

# MANAGING CHANGE

By Cheryl Thomas, President \* Results Performance Management, Inc.  
www.rpmbiz.com

Words like “Customized Economy” and “Customer Designed Delivery” mean organizations need to be flexible enough to respond to constantly changing demands. Trying to make changes in most large organizations is like trying to steer the Titanic around unexpected icebergs. That's not to say that most organizations are going to sink like the Titanic but many will if they can't streamline their processes. Smaller, entrepreneurial organizations will arise to take their place. Some larger organizations will survive if they find ways to re-structure to decentralize functions that have to be flexible to meet customer needs (i.e. product development and market research) and to centralize functions that can take advantage of economies of scale (i.e. strategic visioning and product distribution). Today's organizations need people who are entrepreneurial, customer-oriented, strategic planners and systems designers who are constantly fine-tuning processes within the organization in order to meet the constantly changing needs.

In “Leading Change” (1996), John Kotter defines an 8-step model to follow when managing major change within an organization:

## **STAGE 1:**

Establish a *Sense of Urgency* by examining the market and competitive realities and identifying potential or existing crises or opportunities.

## **STAGE 2:**

Create a *Guiding Coalition* by pulling together a team with enough power to lead the change. Malcolm Gladwell in “The Tipping Point” (2000) suggests that these people need to be “Connectors” who know everyone, “Mavens” who gather extensive information and “Salesmen” who sell ideas.

## **STAGE 3:**

Develop a *Vision and Strategy* to help direct and achieve the change.

## **STAGE 4:**

Use every vehicle possible to *Constantly Communicate* the vision and strategy and use the guiding coalition to model expected behaviours.

## **STAGE 5:**

*Empower Broad-based Action* by getting rid of obstacles, changing systems and encouraging risk-taking. This stage is where most organizations give up on major change processes because they haven't sufficiently strategized how to deal with resistance.

## **STAGE 6:**

*Generate Short-term Wins* so that people see results quickly and are rewarded for those results.

## **STAGE 7:**

*Consolidate Gains* and produce more change by building on the short-term wins. This requires identifying more change agents within the organization by hiring,

promoting and developing more people who can infect the organization with the change vision through new projects and themes. This is the stage where the Guiding Coalition and the organization's leaders need to encourage and reward ideas, products, messages and behaviours need to be encouraged by so that they become 'epidemics' and organizations can reach the 'tipping point' the point where so many people are infected with the new ideas, products, messages and behaviours that they become part of the new culture.

## **STAGE 8:**

*Anchoring New Approaches* in the culture by rewarding customer- and productivity-oriented behaviour and continually communicating connections between these behaviours and organizational success.

Effective change processes are well planned and strategically implemented. Too many organizations jump into a change because they think they have to be quick and flexible. Failure to plan really means planning to fail. Taking a bit of time to plan will save time in the long run and increase the chances of successful change implementation.

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