

CHANGE STEPS

HOW YOU SUCCEED WITH YOUR CHANGE INITIATIVE

WORK BOOK

Hildebrandt & Brandt

Your benefit

Change is in vogue. In this work book we summarize some key experiences, models and recommendations and the process of working with and implementing change initiatives. As we see it, there are no easy ways or tools for change leadership. But tools *do* exist. Systematic lessons and models *do* exist. We present some of them in this work book. For more detail, we refer to our book *Change Steps* (2007, Danish: *Forandringsledelse*, 2006/2010).

In this work book we present a short and concise guide to lead a successful change initiative. You can use this work book before the start of a major change process, before the start of a significant phase in a major change process, or when a change process seems 'stuck'. You will get the most benefit out of the work book if you bear in mind that the main purpose is to help you think through the key issues which need to be managed in any change initiative.

Change is situational and can thus vary greatly in scope. We are not attempting to offer the last word on each change issue, neither do we intend the work book to be used strictly and mechanically as a project planning tool. Tools serve as guides, check lists and inspiration; but ultimately leadership is what makes the difference. What you practice as a leader will make the difference. Happy reading!

SØREN BRANDI

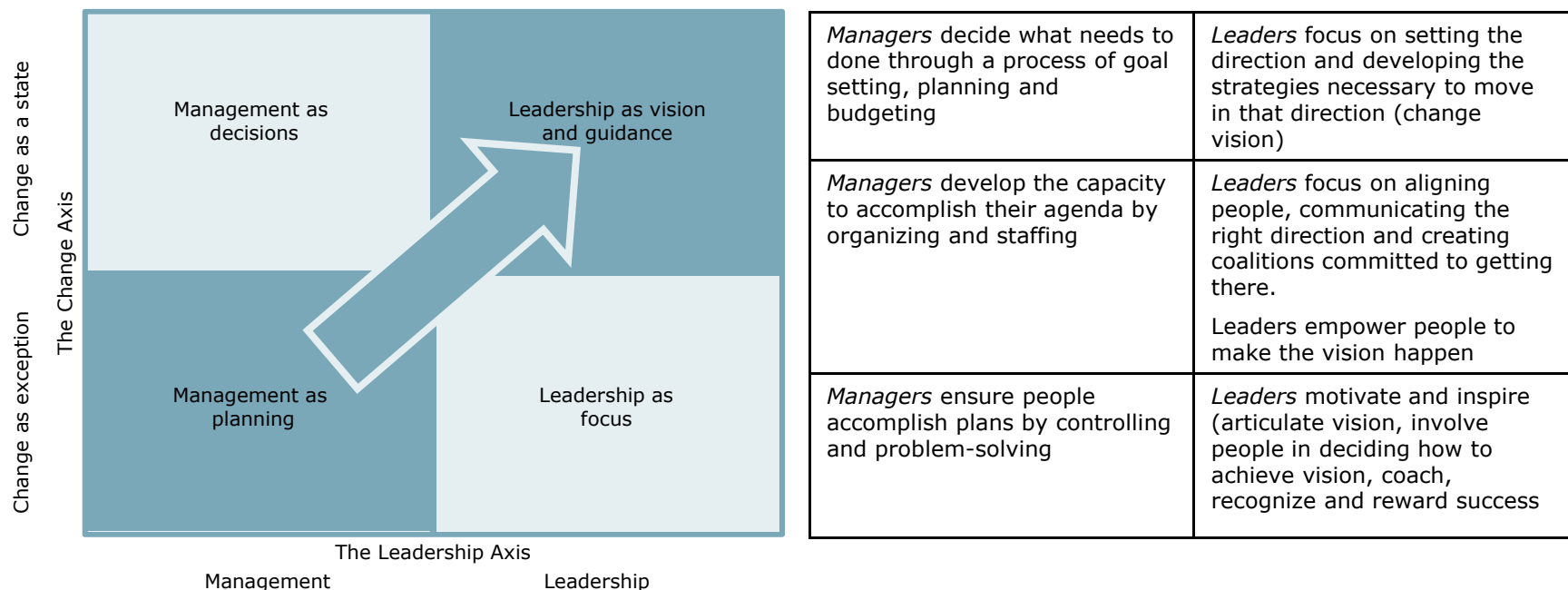
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The Nature of Change Initiatives – and why we need to lead them

In the past, change was the exception. Stability was the norm. Today, change is the norm. Change is a permanent state of being, a fact that also alters the very phenomenon of change. Change still needs to be led, and leadership perspectives and methods must constantly be modified. Leading change - and changing leadership.

Change involves and affects many of the company’s members, often all of them. Change leadership is not the concern of top management alone. It concerns many people – and ultimately every single individual in the organization. Everyone should know something about management and change leadership, especially large groups of middle managers, group managers, team leaders and others involved in change projects and processes.



The Archetypes of Change

Our experience is that there exist some changes archetypes – below we list the most common:

	Merger	New IT system	Process optimization	New organizational structure	Personal
Competencies	How do we retain key employees? What competencies are lacking? Are there competencies no longer needed? What competence strategy should be chosen?	How do we carry out the employee competence development required for the new system? What competencies are lacking? Should they be recruited, bought or developed? How do we retain key IT employees?	How is the balance between process optimization and competence development attained? What competencies are lacking? What competencies should be disposed of?	How do we retain key employees? How do we ensure competencies in future business? What competencies should be disposed of?	What tasks am I going to perform? What competencies are required to fulfill the tasks and responsibilities? What supporting actions can I take to gain needed competencies?
System	What systems are going to be joint? Should new systems be developed?	How does the new IT system affect the surrounding systems?	Are the underlying tools and systems in place?	What systems are set in place to support the change?	What systems am I part of?
Structure	What strategies are obtained following the merger? What is the future structure going to look like? Who is affected and how?	What departments are affected by the change? How? Are structural changes required to support the system?	How could the structure – possibly reorganized – contribute to the optimization of the process? If you optimize one part of the business– what will it mean to the other areas of the business?	What tasks should the structure manage? What is the most optimal design?	What structures am I part of? Who are my key stakeholders? What is their interest?
Strategy	What is the strategy of the joint organization? Should a strategic process be launched?	How does the new IT system support the strategy?	How does the process optimization support the strategy? Are they strategically chosen? How do we measure success?	How does the structure support the strategy? Does an organizational strategy of production exist?	What is my contribution to the strategy?
Mindset	How does the merger affect our perception of our surroundings? How does the merger affect our self-perception?	Are there any conditions that will radically change our business practice?	How do we perceive optimization? How do we ensure daily efficiency?	What mindset should characterize the future organization?	What are my sources? How does the change affect my mindset?
Values	What are our basic values? How are they going to assist us in the decision-making process? Where do we find identity henceforth?	Is there a connection between our values and the conduct supported by the IT systems?	What values should be influence the change process?	What values are going to guide us?	What are the organizational values? What do they mean to me? How are they going to assist me throughout the change process?
Approach	How are we going to carry out the merger? How are we going to approach our employees? Who is going to be involved – when and how?	Is the IT system based upon a favorable and harmonious process?	What approach and method do we base the change upon? Who is going to be involved – when and how?	How are we going to approach the change? Who is going to be involved – when and how? Who is affected by the change? How should we approach the affected parties?	What is the logic behind the change? What does the change mean to me?
Culture	What corporate culture is going to characterize the future organization? What behavior will manifest itself through this culture?	What characterizes the organizational culture? How does the IT system support this culture?	What is the gap between existing cultural conduct and future desirable behavior?	What should influence our culture? How are we going to work together? What should characterize our conduct?	What characterizes the corporate culture? What conduct is required from me to support this culture? How can I affect the culture?

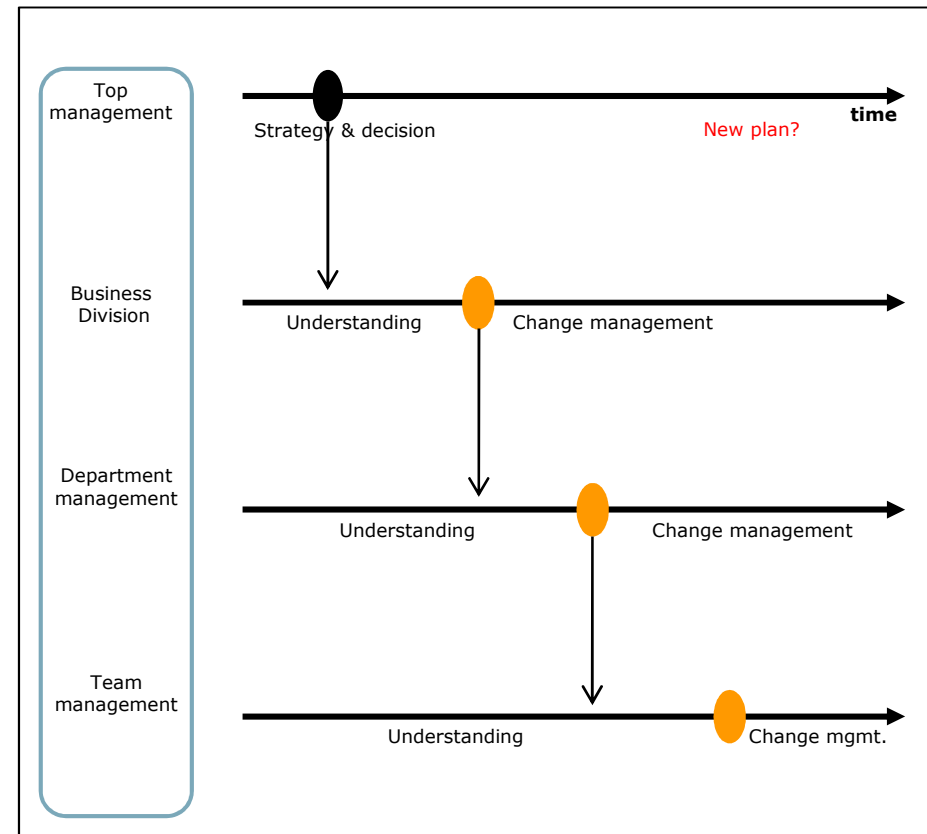
The Change Water Fall

Changes have different perspectives and different time zones at different organizational levels. When changes emerge at top management level in the organization time is spent on grasping and understanding the very nature of the change, i.e. the size, the impact, the consequences, the benefits etc. When top management is comfortable with communicating the change to the divisional management, this level needs time and room to grasp and understand the change in order to be change leaders to the lower levels. So does the next level in the organisation and so on and so forth.

Not rarely the top level loses its patience in this time consuming process of understanding and as a consequence launches new change initiatives due to lack of progress in the first initiative. The risk of the extend of change outbreaks is that the organization becomes indifferent and inactive.

Therefore, as a change leader you must make sure to allocate time and resources to see the change come alive in the organization.

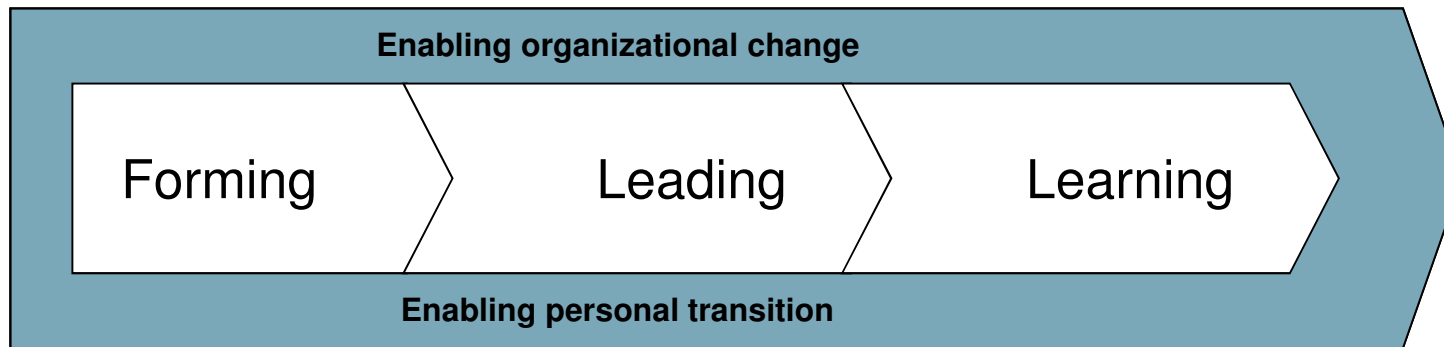
The Change Water Fall



Speed is a factor for competition.
The faster you develop, the more competitive power.

Change Steps – Framework for Leading Change

In the framework, Change Steps, we describe three key themes – or phases – that impact a change process: *Forming, Leading, Learning*.



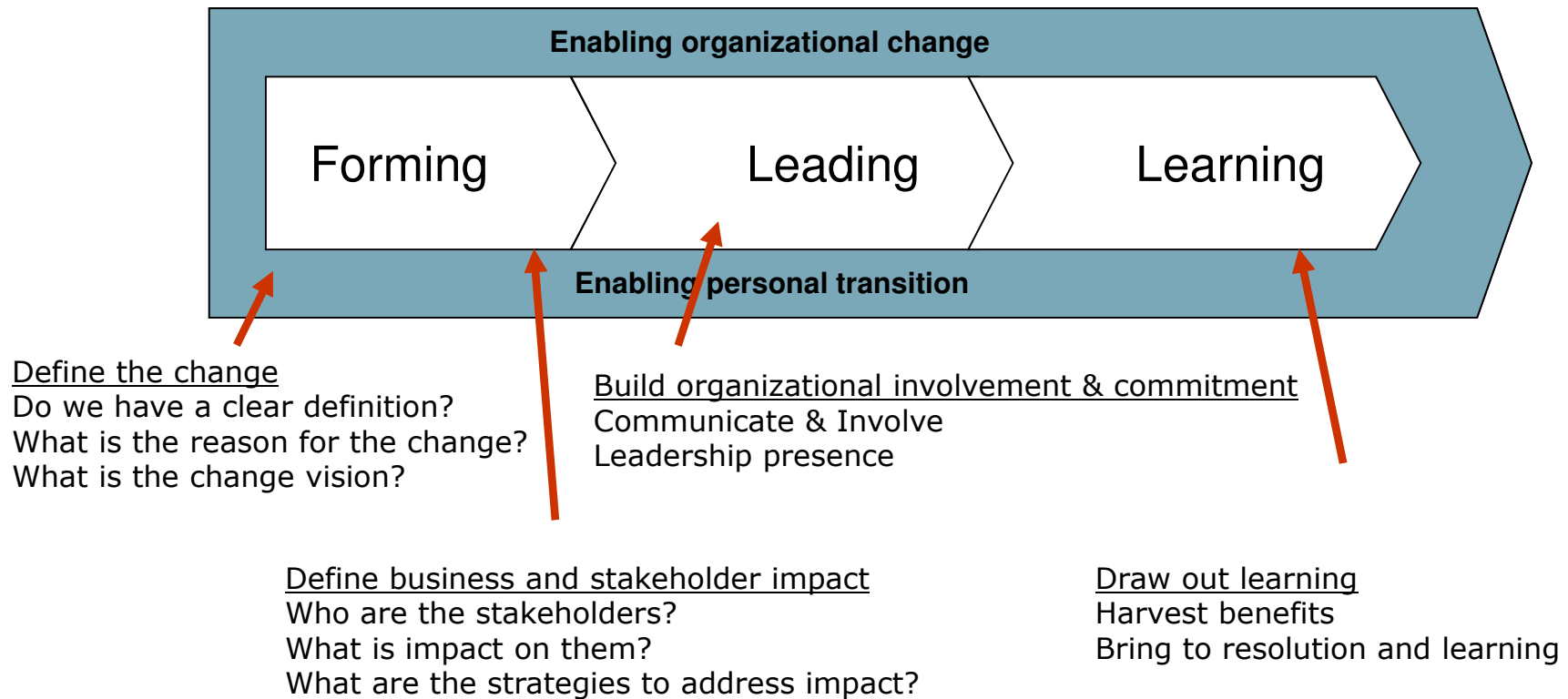
Forming deals with the foundation for change. It is important to define the scope of the business initiative and understand the adjacent change; to specify the reason for change and the change vision; to determine how stakeholders and business areas will be affected and what risks exist; and finally to assess the organization's readiness for change and to formulate a communication plan and change strategy.

Leading deals with leadership of the change process itself. A change process is all about exercising active leadership; about involving key stakeholders and identifying key performers; about building commitment and ensuring ongoing follow-up; about handling frequently asked questions/rumors, emotions and opposition; and finally, about addressing reward and recognition.

Learning deals with the lessons learned from the successes and mistakes borne of the change process. It is about evaluating the project; comparing planned results with actual results; discussing and addressing deviations; and bringing the project to an appropriate close.

Change Steps – Forming Leading Learning

Be aware of the change steps and dedicate the necessary time and resources. Leading change is about *questioning* in the forming phase; *planning* the leading phase with focus on activities that builds commitment and *follow-up* on implementation and benefits of the change in the learning phase.



Defining the Change

Formulating a change vision is one of the primary activities in the change process. You have to establish a key message, describing the reason for the change process you are introducing.

We are introducing the change because...
By changing we will achieve...
If we do not change the consequence will be...

In the forming phase is it important to define and understand the scope of change and the real number of changes involved. A major change will usually be accompanied by a ripple effect in form of adjacent changes. It is necessary to get a preliminary overview in order to scope the change process.

Name of change process:
Main components of change process:
Adjacent change initiatives:

Understanding the Character of Change

Next step is to be aware of the nature and depth of the change process. You can get a better understanding of the change by looking at the present situation (AS-IS) and the desired future situation (TO-BE).

What is changing?	As is	To be
<i>The tasks, processes, and systems.</i> Which ones are changing? New ones? Deletions?		
<i>The organizational structure.</i> Are hierarchies, reporting relationships, personnel, or roles changing?		
<i>The competencies and skills.</i> Do you need new or different skill sets?		
<i>The cultural characteristics.</i> Are your mind-sets, behaviours, or cultures changing? What about symbols of identity, such as department name or logos?		
<i>The social structures.</i> What's happening with people's personal relationships and networking?		
<i>The goals.</i> Is your direction changing, and its relative objectives? Are you stretching more? Are you measuring success differently? Communicating differently?		
<i>The communication channels.</i> Are you changing the way communication is done? Upwards versus downwards? Is the medium changing?		
<i>The physical structure.</i> Are there layout changes? Furniture or environmental changes? Equipment changes?		

Defining the Stakeholders

Stakeholders are important in order to achieve a successful change. The stakeholder analysis provides an overview of all stakeholders expected to be affected by the change. Use the analysis as a basis for involving and briefing these stakeholders and thereby ensuring they have a basic understanding of the up coming change process.

Stakeholder (name and role)	How are they influenced by the change?	What is their influence on the change?	What will you do? (Strategy and action)	When (Timing of action)

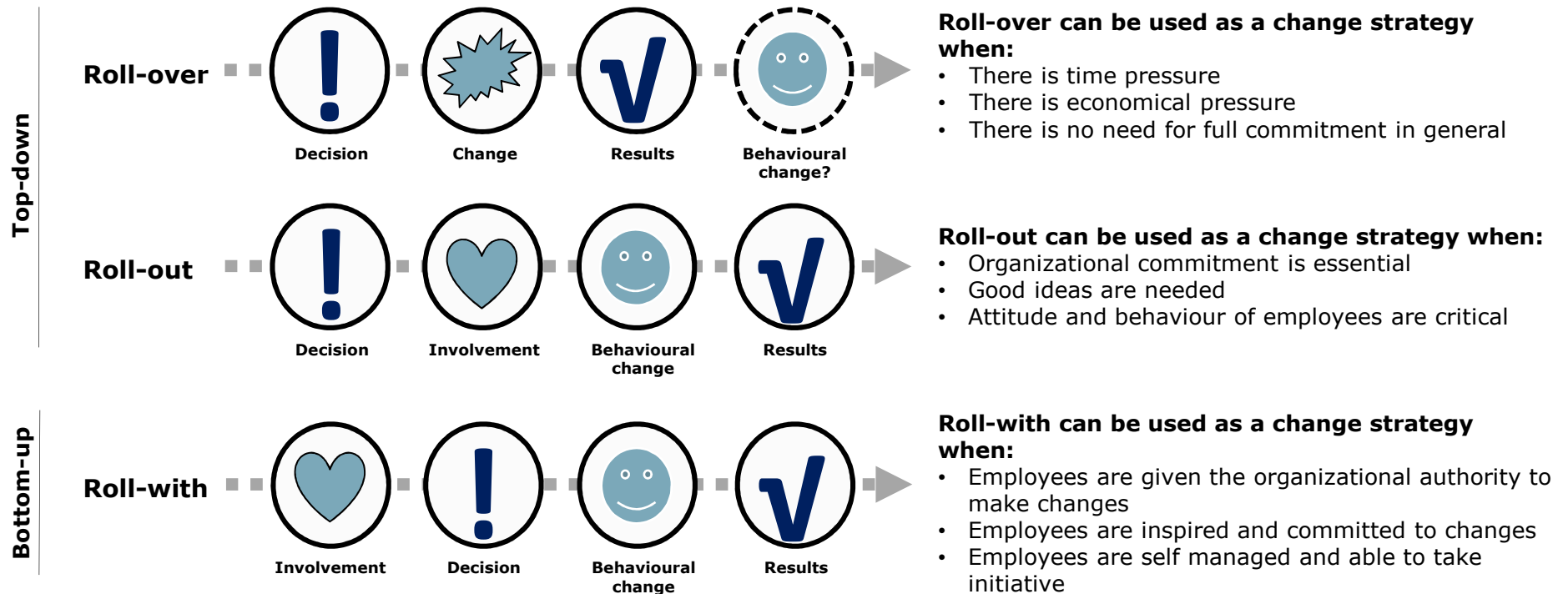
Communicating the Change Process

A change process will inevitably give rise to many questions, such as: What will it mean to me? What will it mean organizationally? Change communication is complex and risky, and requires substantial planning and effort to get right. As change leader it is therefore vital that you formulate a plan for communication.

Who (Stakeholder)	What (Message)	How (Choice of channel)	Effect (Expected effect)	When (Timing)

Change Strategies

Choice of change strategy depends on purpose of the change and the need for commitment in the organization.



Your Change Strategy

A. Preparation

Think about...

What is your change process about?
(as is – to be)

How are you going to announce the
upcoming change and when?

What will be your main message
(Sense of Urgency)?

What is your deadline for completion
of the change process?

Why have you chosen this deadline
(why is this date important)?

What do you think are the main
worries of your colleagues?

What do you think the main obstacles
to the change process will be?

What are your success criteria?

B. Planning

Think about...

Will you involve employees/ colleagues in
the planning of the change process?

If yes, how will they be involved?

If no, how will you do this all by yourself?

What resources do you need (change
agents, key performers, sponsors, etc.)?

Have you requested assistance for the
change process, i.e. a change partner?

How will you measure and communicate on
progress, delays, etc.?

Who do you think are the main
stakeholders and why?

Will you need money for your change
process?

Are you aware of the “demographics” of
your department (who is in favour, who is
in doubt, who will resist, who will you be
able to use as supporters of change, etc.)?

Have you considered how to handle
resistance? If yes, how will you do it?

How will you measure your success
criteria?

C. Execution

Think about...

What will you do if you do not progress
according to plan?

How will you track the realisation of
planned benefits?

D. Completion

Think about...

What happens if you do not reach “B”?

How will you know that you have
finished?

How will you celebrate completion?

How will you share your learnings with
the rest of the Company?

Energies of Change

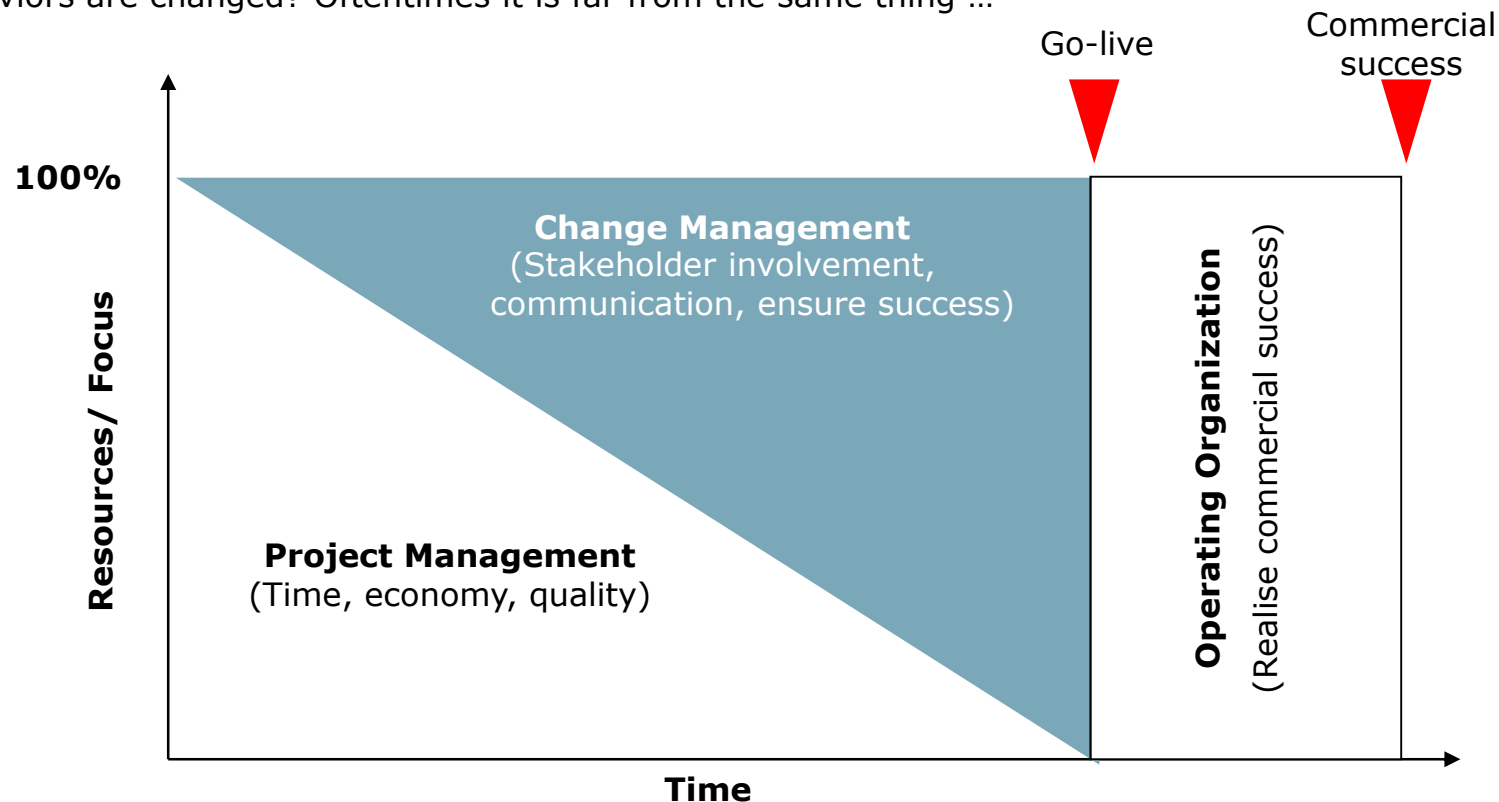
Energy is a central element in change management. Partly because energy is essential in change - without energy no change. Partly because change contains energy – it is people that make changes, therefore the motivation, energy, commitment, performance and efficiency of people are the focal point of leading change. Thus leading change is also about leading energy – both in sense of releasing and controlling energy.



Driving force	Burning platform	Change vision	Sustainable
Type of energy	External	External	Internal
Focus	The adverse effect of status quo	The appealing future	Sustainable development

Harvest Benefits

The change has to be implemented in the organization before the benefits can be harvested. The change leader has to evaluate together with the stakeholders on the success of the process and comparing the planned results with those actually achieved. Using the change steps and investing in stakeholder involvement and communication will shorten the time from kick-off to harvesting the benefits of the behavioral change in the organization. An important aspect in leading change is when you define success – when the initiative is completed *or* when the commercial success is realized and behaviors are changed? Oftentimes it is far from the same thing ...



Change Habits

Ultimately this work book is about changing habits in leadership – and at the same time building habits for change. Change should be a habit, a state of mind. Strong, healthy and viable organizations change and develop in ways and with purposes that are bigger than the organizations themselves. Changes that go beyond the organizations themselves. We call that type of development sustainable change. That's what makes changes meaningful – to the organization and to people

Key activities include

- Creating continual sustainable and stronger organizations
- Expanding the organizational potential
- Ensuring long-term business

Ensuring a favourable tomorrow - The change leader is an important factor in making changes sustainable. Sustainability is about maintaining and improving our existing skills in the future. The same goes for our society. Therefore the change leader must ensure an organization that does the right things today *and* tomorrow.

Successful – When? – The change leader must have a long term perspective that meets the organization's future potential, development and invested capital and thereby making sure that organizational surplus is transformed into profits, investment and development. This way the change leader creates a foundation for the future justification and legitimacy of the organization.

Change Habits

Leadership to support change habits, by :

- Focusing on missions and strategies to complete them.
- Going over daily assignments and be vision oriented.
- Giving grounds for management style in order to inspire meaning and create an organizational consistency.
- Demonstrating an unwavering ability to make long-term decisions without compromising values and principles.
- Designing and re-designing job assignments to make them more meaningful and challenging – as well as realizing the human potential
- Balancing internal structures and systems to reinforce overall and additional goals and values.
- Addressing the entire company.

*We are what we repeatedly do.
Excellence, then, is not an act, but a habit.*

Aristoteles

For more information, go to www.hildebrandtbrandi.com , scan this QR code



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In this paper we primarily build on the two books:
Søren Brandi & Steen Hildebrandt. *Forandringsledelse/ Change Steps*.
Søren Brandi. *Forandringens Vaner*.

If you have comments or questions to this work book, we will be happy to hear from you.

Hildebrandt & Brandi

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