

**An Organizational Change Management Example**

**By: Bob Stein  
Senior Consultant  
Brainard Strategy**

For a number of years, overall business success of the \$500 million annual sales Brunswick Indoor Recreation Group (BIRG), a Division of the \$5 billion sales Brunswick Corporation was negatively affected by the poor performance of the Distribution, Contract Management, Transportation, and Import/Export Logistics groups (Distribution) headed by a Group VP at BIRG.

Shipments went out to customers late, incomplete, with backorders, damaged, to the wrong address, missing essential paperwork, with wrong quantities, wrong items, and so on. Direct cost of recovery and ripple effects ran into the millions.

Customers had simple, understandable requirements of wanting what they wanted and wanting it now...no problems, no surprises, no excuses, no apologies. And they were willing to pay a premium for great performance if it were available.

The Distribution Group VP was a 35-year Brunswick veteran who had served in a number of senior management capacities over the years but had neither training nor expertise in distribution prior to his appointment. He had been a talented Division Financial controller purporting to be a line executive.

The various business unit heads with BIRG and dependent on the Distribution function tried unsuccessfully to work with the VP and his people. But they would not accept help, advice, nor would they recognize legitimate problem feedback from other internal and end use customers. These Distribution managers were an island unto themselves always deflecting criticism by pointing fingers at others.

Change was necessary if BIRG was to survive and prosper.

With the Distribution Group VP's door securely closed, the business unit heads and other affected managers rallied to present their case to the President of BIRG. He listened and seemed to understand but put the burden for fixes back to Distribution.

This resulted in more than a year of wasted time, money and energies on the wrong outside (technology) consultants and a totally impotent, resource diverting Delivery Process Task Force. The Distribution VP skillfully misdirected this multifunctional

internal effort away from the real root cause issues that actually resided in his area. His smokescreens wasted more money and time on such dubious initiatives as bar scanning technology, computer program modifications, warehouse reorganizations and misguided incentive plans that actually made matters worse.

Finally recognizing the incumbent was not willing or able to turn around the situation, the President encouraged him to take early retirement.

Because of some noteworthy prior transformation successes, we were called in to the President's office and told the Distribution problems were now going to be solved by us helping the New VP of Distribution....change was at hand.

Short notice but it was not a time to panic. It was time to figure out precisely what needed to be changed and then go about doing it quickly and effectively in ways that made sense for the business and all the people involved.

For brevity, the scope of the paper is limited to the change management activities that took place at the management employee level, not the hourly associate level.

We are no strangers to change management. This is essentially what we have done our whole careers. We read, we research, we do.

### **Now the Distribution change story...**

Our first action was to walk the warehouse and office areas after hours when all the people had gone....when nothing was happening. This was a necessary mind-focusing event. It reminded us that changing, replacing, expanding, or shrinking physical assets...THINGS...would be the easy part. The hard and more delicate part would be to get PEOPLE to want to change and actually cause the myriad improvements needed to make the place work the way it should and could. We needed to look for the changes required in people's cultural and psychological environment...focus on human systems first. They held the keys to unlocking the rest of the needed changes.

The next day we and the new VP had to stand up and tell the assembled troops something. What? They must be given some direction and clues or they would be frozen in place unsure of how the organizational change was going to affect them.

One bit of good research reveals that all people constantly ask the same four questions:

1. Where am I going?
2. How am I going to get there?
3. Will I feel good about myself when I arrive?
4. How do I go about constantly finding out the answers to the previous three questions?

For the previous VP's former key direct reports, who previously fought the business unit heads at every turn, they got the immediate opportunity to seek the answers to these questions....all were terminated by a much frustrated CEO the same day the new VP was appointed. Sweep out the old clearing room for the new. Make a statement to all that things will be different around here.

For the rest of the 30 or so management people, we gathered them and announced the organizational change effort and then talked quite frankly and openly about what they would expect to see and be tasked to do in the very near future.

1. We were going to talk to all of their customers...internal and external...to find out what elements of our performance was important to them and get feedback on just how we were doing in relation to their expectations. We told them to expect to hear a great deal of dissatisfaction.

Since BIRG's customers were BIRG's purpose for being, customer dissatisfaction had to also be Distribution's dissatisfaction.

.

From that feedback, we would develop a customer business issues list...an Agenda for Improvement.

2. Next, we would talk to each and everyone of them individually, and then in work

groups, to find out what they thought was going well and what was not...no topics barred.

We would produce a list of problems that they believed needed to be addressed and give all an opportunity to debate, understand, and finally, vote on a prioritization of what was to be approached and in what order.

These were to be added to an Agenda for Improvement.

For people who were used to a top down, command and control environment where speaking out was censored and even punished, this was an exciting prospect for some and a threatening one for others.

The old management fought criticism. We were asking for it. This was quite a suspicious change. But we felt this was essential to start them thinking, to get them involved, to move them toward participation and, someday, to self directed empowerment.

We expected many to be skeptical until the actual feedback sessions began and they could see our very positive supportive reactions to criticism.

We could not expect their trust and commitment unless we were worthy of their trust.

3. Next, we explained the outline of a process for analyzing everyone's and every work-group's purpose in the organization and the relationships each had to meeting business objectives (strategies).

We would call this our "gap analysis" and discover issues for our improvement agenda.

4. Then, to relieve their minds as this mysterious list of improvement issues started to build, we explained that we would be teaching them problem solving skills and be helping them overcome organizational roadblocks and other obstacles that got in the

way of their improvement efforts.

5. As an essential element of the process, organized “action” meetings would be scheduled to keep all on track.

- Daily....top management would meet with individuals to do the task analyses

- Weekly...Each work unit would meet to solve improvement agenda issues

- Monthly...we would meet as a 30+ people team to expose accomplishments and to track progress against the agenda

The people gave little feedback during our first meeting with them. Their heads and hearts were very likely full of mixed emotions having lost the devil they knew for perhaps a worse one...or maybe better. We guessed they were starting to think through the violated psychological contracts they had with the company.

Our interpretation of the psychological contract all employees have with their employers has evolved over time to the following.

We don't believe that any person filling out an employment application and agreeing to sign on believes they are getting into a “for better or worse” commitment. Their intent and expectations are to do good work and to receive support so they can continue to do good work...and grow as an individual and as a valued participant in the business. Similarly, the employer's (companies, organizations, universities, etc) implicit psychological contract assumes output, cooperation, commitment, and loyalty without hassles from the employee.

But something happens. The employee runs up against some roadblock or procedure or system that prevents them from doing what should or must be done. They try to overcome or go around the obstacle but to no avail and receive no support or helping hand in their efforts. It could be a lack of skill or understanding on their part or failures of up line systems or people beyond their influence. All they know is they have been stifled.

The honeymoon is over without a forum to expose the issue and gain resolution. The problem festers, others get added. Soon the employee “hates” coming to work every day and can hardly wait to go home to escape the pain and frustration.

The same happens to the employer when the employee does not perform up to the company’s too often undefined expectations. Rather than uncover the issues for resolution, the employee receives added scrutiny and the employer focuses his expectations higher finding even more dissatisfaction events...like a self-fulfilling prophecy.

Again, the honeymoon is over.

For a number of reasons, this is the relationship the former management had with most of the employees. They neither liked nor trusted the employees because they were withholding “good” performance. The employees neither liked nor trusted management because management had violated their implicit psychological contracts thus making the employees’ work lives miserable.

Knowing we could not improve organizational performance by ourselves, especially in the old adversarial environment, we focused on finding ways to renew each and every person’s psychological contract. Through the process of creating a new cultural environment with shared values and behavioral norms that were well understood and supportive of our strategy, vision and people, we would “re-write” the contracts together.

Our gut objective was to see people excited about coming into work each morning and leaving each day feeling they had accomplished something worthwhile!

The quicker this happened, the faster we could get our internal and external customer issues resolved.

### **Strategy and Vision**

At such low levels of performance and being faced with constant criticism and rapprochement from their former managers, the employees...our people to transform now...had become so inner-directed that they lost sight of their business relationship to

the company. Their vision was one of daily survival not a vision for making a better company future. Strategy and vision were invisible to them.

Most books and articles deal with formulating a viable company strategy directed at competing in some market with some products using some tactics driven by stretch goals. Sub business unit and departments are to then fall in line to support the overall strategy with restatements in their own more specific terms. Ours was no different but we saw the need to communicate a strategy and vision that they could relate to their daily work lives...something that was very visible, that they could easily comprehend, and that **was** their daily work life....not just a statement in a book or on a wall. But how?

We chose a two step process. First was to perform internal and external customer needs assessments. The next would be to crunch that information down into a definitive statement package that would encompass our strategy and vision to simply meet or exceed our internal and external customer's needs. Doing this would easily be supportive of the BIRG strategy related to doing great things in the leisure industry.

So, the second day after our assignment we started interviewing all the prior critics of the previous incumbent. The interviews consisted of letting them vent while their issues were recorded.. To clarify and stimulate more thought we asked the question, "If these problems that have been recorded magically went away tomorrow, would you and your operations be okay in relation to Distribution?" If the answer was "No" we continued until we arrived at a final "Yes."

After the individual interviews we compiled the issue lists and held a group meeting with each work unit to generate a consolidated list. Then we reviewed each problem to make sure we all understood. Additions and deletions and changes took place. Then we asked for secret ballot votes listing each issue in order of importance. This led to a democratically prioritized list of issues to which everyone agreed.

"If Distribution fixed these problems, we could do our jobs more efficiently and effectively and serve our customer better at lower costs and time expended."

These interviews continued throughout the company in rapid fashion.

Not only was a great deal of valuable information collected, but the involvement and buy-in from the rest of the organization was started. The danger was that their expectations were raised. Change needs were not only clearly identified, now they became expected.

A very similar interview and prioritization process took place with our management level people. Participation was slow at first but sped up as they saw we were genuinely interested in them and their observations...with no judgements or repercussions coming back their way.

After some careful analysis, checking and bouncing ideas off people, we came up with a list of 9 key drivers that were the force behind everyone's list of problems. If these went away, success would be ours! This list was verified by re-meeting with each of our customer groups. These became known as the "9 Deadly Sins."

But eliminating the 9 key causes of everyone's troubles depended upon us convincing our people to want to make the necessary changes. How?

We learned a long time ago that most any supervisor can "make" most people do limited scope tasks. It is relatively easy. It is much harder to convince people "to want to" manage their daily work lives in the interest of the company...overcoming obstacles on their own and seeking out new opportunities. "Pull" from them is much more effective than "push" from above.

To do this they need to feel secure and supported and confident in their own skills and abilities as well as have a clear understanding of the goals of the company and their roles in supporting them.

They really need the proper and continuous answers to the following.

- What are my strategies, objectives, vision?
- What are my critical tasks?
- What must I do to fit into the formal and informal organization?
- Are the norms and value system consistent with my beliefs and ways?
- Do I have the support of my peers, supervisors and company?

-Will I be adequately recognized for my efforts?

**The premise:** Employees who are psychologically secure will take risks in seeking opportunities for personal and business improvement. They will literally and figuratively climb out of their cubicles and flex their wings...and fly.

### Monthly Meetings

So we organized the first monthly meeting in a series of calculated meetings for all our management employees.

The meeting was always held in the large, plush multimedia auditorium with tables positioned in an open horseshoe facing the front with extra tables behind and to the sides. This was to set a stage and communicate that the meeting as important.

A first-class catered lunch was arranged and waiting in the wings...real plates and glasses and servers. This was to communicate that they were important.

All were at attention awaiting my words of wisdom.

We started by handing out a sheet of questions and answers that would be used at the start of every monthly meeting and was to be posted in their offices.

They were told that the information was to be memorized. It was explained that at first the words would be just something they would parrot back to me. Eventually, we promised, they would come to understand and believe the meaning of the thoughts and intent contained in the words.

We called the sheet our "group mantra."

The VP asked the questions on the sheet. All responded in unison reading aloud the printed answers. The mantra follows.

1. Who are we?.....Good people!

2. What do we do?.....Important work!
3. How do we know it is important?.....Because it adds value to us, our customers and our business!
4. What is our work performance standard?.....Zero errors!
5. What is our vision?
  - NO Backorders!
  - NO Pick Excepts!
  - NO Short Ships!                      These became known as the “9 Deadly Sins”
  - NO Over Ships!
  - NO Mis Ships!
  - NO Damage!
  - NO Delays!
  - NO Expedites!
  - NO Order Change Notices!
6. What is our performance measurement?.....Cost of Errors!
7. What must we do?.....The right things right the first time!
8. How do we know what is right?.....From our activities analyses!
9. How do we do things right?.....Continuous scanning, learning and improvement!

Then everybody applauds loudly!

This may seem like a forced contrivance...and it was. It was a powerful way of quickly conveying the framework for the change effort and clear expectations...no mystery. They had immediate and constant access to the game plan. At first they would not understand nor believe. However, with time, it would become the basis for consistent action in accordance with beliefs....a new set of values considering a strategy of continuous scanning and adjustment benefiting customers and a stretch vision of no errors.

We were explicitly reversing everything they had been told for years....they **were** good people; they **did** do important work; they **could** understand and operate to clear performance standards; they **can be** responsible for what was expected of them, customers needs **were** paramount, errors **cannot be** tolerated.

At the same meeting we demonstrated our critical task activities analysis method using the Import/Export Logistics group's completed analyses as the model. Most didn't get it at first but they saw a successful example and participants that were energized and organized from the effort.

For the analyses we used an input-processing-output flow model. All inputs necessary to do the task were identified. Quality problems with any inputs were identified as issues.....after all, if an input is faulty, people can't perform their tasks. Next, all the process steps were listed in detail. Each step had to meet a test for efficiency, effectiveness and good business sense. Any failures were identified as issues. Then all the outputs that went to customers were listed. Customer interviews took place to determine deficiencies to be scheduled as issues.

All the issues were then assembled and prioritized on the basis of largest impact if resolved and on ease of change. This became the Improvement Agenda for the person whose critical tasks had just been analyzed.

It was amazing to see that in the process of virtually **every** critical task analysis how much people had been just going through the motions to get through the day without understanding what they were doing. There was no effort to fix faulty inputs and a series of pat excuses when their discrepant outputs affected others negatively. Worse, there were many activities taking place that were totally unnecessary or even harmful to the company.

Critical task analysis was intensely tedious work. But the effort enabled top management to **bond** with each and every management employee quickly both on personal and business terms. We learned a great deal about them and their abilities. Everyone learned their critical tasks. They learned that they were finally understood and that they and the work they did were indeed deeply cared about.

With their list of issues in hand, they went off to solve problems in view of the group mantra (strategy and vision). At the next monthly meeting they were to report accomplishments against their issues.

Some people had no problem solving skills. Some could deal with resolving issues they uniquely controlled but most were not skilled in gaining the cooperation of others when needed. All were dead afraid to approach people outside the department because of their prior supervisor's history of non-performance and finger pointing.

But letting them struggle with their problem solving abilities a bit set them up to seek the training and coaching help we knew they needed but could not force unless they saw the need.

A transformation became obvious quickly. The troops were suddenly walking around with "loaded guns"...

- strategy and vision
- action agendas (issues)
- problem solving skills
- understanding and support from upper management
- curiosity to see if accomplishment felt good and would be rewarded

For the next monthly meeting, since more critical task analyses, problem solving and coaching sessions had been completed, the focus was on **accomplishment**.

After the reciting of the mantra ritual...the VP asked asked, they recited....each group was invited to the front of the room to individually explain their accomplishments to the others. Some people were petrified and would not speak. But we insisted they go to the front and at least have someone else read off their accomplishments....no one was off the hook for tackling issues.

As each person completed the reading of his or her accomplishments, we led a round of applause. Each recipient beamed. Never was anyone criticized, corrected or challenged in front of the others. If there was some problem with their approach or result we dealt with it privately later in a coach/mentor relationship. Small and large accomplishments were applauded equally. The objective was to have people feel good about themselves and the work that they did. And feeling good was intended to build their confidence in

the process of performing their critical tasks, scanning for problems and opportunities, and making continuous changes for their own and the company's benefit.

Too many meetings are conducted under typical management by exception methods where the focus is on "what went wrong" and worse, "who messed up." People dread these and hide their mistakes and any bad news....and they actively avoid risks that could end in results that make them a target for criticism.

Our series of **positive** accomplishment meetings evolved going from individual presentations, to sub-group, to intra-group and finally to inter-group presentations...in recognition that this is the way people must really work... together. All were injected with applause, praise, positive reinforcement...and a first class meal.

The people who would not speak at first saw only good things happen to the others and eventually sought their own time in the limelight. Some stumbled at first and we responded with great support. One very timid minor clerk, Keith, has surprised everyone by growing into a star rising to the level of Contract Manger in record time.

The next step was to concentrate on methodically documenting all the accomplishments into a networked database. Recorded are the issue, the alternatives explored, the solution, the reasoning and the impact for customers and the company (in dollars if possible).

The last link was then put into place. We introduced the "IF AXIOM" tying it to the appraisal and merit increase system:

If I can't measure\* it.....I don't understand it

If I don't understand it.....I can't intelligently change it

If I can't change it.....I can't improve it

If I can't improve it.....I can't record an accomplishment

If I can't accomplish.....I can't help myself or the company

\*measuring has to do with scanning for new requirements, opportunities and discovering performance gaps

From this “axiom” we tied together in very straightforward terms the improvement and payoff cycle at hand....understand critical tasks, make necessary changes as the business evolves and opportunities arise, record the accomplishment for the formal review process, insure the perpetuation of the company...and their own security within the enterprise.

The accomplishments for each person in the database became the core of their self appraisal document used in both the continuous and annual review process for merit increase and promotions. This was a quite fair and transparent approach.

What a big change from the past! There had been a number of problems associated with the BIRG performance appraisal and merit increase system over time but none more serious than the mismanagement of the process within the old Distribution groups. It resulted in employees who felt despair and frustration from an unfair and arbitrary procedure.

The prior management conformed to the annual written review requirement but focused on faults and failures as a motivational “stick” and justification for no or minimal merit pay increases...or just plain punishment. Then, decent raises were divided up among the people in favor. The use of formal job descriptions and performance criteria that might provide guidance to the employees were avoided. This served to intentionally prevent them from locking in on what they were actually supposed to do and how they were actually doing against any standard....command and control from the top was then purposely hard to challenge.

Workers in BIRG’s small town had few attractive alternative employment opportunities in the area and no recourse up the chain of command (organizational hierarchy). The former VP was adept at winning arguments involving personnel matters and was given an undeserved amount of respect and credibility by the VP of HR and the President.

Instead of fighting the inevitable of persistent unfairness, the employees withdrew **in situ** going through the motions, carefully avoiding all risks, waiting to react and defend rather than to proactively prevent problems. They generally kept their heads down seeing no hope of change.

Through the change process we introduced.....

1. The ambiguity and arbitrariness were eliminated
2. Everyone knew what they were supposed to do...activity analyses, issue action agendas, no errors, continuous scanning and improvement
3. Everyone now had the tools, techniques and organizational forums to get things accomplished
4. Everyone now worked in a positively reinforced work environment where they knew their work was important and they were having a positive impact
5. High expectations for accomplishment became the norm
6. What they choose to accomplish or not accomplish was now in their control
7. Everyone now created their own reviews by recording their own and their team accomplishments...well known to all through the networked database
8. Strategy and vision were working realities not just written statements

However, there was still had only a paltry 3% annual maximum merit increase pool to divide among a group of now highly motivated performers. We were concerned we would get negative backlash from low payoffs relative to the great gains being made.

But after everyone received just the 3% there was no deterioration in performance or enthusiasm. We discovered that people were not so much concerned with the amount of increase (though all would take more) as they were impressed with the procedural fairness in how the review and merit increase process was now conducted! They felt fairly treated for the first time in many years and their behaviors reflected a trust, loyalty and commitment that had been absent for too long.

One of the biggest compliments we received was from several people who said with little difference in words, "Every morning I dreaded coming in to work at Brunswick...now I can't wait to start another day!"

Within the course of the following year, most of the "9 Deadly sins" were either eliminated while a few were substantially reduced. Internal and external customers' needs were being met or exceeded. The President and CEO, had a myriad of nagging problems removed from his busy agenda.

After a half day operations review session with the CEO, he commented that he had never seen such a dramatic organizational turnaround. The newly revitalized group generated over \$4 million in annual cost savings with much more undefined, and..... they set the new standard for individual and team effort in the company.

The new VP of Distribution was now well positioned to lead and support what was very much a highly motivated, self-managed work group.

We got another assignment with the new VP of International Operations, to chase yet another major change management initiative.

**How does this real life example relate to the books, articles and research in the literature?**

**Would knowledge or insights gained from existing publications and research suggest different approaches that could have improved the effort or helped avoid mistakes?**

We have been reading a great deal of change management related material with great interest, highlighting what are key points, from our perspectives, and making numerous margin notes for later reference.

We constantly find new words and deeper rationales for what we have already been successfully doing. The readings helped further explain resistance problems encountered but overcame without really fully understanding all the possible underlying issues at the outset.

We are finding a more complete arsenal of approaches to understanding and managing change that will be valuable in our pursuit of continuous improvement to handle always very situation dependent environments. Our goal is to complete a useful text for those who lack battlefield experience so they won't be shocked into inaction when they inevitably get confronted with the real change management "swamp" out there.

So far, we have numerous pages of notes that are too extensive to include in this paper...so only a few selected ones are listed but should be enough to illustrate the sound theory and research to support the approaches and actions described in the paper.

**Tushman, M.L., C.A. O'Reilly III. 1997. Winning Through Innovation. Boston: Harvard University Press.**

The concept of managing for today and tomorrow simultaneously was covered in my example by providing

- a customer needs based strategy
- an easy to understand emotional vision (9 Deadly Sins)
- an environment so people could feel good and be confident about themselves and their abilities to scan the horizon and recognize opportunities and solve issues, continuously

People were able to master the basics and became well prepared for today and the future.

While a number of changes in Critical Tasks, Structure and People took place, this was primarily a **change the culture** initiative.

We are not far off from the Organizational Culture Diagnosis Worksheet (pg.127) method in conducting the interviews at the effort outset. Both sought to gather facts and discover gaps.

The T&O Culture Diagnosis 6 step process is a direct parallel to what we did...

- identify internal and external customer issues
- narrow down to 9 key imperatives
- assess the gaps
- get the people prepared to close the gaps
- set up for future changes

Key to all this was making sure we were positioning the new VP to be the leading and quite visible symbol of change and that we lived the new way to do things. People may not know exactly what to do or why, but they do emulate their boss in an effort to stay out of trouble until they do figure out the ropes and can swing on their own. Leadership behaviors are critical.

For example, everyday we helped the new VP lead individual and group analysis and problem solving sessions. This told everyone that critical task analyses and problem solving really were important by top management interest and active participation. This is consistent with the Symbolism discussion (pg. 145).

Top management's signals and actions were always consistent and based on the repetition of the words in our "mantra". This corresponds with the signaling, repetition and consistency discussion in the book (pg. 147)

The rewards and recognition of the example were the simply intrinsic thrill of being given the opportunity and the support to do important work well, to have an impact, and to be appreciated by peers and supervisors. Feedback always focused on the positive and our norms and values were totally reshaped to ones of accomplishment and mutual support. This is in line with the comprehensive rewards and recognition topic (pg. 154)

The T&O Systematic Organizational Problem Solving approach suggests the alignment, or congruence, between Strategy and the four organizational building blocks of Critical Tasks and Work Flows, Formal Organization Arrangements, People and Culture. (pg 58) This is a great model for explaining what we did. The focus on Culture that we took positioned the people to master their Critical Tasks within the context of verified customer based strategies and necessary vision.

What we did not cover in the example was the changes in Formal Organization that took place as evolution took place achieve better alignment.

Rather than maintaining a series of discrete sub group hand-offs from the time of order receipt, order edit, release, warehouse operations, export documentation and finally

transportation, **our people** decided it was better to reorganize the formal structure into customer teams.

This eliminated the handoffs and separate files that wasted time and compartmentalized people's thinking. They reorganized into autonomous work cells handling each customer transaction from start to finish. Prior to this it would take an average of 100 days to finally fulfill a customer order. They brought the time down to an incredible 3 days and controlled ownership of the total customer order process...no gaps or disconnects resulting in errors to be fixed later.

The T&O Process of Organizational Problem Solving (pg.57-70) is the basic Deming Plan-Do-Check-Act process. Easy to explain. Obvious in our example. Hard to do.

The T&O Rules of Thumb (pg. 75-77) are great and obvious to practitioners. The truest is number 5...**there is no simple best solution**. All change efforts are very situational.

---

**Imparato, N., O. Harari.1994. Jumping The Curve. San Francisco: Jossey-Bass Inc.**

Imparato and Harari list 13 factors that elude to the right skills and outlooks change managers need to motivate change in others (Pg. 62). Mastering a change management skill set, however, is a chicken and egg proposition....the skills required to improve the chances of change success are best acquired by leading a successful change effort that requires considerable skill! Few people are up to this risky undertaking.

The I&H Four Initiatives for Looking A Customer Ahead (pg. 112) are valuable and evidenced in my case.

- continually looking for obsolescence.....scanning for accomplishment opportunities
- bi focal vision.....master their basics, try new
- vigilant organization.....accomplishment oriented scanning
- strategic listening.....new customer problems, new opportunities

These were in evidence especially when married with the concept of having a day-in, day-out process of challenging what we do and the way we do it...ongoing and relentless.

Our description of this is that of an urgently “learning organization.” With an accomplishments regimen, people were constantly on the search for new information, alternative approaches and opportunities. The problem is in changing for the sake of change....wasting time and money in inappropriate initiatives.

This issue is one of stifling people’s initiative. There is the danger of killing some good projects when we too carefully screen for the bad ones. There is the opposite danger of accepting bad projects as we stretch to get the good ones.

To keep the ideas rolling we would rather accept a few bad ones with the good ones and position the people to recover quickly to try again....a few bad rounds in the gun are not as disastrous as no bullets at all.

The other I&H discussion presented nothing new and that was not obvious or covered better by others.

- be inclusive.....everyone participate
- human resources as a strategic activity.....my case entirely
- recognize individual differences.....yes, but we took everyone to the same high level of expectation and standards and was not surprised by the levels some individuals reached.

---

**Duncan’s Equation For Successful Change, Kellogg Class Handout**, is elegant and practical.

Dissatisfaction X Vision X Next Steps X Belief, and if > Cost to Implement = Success

Our people were personally **dissatisfied** with their work lives and their violated psychological contracts. Demonstrating customer dissatisfaction helped bolster the equation. They felt the need for change.

We provided the clear **vision** of the change necessary through the 9 Deadly Sins. The word “NO” in front of each element charged them with the necessary emotion and stretch goal outlook to think and try things outside the box. There was no misunderstanding, confusion and only the right kind of anxiety.

Practical **steps** were clearly laid out and orchestrated with the critical task analyses, issues accomplishments, problems solving, and tie in to performance reviews. There was a great deal of hard work and frustration along the way as people learned...but there was no rejection of the change effort.

The cultural change introduced firm, consistent leadership giving everyone the **belief** that change was both possible and desirable. There were some slow starters but no evidence of helplessness, withdrawal or lack of effort.

The **cost** of change was virtually nothing with resulting huge tangible benefits.

By everyone’s measure, this was a **successful change effort** that has stuck. A six month, then a 12 month post audit demonstrated motivation, adaptations and innovations continue.

---

**Greiner, L. E. “Evolution And Revolution As Organizations Grow.” Harvard Business Review. May-June. 55-68.**

Greiner’s approach is a great diagnostic model and tool for describing larger scope entities. It is a stretch to see how it applied much to our particular change management case. But it does apply to BIRG...

BIRG remains unacquired and unmerged and independent since 1845. It has gone through numerous cycles of growth and contraction.

Greiner's model assumes an evolution of **growth** as a company gets older. His revolution stages could be but are not described as contractions.

Also, it could be shown over the years that individual departments and even work units within a company could be in any one of the 5 phases while the overall company has elements of each defying a clear-cut characterization via the Greiner model.

Our case may have been a crisis of **overcontrol** by an inadequate manager. This evolved to a rebirth and growth through coordination and collaboration led by me without the burden of red tape described in the model terms.

In our example, continuous learning and adaptation should soften any future crises and evolutionary transitions.

---

**Kotter, J.P. "Leading Change: Why Transformation Efforts Fail." Harvard Business Review. March-April 1995. 59-67.**

Good article. His book, Leading Change adds more substance.

Our case fit Kotter's "Eight Steps to Transforming Your Organization"

1. Sense of urgency.....people and customers were in crisis
2. Guiding Coalition.....the new VP was in control with buy-in from other outside groups
3. Create a vision.....done through analyses and insight and the 9 Deadly Sins
4. Communicate vision.....everyday with the mantra sheet and symbolic actions
5. Empowering.....changed work environment, support and permission to achieve
6. Short term wins.....culture of accomplishments
7. Consolidation and more changes.....empowered people scanning the horizon
8. Institutionalizing.....new organizational culture for continuous improvement

Kotter's approach in describing a "not to do" list is very appropriate considering the number of change management effort failures and the need for those in charge to diagnose and explain them...perhaps his message of prevention will work for some.

## Reflection

Is there anything we would have done differently during the example change effort described...to make it better or avoid mistakes?

Not really. The effort and results were not perfect but we have become philosophical about such undertakings. We relied on our intellectual and management capacities, and strong initiative, gained through years of solid experience, and got the results we got.

We proceeded without stopping and paying for additional consultants or cogitating over the latest articles and books on the subject. But we have always read and studied. Clearly, useful tidbits of knowledge sunk in enabling us to have little fear in just marching ahead into what have always been very unpredictable and dynamic change management situations.

Too often, a preconceived, detailed plan is NOT going to work well. In fact having one could be worse as the dynamics of the real events will chew up a dogmatic planner. Roadmaps don't work well in a swamp. But compass direction and good process facilitated by smart and brave people do.

We are excited by continuing to learn the "science" of what we already do intuitively. We intend to write a book and codify the process. Once well-documented and explained in the context of examples like the one you just read, it will be a good compass to us and others when the bullets start to fly as we help others tackle the next "transformation."