matter how successful your company is today, the rules are changing for everybody**
- **Few leaders have all necessary change leadership skills**
- **Knowledge base for change management is rich, but poorly applied**



Industry Week Magazine Best Plants

- Annual value-added per employee up 34% in 5 years
- Rework down from 14% to less than 1% in 4 years
- Work-in-process inventory down 30% in same 4 years
- 95.7% of incoming parts do not require inspection
- Manufacturing cycle time of 1 hour vs. industry average 10 days
- Machine changeover time cut from 3 hours to 15 minutes
- Productivity measured by annual sales/employee up 45% in last 5 years
- 95% of employees hold multi-skill certification
- 100% of production worker in empowered teams
- No lost workday injuries this year

And It's Not Just in Manufacturing

- **Real time accounting close**
- **Supply chain alliances and software**
- **E-commerce**
- **Recruiting on the Internet**
- **Cafeteria-style benefits plans**
- **Global software project teams 24 hours**
- **Enterprise resource planning software**



Causes of Change

- **Globalization of business**
 - Customers and competitors
- **Deregulation or reregulation**
 - Telecommunications, utilities
- **Technology**
 - Internet, 747, ERP, medical advances, PC
- **Stakeholder expectations**
 - Better products, lower prices, higher profitability, higher wages, better benefits, no pollution



What If the Boss Just Doesn't Get It?



- Internally focused
- I don't need no stinking help
- Any disagreements signify by saying "I resign"

Time to start looking

What's Missing from Their Tool Kit?



- **I'm sorry**
- **I made a mistake**
- **I don't know**
- **I need help**
- **I need feedback**
- **I don't know everything**
- **I need to improve**
- **What do you think?**
- **And the all time champion - thank you**

Definition of Corporate Leadership

- **Lightning rod for competitor and customer intelligence**
- **Long-term trend analyst and interpreter**
- **Lead visionary and strategist**
- **Alignment mechanic**
- **Relentless communicator**
 - Pssst - that means in two directions
- **Setting and enforcing ethical tone**
- **Walking the talk**



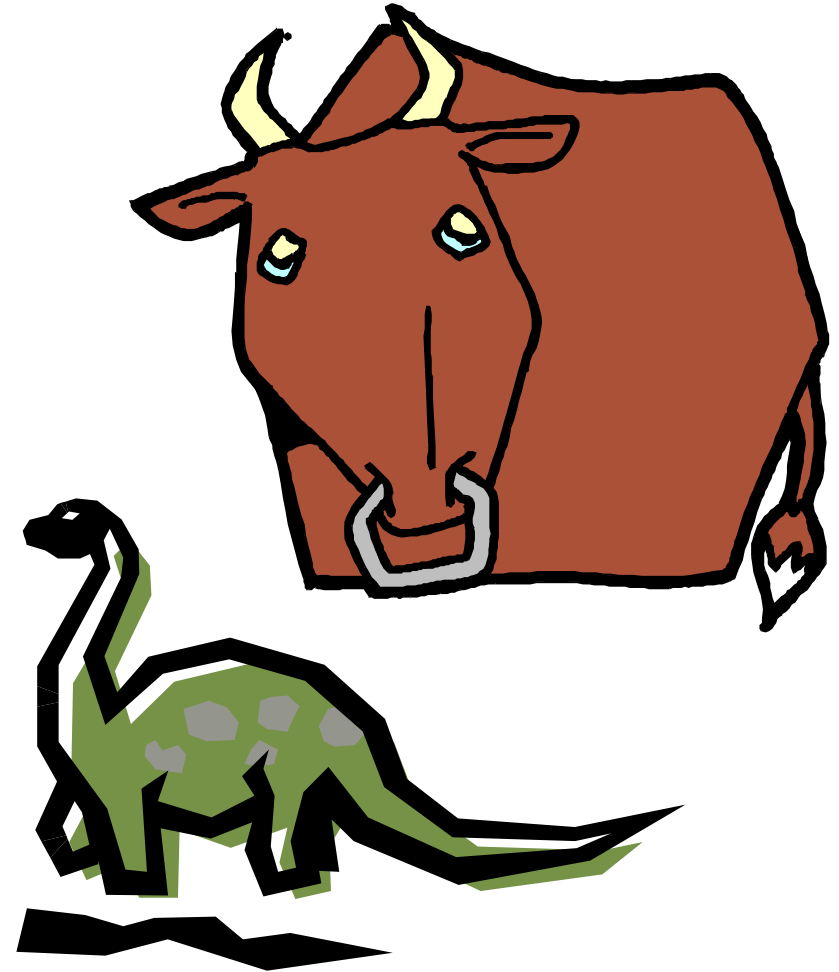
Role of Change Facilitation



- **Improve organizational effectiveness and individual well-being**
- **Link vision and values to**
 - **Structure**
 - **Processes**
 - **Culture**
 - **Orientation to your environment**
- **Manage successful change efforts**

Have You Heard or Said This?

- This idea, process, class etc. is great - I wish our management were here
- Cooperation at my level is pretty good - too bad the bosses don't talk to each other
- Those guys don't have a clue about what's really happening around here



Contributions from the Trenches

- **Nice assessment of readiness - 3-legged stool**
 - Ready, willing, and able
- **Senior management barrier**
 - Smart, ambitious, egotistical, know best
 - Liable to appoint a change leader to avoid personal involvement
- **If you find a true change leader who listens**
 - Guard relationship by protecting from trivia
 - Focus advice on cause and effect, intervention and action



Tactical vs Strategic Orientation

■ **Tactical**

- **Short term**
- **Clearly defined small improvements**
- **Performance or execution focus**

■ **Strategic**

- **Long term**
- **Not clear or obvious**
- **Survival issues**



Tactical Facilitation

- **Meeting management**
- **Cross-functional teams**
 - Chartering
 - Consensus building
- **Conflict resolution**
- **Problem solving**
- **What else fits here?**



A Facilitated *Team Is Not a Mob*



- **Mind already made up**
- **Action before thinking**
- **Single-minded**
- **Swayed by charismatic leader**
- **Out of control**

Which Side of the Brain Do We Use?



- **Left side**
 - **Mathematics**
 - **Logic**
 - **Music structure**

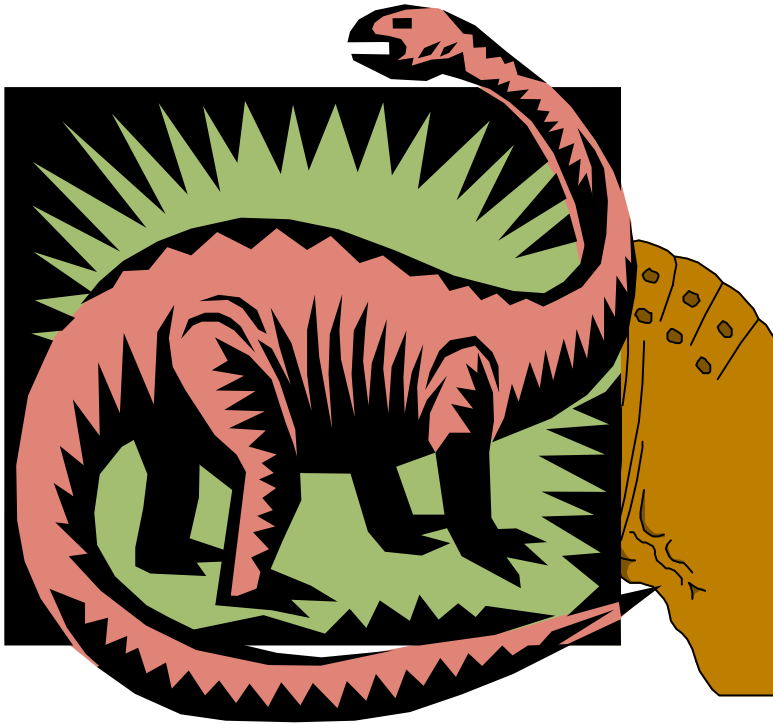


Which Side of the Brain Do We Use?



- **Left side**
 - Mathematics
 - Logic
 - Music structure
- **Right side**
 - Creativity
 - Art
 - Music appreciation

The Side We Really Use



- **Left side**
 - Mathematics
 - Logic
 - Music structure
- **Right side**
 - Creativity
 - Art
 - Music appreciation
- **The stem**

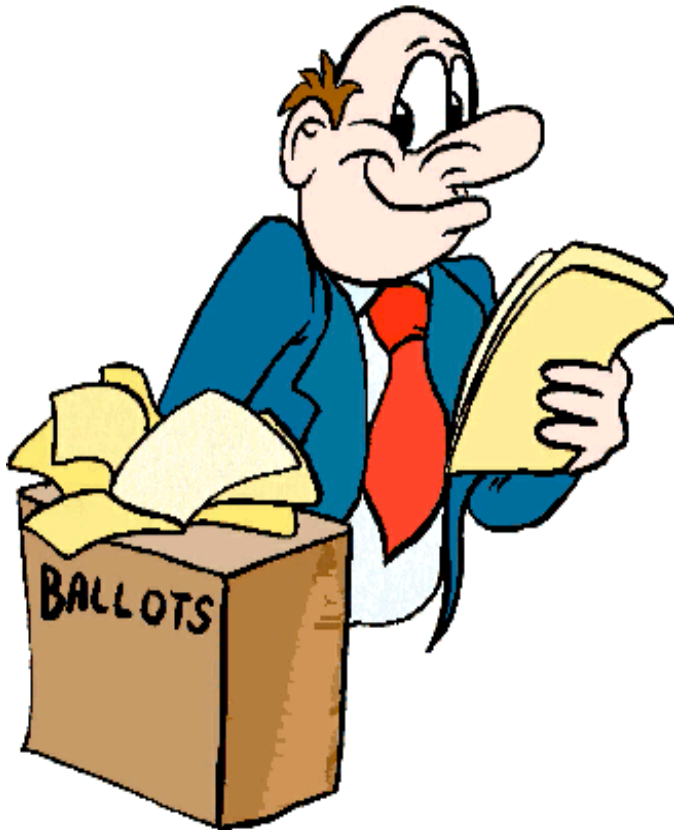


A Good Time to Talk About Consensus



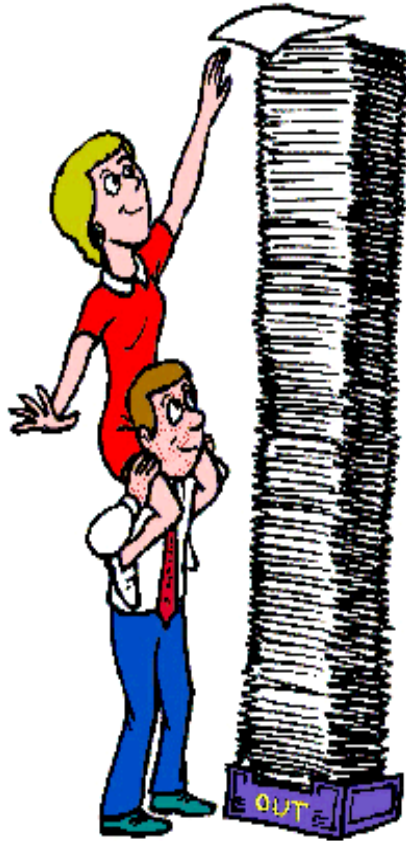
- **This ain't it**
 - Both shouting at once
 - Both expect to win
 - No respect for opinion of other
 - Will leave unchanged

A Good Time To Talk About Consensus



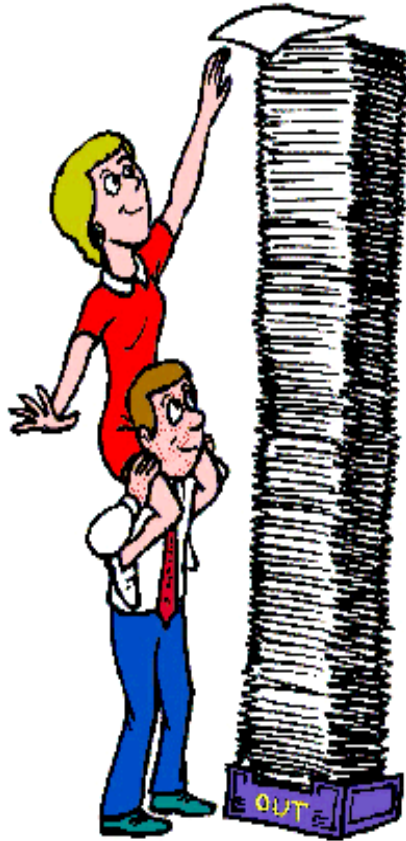
- **This ain't it either**
 - **Winners and losers**
 - **A or B**
 - **Implementation problems coming**

A Good Time To Talk About Consensus



- I was able to present my ideas and recommendations
- I was listened to and understood
- I listened to and understood ideas of others
- Together we built a *better* answer
- What was decided was not my first choice

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**But I accept the process and
I will support the decision**

Strategic Facilitation Examples

- **Visioning session - multi level (buy-in)**
- **Customer/vendor visits - beyond nicey nicey**
- **Organizational structure - derived from needs of improved work processes**
- **Staffing - driven by competencies and character attributes identified in work process improvement**
- **Design of communication processes (with feedback and assessment)**



How High Does This Go?

- **Board of Directors?**
- **President's Council**
- **Vice president's staff meeting**
- **Department director's staff meeting**
- **Town hall meetings**
- **Newsletters, videos, emails**



Intervention Model

- **Demonstrate value added in lower level tactical situations**
- **Bubble up - e.g. problem solving or meeting management for execs**
- **Start communications program with HR - then offer to coach the boss**
- **Demonstrate approach with high performance team to executives**
- **Find early adopter among the VP's**
- **Pray that it spreads**



Objectives of This Discussion

- **Evaluate ways a change management specialist can benefit an organization**
 - **Understand fundamentals of change leadership**
 - **Develop needs of different organizational levels**
 - **Develop needs of different functional groups**
 - **Define the role of change management specialist**



Organizational Alignment

- **What happens in tug of war if somebody pulls the wrong direction?**
- **Can you think of an analogy in business?**
- **What happens if one player does not carry do his share?**
- **Can you think of an analogy in business?**
- **When everybody pulls hard in the same direction the results are usually favorable, but it's harder in business than in tug of war**



Bo Derek Model

Based on the Movie “10”

- **This is the simplest organizational model you will ever see**
- **Remember Anderson’s law**
 - **Don’t ever believe the model**
 - **Don’t ever ignore the model**
- **Determine which 6 or 7 functional departments are critical to your company**
 - **For example R&D, sales, manufacturing, customer service, distribution, and marketing**

I tried to find a picture of Bo Derek on the Internet



Applying the Bo Derek Model

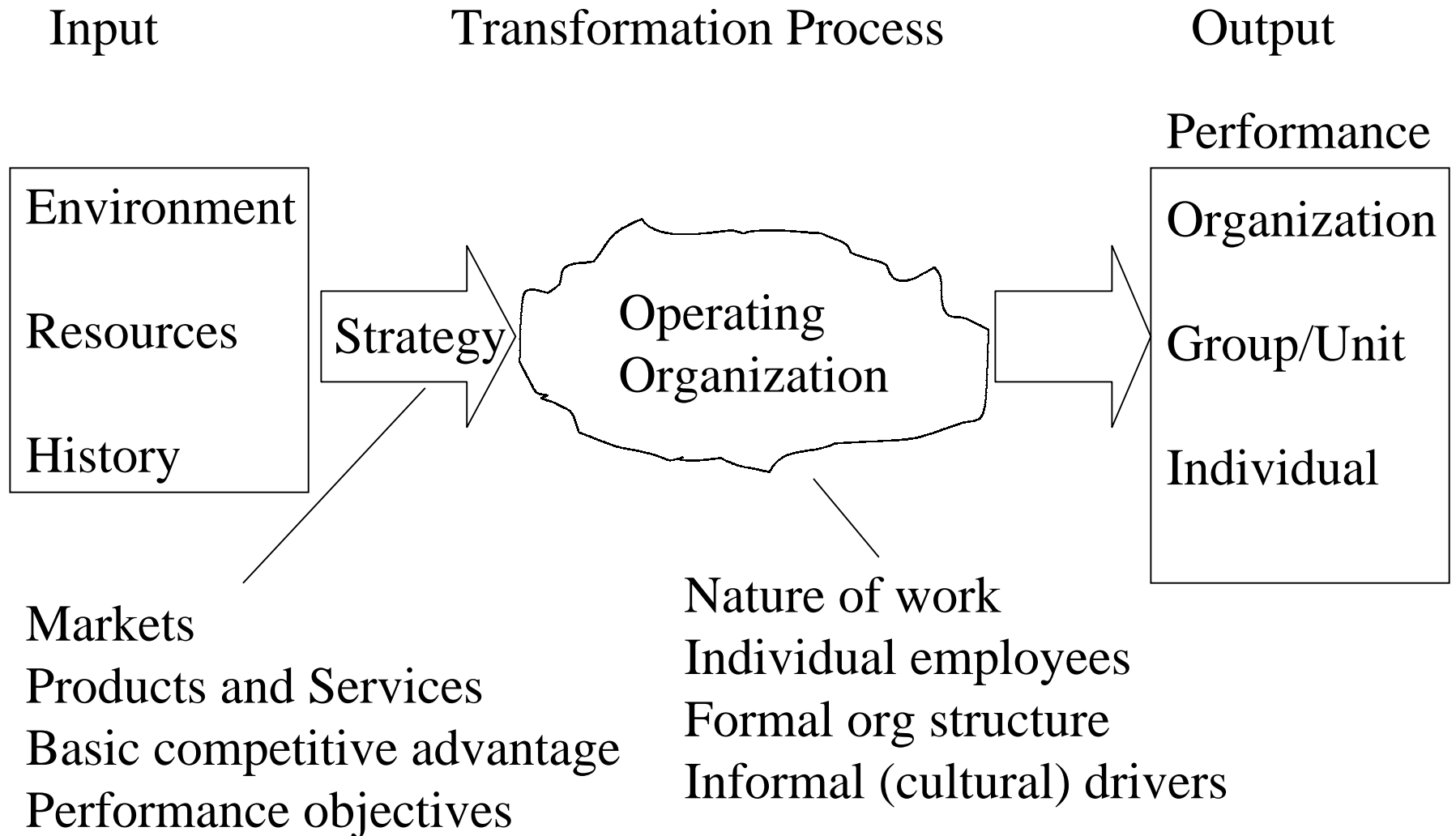
- **Rate each department on a scale of 1 to 10 with 10 being truly “world class”**
 - **Assess effectiveness defined as how consistently function delivers high quality output as needed to achieve organizational goals in cooperation with other functions**
- **If you get any 10s, I think you are kidding yourself**
- **Divide each score by 10 (range will be .1 to 1.0)**
- **Example $\eta_{\text{org}} = \eta_{\text{sales}} * \eta_{\text{R\&D}} * \eta_{\text{mfg}} * \eta_{\text{cs}} * \eta_{\text{dist}} * \eta_{\text{mkt}}$**
- **Anybody with a calculator check what happens with all 5s**

Elements of Successful Change



- **Right people**
 - Authority, knowledge, credibility
 - Leadership and management skills
- **Atmosphere of trust**
 - Lots of communication
 - Joint activities
- **Common goals**
 - Make sense to the head
 - Energize the heart

Congruence Model



Reality Check



- **Is the pain great enough to drive change?**
 - **Who will own the transformation process?**
 - **Are leaders willing to change their behavior?**
 - **Will they celebrate good behavior?**
 - **Will they analyze and take corrective action after mistakes and poor behavior?**

Is there a burning platform?

Burning Platform



- Offshore oil drillers refused to jump during fire drill
- Attitude improved when platform was lit on fire
- Ambiguity and loss of control are part of the transition
- Don't take on a change unless you can't afford to fail at the implementation

Denial Is Not a River in Egypt



- **My department is fine, it's those people in finance, R&D, HR, etc.**
- **I don't need a process to run my business**
- **I'm an executive, so I don't need a process for anything**
- **We don't need to change anything, we're IBM, AT&T, Arthur Andersen, etc.**
- **My personal favorite - it's only a 10 minute meeting**
 - **But it lasted four hours**

Role of Senior Management



- **Establish dissatisfaction with status quo**
- **Create actionable and motivating vision of the future**
- **Pick the right leaders**
- **Begin first steps**
- **Eliminate resistance**
- **Air cover for change agents**
- **Communicate, communicate, and communicate**

Role of Middle Management and First Line Supervisors



- Translate corporate goals into tangible objectives in language of the workforce
- Clarify WIIFM (what's in it for me?)
- Engage everybody in the process
- Listen for barriers
- Communicate
- Coach and encourage
- Dark side of the forest
 - Don't be a roadblock

Role of Employees



- **Manage organizational interfaces**
- **Manage customer interfaces**
- **Share expertise with teammates**
- **Align with organizational direction**
- **Learn to deal with change**
- **Speak up**
- **Make it happen**

Value of Alignment



- **Powerful when all row in same direction**
- **Needs one person calling the plays**
- **Clear communication**
- **Common goal**
- **Competency**

Role of Change Management Specialist



- **Subject matter expert**
- **Facilitator**
- **Coach—soft skills**
- **Conduit for messages**
- **Candid reporter**
- **Score keeper**
- **Motivator**
- **Arrow catcher**

Needs of Senior Management



- Clear channel of information flow \longleftrightarrow
- Help with creating a motivating vision
- Coaching in communication
- Coaching in celebrating small victories
- Encouragement of long-term view

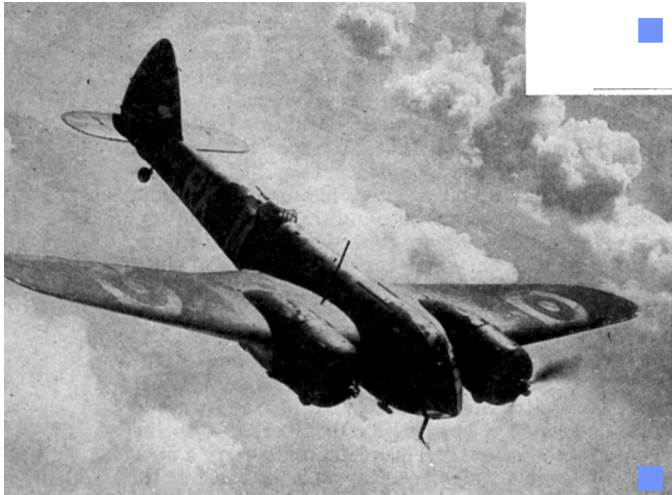


Needs of Middle Management and First Line Supervisors



- **Support in new role**
 - From controller to coach
 - Empowering of employees
 - Busting barriers
- **Subject matter expertise in change**
 - Psychology
 - Motivation
 - Process
- **Encouragement to stay the course**

Needs of Employees



- **Air cover**
- **Education**
 - **Customer relationship management**
 - **Problem solving**
 - **Team dynamics**
 - **Dealing with change**
 - **Being empowered**
- **Translation of management messages**
- **Barrier removal**
- **Encouragement to take risks**
- **Reinforcement of good decisions**

Seems Logical, Why So Many Failures?

- **Complacency (denial is not a river in Egypt)**
- **Weak change process leadership coalition**
 - **Ownership outside of business team**
- **Too little emphasis on vision**
- **Inconsistent symbols**
- **Wrong metrics**
- **Too little communication (by a mile)**
- **No barrier elimination process**
- **No short term victories or celebrations**
- **Giving up or declaring final victory too soon**
- **Failing to reinforce new culture**



Deliverables to Your Clients



■ Senior management

- **Communications coaching**
 - Turn vision into multimedia communications
- **Process consultation**
 - Facilitate change leadership council

Middle management

- **Coaching skill enhancement**
- **Empowerment process**

Employees

- **Dealing with change**
- **Problem solving and teamwork**

Elements of Communicating a Vision



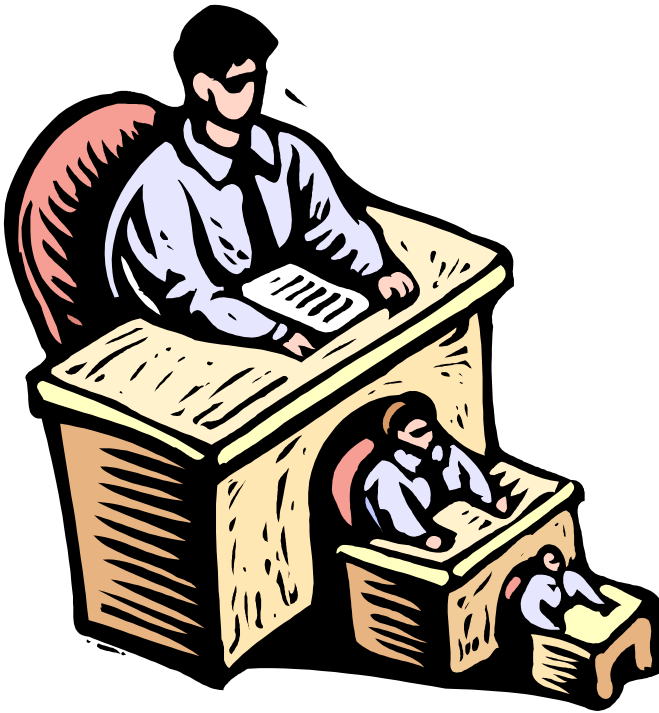
- **Simplicity**
- **Pictures and examples**
- **Multiple media and forums**
- **Repetition**
- **Walk the talk**
 - **Leadership by example**
- **Take on apparent inconsistencies**
- **Two way communication**
 - **Including listening**

Functional Change Issues



- **Marketing**
 - Internet, e-commerce
 - Global markets
- **R&D**
 - Alliances with vendors
 - Alliances with customers
- **Manufacturing**
 - Six sigma
 - Mass customization

Implementation



- See Execution - the discipline of getting things done
 - Larry Bossidy and Ram Charan
- Linking strategy with operations
- Linking people with operations
- Linking strategy with people

Career Opportunities

■ **Plus**

- **Visibility across organization**
- **Best perspective on how it really works**
- **Possible large impact**
- **Gratitude of client**

■ **Minus**

- **Emperor doesn't want to hear about his missing clothes**
- **You get caught between warring factions**



Conclusion



- **Can you help your company win the race from the perspective of the change agent?**
- **Will your career be enhanced by building these skills?**
- **Is the reward worth the risk?**

Ready to Take on the World?



- **Questions**
- **Comments**
- **Suggestions**
- **Discussion**

Expectations Review

- **Did you get what you wanted?**

