



Change Management

Making Improvement Happen

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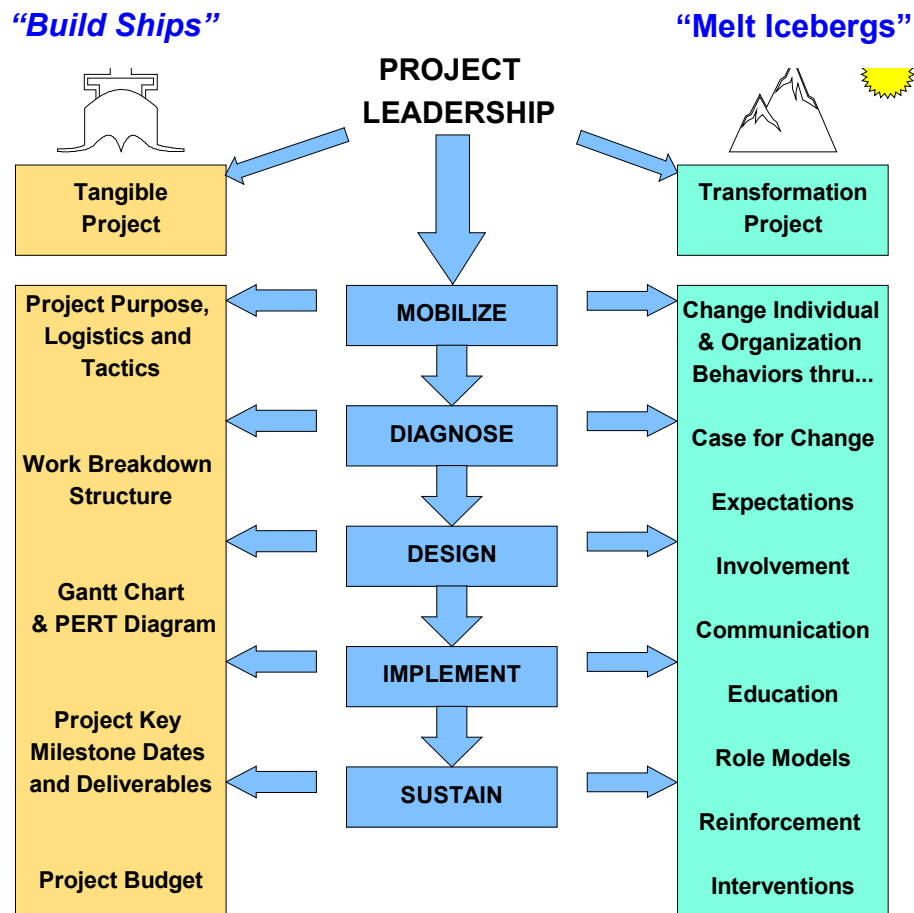
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The Leadership Model of Project Management

“The Principle of Inertia: It’s easier to leave things the same than to change them.”

***“The Empire Will Strike Back: In order to change anything, you sometimes must change everything. The system is perfectly aligned to give you what you are currently getting.”*



Project Management is a process to reach a specific objective, within time and resource constraints. Project management considers and optimizes the “three legged stool” of time, cost and performance / quality. Project management is appropriate when there is a specifically defined unique undertaking that has high impact, requires the integration of activities, requires the expertise of a cross-functional team, is time critical and relatively complex to accomplish. The Leadership Model of Project Management has five phases (depicted above):

Mobilize: The organization's leadership determines the key strategic initiatives --- those that will have the most impact on the organization in a reasonable timeframe and are critical to the organization's success. Designate a Project Sponsor and/or Project Team Leader for each major initiative. That person should have political clout in the organization and access to the resources and budget to assure the strategic initiative will, in fact, be accomplished. Assign team members to each project team, as appropriate. Examples of criteria for team membership:

- Knowledgeable of the process being improved
- Access to information about the strategic initiative
- Supplier of or customer of the process being improved
- Technologically competent
- Has adequate time to devote to the initiative

Determine a place and time for the team to meet on a regular basis and assure the team has the tools and supplies to succeed: e.g. computer accessibility, meeting space, administrative support, etc.

Diagnose: For each key strategic initiative, determine today's current reality. Where are we today? How did we get here? Where could we be? Where MUST we be in order to be successful going forward? What is holding us back or preventing us from realizing opportunities or overcoming obstacles to success in this area?

Design: Detail the steps needed and resources required to close the gap between where the organization is today and where it needs to be tomorrow. NOTE: See "The Project Management Primer" regarding "Work Breakdown Structure" and "Project Management" steps.

Implement: Launch the steps outlined in the Design Phase to accomplish the strategic initiative. Include monitoring mechanisms to determine interim progress and long-term success.

Sustain: Any organization can accomplish results on a short-term basis. To accomplish long-term, sustainable results requires change management tools. See the following section "Leading Change."

Eight-Step Process to Lead Major Organizational Change

Follow these steps, *in this order*, to lead change effectively:

- 1. Create the Case for Change** - There must be either an “impending threat” of imminent disaster or a “compelling vision” of a desired new future to convince people that change is necessary. Use the “impending threat” tactic if the organization is successful, complacent and has a tendency to rest on its laurels. Use “compelling vision” if the organization already realizes that it must do something different but is not sure what the new future will look like.
- 2. Set clear expectations about behaviors and standards** - If change is required, clearly define for people those behaviors that support change and you view as helpful and proactive. Also, clearly define which behaviors you view as preventing change, clinging to the past and obstructing progress.
- 3. Involve individuals in key decisions and action plans** - No one wants to be the “changee,” but many want to be the “changer.” Therefore, involve people from different departments / locations and different hierarchies in the organization to help create the desired future state. This creates more buy-in to the future state because many individuals have at least some involvement in helping to determine what the new course of action will be.
- 4. Communication** - In times of uncertainty, senior management must over communicate (1) why the changes are necessary, (2) the plan to implement those changes, (3) how individuals in the organization will be impacted, and (4) what the organization will do to help them through the change process. All communications should contain a consistent message. While a multi-media approach is optimal (newsletters, letters from Senior Executives, all-company meetings, department meetings, etc.), the best way for employees to get the message is directly from their boss in a setting where they will feel comfortable in asking clarification questions.
- 5. Provide education and training** on new behaviors and new processes, techniques, methodologies. When you propose new changes, people will often bring up issues that such changes have been tried before and have not worked or other companies have tried the same thing and were unsuccessful. Many times what these people are not expressing is their fear that they will be unable to handle the new way of doing things. To overcome this fear, assure individuals that the company will provide extensive training and

education in a “fail safe” environment to learn how the new processes, techniques, computer systems and so forth will work.

6. **Role models** to observe and learn from (preferably starting at the top). The “hips must match the lips.” Employees will look for signs that senior management is not following the new way of doing things as justification for them not to do things differently. Top management **MUST** be rigorous in following **THEMSELVES** the changes they are proposing.
7. **Reinforcement** for new behaviors (reward and recognition). When people are asked to do things differently or asked to behave differently, two questions must be asked and answered:
 - What are the “rewards” if people do things differently? Examples: increased promotability, career ladders, wage increases, spot awards, positive reinforcement from their boss, etc.
 - What are the “consequences” if people do **NOT** do things differently? Examples: They do not receive promotions, remain in the organization, do not receive pay increases, etc.

If there are no rewards or consequences for behaving differently, people will continue to behave as they always have.

8. **Interventions** applied if people refuse to change. Change required as a condition of employment. Exercise this option only after you have applied all other methods.

CAUTION: Avoid doing a 1/8. In other words, avoid stating the case for change and then telling people that it is a requirement for them to change or lose their jobs **WITHOUT** providing the change leadership needed as detailed in Steps #2 through #7.

PROJECT SPONSOR / TEAM LEADER SELECTION CHECKLIST

Project Sponsor Role: Provide resources, identify the Project Team Leader and work closely with the Leader. Work with other functional managers to communicate the Project Team’s priority and expectations of support for the Team. Monitor milestones and key deliverable dates and assist in determining corrective action when needed. Champion the project to the rest of the company. Track industry trends to assure the strategic initiative remains relevant. A good **Project Sponsor** should have the following attributes:

1. Political “clout” in the organization (excellent influence skills and will be able to obtain the buy-in of key stakeholders):
 - a. May be currently responsible for the primary process impacted by the strategic initiative
 - b. Well connected to other leaders in the organization
 - c. Well connected to key customers of the organization
 - d. Well connected to key suppliers of the organization
 - e. Viewed as a credible leader
 - f. Good communication skills
2. Access to resources needed for successful project completion: materials, people, equipment
3. Access to budget needed for successful project completion
4. Fully supports the strategic initiative
5. Has a good working relationship with the Project Team Leader

Other criteria:

- _____
- _____
- _____
- _____
- _____
- _____

PROJECT SPONSOR / TEAM LEADER SELECTION CHECKLIST

(Continued)

Project Team Leader Role: Select team members with sponsor and functional manager input and concurrence. Help resolve conflict among team members. Manage the process, plan and organize the project, serve as the strategic initiative and team evangelist, advocating the project outsider of the team. Communicate progress and roadblocks. Interface with key stakeholders inside and outside the organization. Conduct and/or provide input into each team member's appraisal and reward process. A good **Project Team Leader** should have the following attributes:

1. Has a good working relationship with the Project Sponsor
2. Will be viewed as a credible leader by the Project Team
3. Has a complete and working knowledge of teaming skills
4. Self starter
5. Positive and optimistic, yet realistic
6. Planning / organization skills
7. Understands balance of technical and change management aspects of the strategic initiative.
8. Willingness to confront and resolve issues
9. Fair and impartial
10. Empowers and trust team members
11. Is willing to change ideas or preconceptions based on an analysis of facts and data
12. Is willing and able to commit the time necessary for completion of the Team's assignment
13. Will work to achieve the best outcomes for the organization as a whole
14. Has proven communication skills: e.g. effective listening, writing ability or presentation skills
15. Is personal computer literate

16. Is resilient: Able to cope with ambiguity and change course as necessary based on changing circumstances
17. Persistent and determined
18. Fully supports the strategic initiative
19. Excellent “coaching skills,” able to provide feedback in a proactive manner
20. Able to work with a diversity of individuals: differing skill sets, experiences and personality types

Other criteria:

PROJECT TEAM MEMBER SELECTION CHECKLIST

It is suggested that Project Team be limited to eight or less members in order to achieve maximum productivity. A mix of skills is necessary from the different team members. A good potential Project Team member:

1. Is a supplier to the strategic initiative being addressed by the Project Team.
2. Is a customer of or affected by the strategic initiative being addressed by the Project Team.
3. Is an expert in one or more of the issues being addressed by the Project Team.
4. Will provide a “fresh eyes” approach to the issues addressed by the Project Team.
5. Is respected by co-workers who are not on the team and can accurately represent their viewpoints.
6. Is willing to change ideas or preconceptions based on an analysis of facts and data.
7. Is willing and able to commit the time necessary for completion of the Team’s assignment.
8. Will work to achieve the best outcomes for the organization as a whole, even when it means “giving up” for his/her department or function.
9. Has a broad understanding of the process that goes beyond the boundaries of his or her department / function.
10. Has excellent influence skills and will be able to obtain the buy-in of key stakeholders.
11. Represents variety: e.g. diversity, cross-functional, cross-hierarchical, geography, business units, diverse thought processes / personality.
12. Has quantitative skills.

13. Has proven communication skills: e.g. effective listening, writing ability or presentation skills.

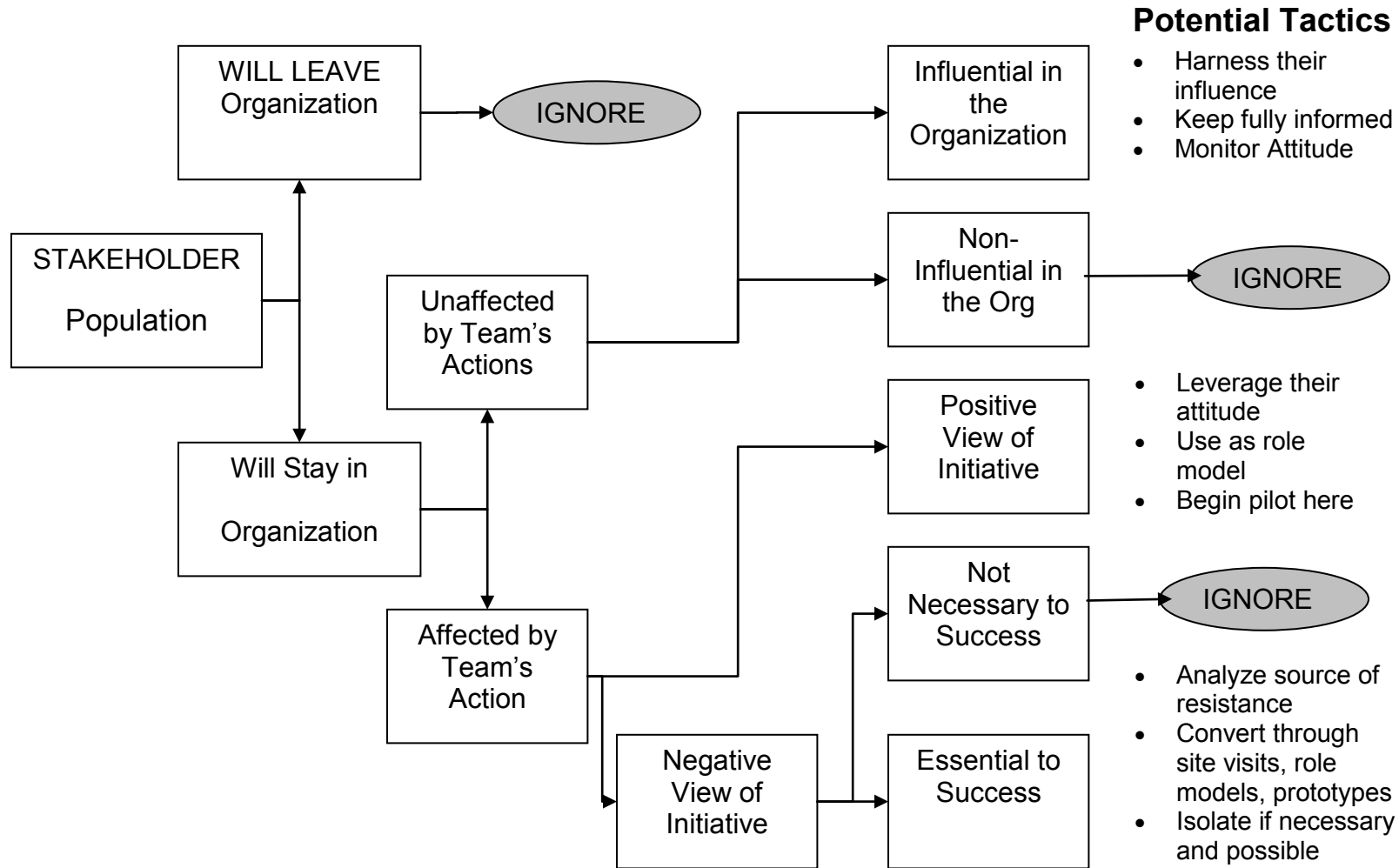
14. Is personal computer literate.

15. When strategic initiative calls for an outside perspective, represents or is an employee of a key external contributor: e.g. major customer or supplier.

Other criteria:

- _____
- _____
- _____

APPENDIX C – KEY STAKEHOLDER ANALYSIS – TOOL



APPENDIX C – KEY STAKEHOLDER ANALYSIS – TOOL 2

| Team's Action | Stakeholder | Impact | Anticipated Reaction / Issues | Communication Strategy to Overcome | Who is Responsible? |
|----------------------|--------------------|---------------|--------------------------------------|---|----------------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Evaluate Your Ability to Execute Strategy

Instructions: Listed below are the 17 fundamental traits of strategy implementation effectiveness based on extensive research by Gary Neilson, Karla L. Martin and Elizabeth Powers in their article ***The Secrets to Successful Strategy Execution***, *Harvard Business Review*, June 2008. They have grouped these traits into four broad categories:

- Decision Rights
- Motivators
- Structure

Step #1 – Evaluate how your organization does against each of these traits today.

Step #2 - Based on your responses, what are the implications regarding your organization’s ability to execute your strategy? What change management tools might you apply in order to increase your organization’s chances of executing its strategy appropriately and in a timely manner?

| | Strongly Disagree | | | Strongly Agree | |
|---|--------------------------|----------|----------|-----------------------|----------|
| DECISION RIGHTS | 1 | 2 | 3 | 4 | 5 |
| Everyone has a good idea of the decisions and actions for which he/she is responsible. | | | | | |
| Once made, decisions are rarely second-guessed. | | | | | |
| Managers up the line get involved in operating decisions. | | | | | |
| It is more accurate to describe the culture of this organization as “persuade and cajole” than “command and control.” | | | | | |
| The primary role of corporate staff here is to support the business units rather than to audit them. | | | | | |

| | Strongly Disagree | | | Strongly Agree | |
|---|-------------------|---|---|----------------|---|
| | 1 | 2 | 3 | 4 | 5 |
| INFORMATION | | | | | |
| Important information about the competitive environment gets to headquarters quickly. | | | | | |
| Information flows freely across organizational boundaries | | | | | |
| Field and line employees usually have the information they need to understand the bottom line impact of their day-to-day choices. | | | | | |
| Line managers have access to the metrics they need to measure the key drivers of their business. | | | | | |
| The company rarely sends conflicting messages to the market | | | | | |
| MOTIVATORS | | | | | |
| The individual performance appraisal process differentiates among high, adequate and low performers. | | | | | |
| The ability to deliver on performance commitments strongly influences career advancement and compensation. | | | | | |
| If the firm has a bad year, but a particular division has a good year, the division head would still get a bonus. | | | | | |
| Besides pay, many other things motivate individuals to do a good job. | | | | | |

| STRUCTURE | Strongly Disagree | | | Strongly Agree | |
|---|--------------------------|----------|----------|-----------------------|----------|
| | 1 | 2 | 3 | 4 | 5 |
| Promotions can be lateral movers (from one position to another on the same level in the hierarchy). | | | | | |
| Fast track employees here can expect promotions more frequently than every three years. | | | | | |
| On average, middle managers here have five or more direct reports. | | | | | |

SCORING

Decision Rights (Maximum Possible 25)_____

Information (Maximum Possible 25)....._____

Motivators (Maximum Possible 20)_____

Structure (Maximum Possible 15)....._____

Total Score (Maximum Possible = 85)_____

Implications

Which category has the highest score? How can you perpetuate momentum in that category?

Which category has the lowest score? How can your organization improve? What change management levers would you pull?

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