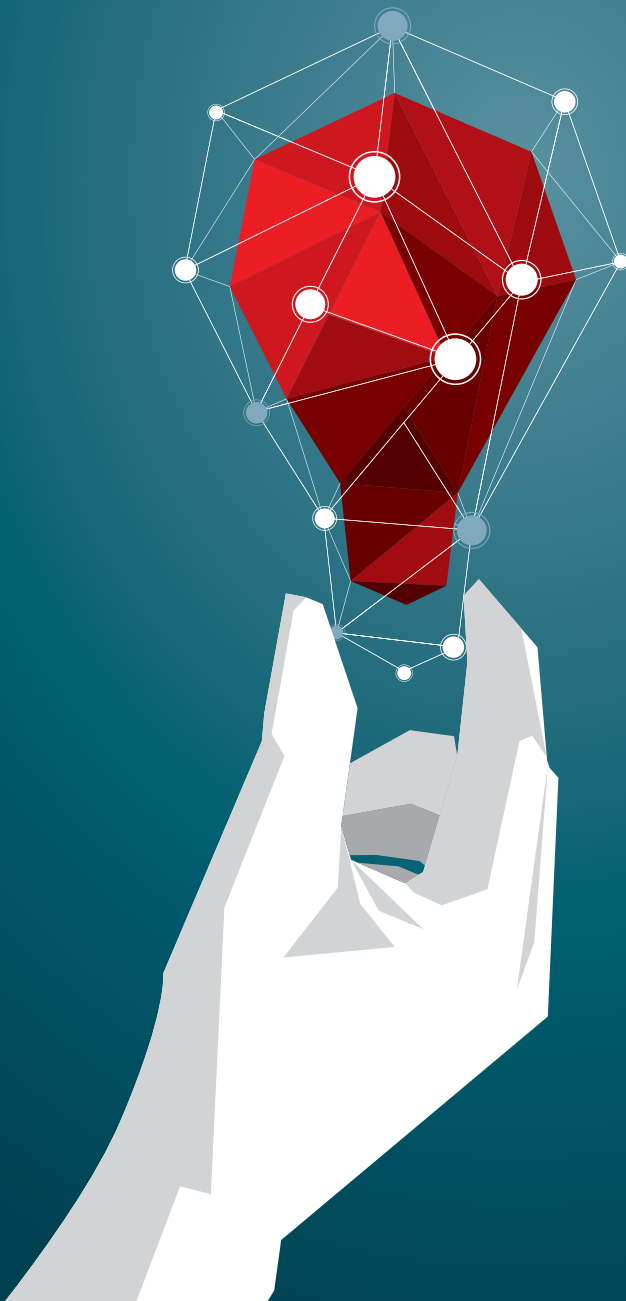


# Speed of transformation: implementing change

The authors highlight the core issues facing organisations today when implementing strategic change. They assert speed and precision in implementation is the core competence which will differentiate organisations. This applies to all sectors. Organisations can quickly, scan, record, analyse and learn from the threats and opportunities in the environment, and transform and implement specific changes faster will have the decisive edge over their competitors. By Philip Atkinson and Robert Mackenzie.



## Trending: The threats to organisations

### Customer and Consumer Expectations

- Customers are well educated, fickle and demanding
- Quality demands rise, and costs of delivery must fall
- Consumers aware of, and reluctant to pay, the costs of failure in service delivery
- Norms on service delivery are error free and lowest cost services
- Strict adherence to quality standards

### Stakeholder Partnership

- Stakeholders have high expectations to be included
- Partnering between customers or consumers and suppliers is the rule rather than the exception
- Structured benchmarking of suppliers

### Competition

- Barriers to entry to many markets are falling and are more related to service delivery
- Intense competition from low cost economies
- Globalisation leading the perfect data, information and knowledge about market players and trends

### Technological Change

- Investment in web enabled technology to deliver error free service
- Shorter product life cycles for innovators – barriers to entry lowered
- New products and faster development cycles

### Competitive advantage is no accident

Organisations cannot afford to stand still. Either an organisation is scanning and analysing the threats and opportunities in the business environment, learning lessons, instituting and shaping complex change strategies, or it is standing still waiting for things to happen. Too many organisations occupy the latter category and are inactive or patiently waiting for the environment to change to fit their needs, rather than adapting to the complexity in which they find themselves. Two key themes are critical in business transformation – speed and precision in implementing change. This is now a major factor in adding value to customers.

Customers, consumers and end-users are also continually demanding precision and error free service to be delivered within shorter time frames. They want their specific needs to be met precisely. From the consumer point of view, speed and precision go together very nicely. Consider, how well does your organisation deal with the demands of the customer, consumers and end-users?

### Age of agility and responsiveness

Our research in many sectors of the economy tells us that customer decline can occur very quickly. In the private sector, market share is what dominates strategies to commit to customer acquisition, retention, growth and profit. In the public sector, we find that effective organisations focus on adding value to the consumer, with excellent service delivery and positive and favourable reputational image and identity

Yet at the same time, we have recognised that only those organisations which display the characteristics of being agile, fast, flexible, responsive and totally customer focused who speedily implemented needed change will survive to meet the economic challenge of the future.

### Neither transformation nor survival is compulsory

All industrial sectors have moved to a stage in business development where poor service is totally unacceptable and only the truly customer facing business will survive. Still many organisations seem not to understand that service quality is still the biggest issue impacting upon their future – 100% product quality is a good start – but it's not enough.

### Precision and accuracy in service delivery

The demanding customer, consumer and citizen of today wants the service they receive right first time, and delivered when they want it, not when the supplier deems convenient. This means that organisations will have to become much more agile and develop new innovative strategies to equip them with Lean strategies to service the demanding customer. This will soon become the norm, as more and customers expect faster cycle times and reduced lead time from order to delivery.

It is now common practice to expect to see and hear of new partnerships being forged between suppliers and customers completely focused upon 'time based criteria'. The result is partnerships reflected in long term commitments to transact business usually characterised by preferred supplier status being granted to those who can meet demanding criteria.

### The public sector and time based criteria

Things are changing here. Politicians and public sector specialists recognise that there are many gains that must be achieved in all service sectors, and 'value for money', best value' and 'customer

Two key themes are critical in business transformation – speed and precision in implementing change.

#### Definition: Change should be precise

- Focused on outcomes
- Unambiguous – no confusion in directions, outcomes and vision
- Accurate, definite, focused
- Concentrate on specific processes and behaviours
- Demonstrate cause-effect results
- Shared and owned by those who have to implement it

**GE effective change equation**

$Q \times A = E$

Q = qualitative/technical solution

A = acceptance and engagement

E = overall effectiveness

**Definition: Rapid improvement and speedy implementation**

- Have a purpose, an outcome and be measurable
- Harness energy to communicate shared outcomes
- Vision and energy aligned to taking action rather than 'procrastinating'
- Follow a flexible, rigorous and tested implementation plan
- Learn, and change if things go wrong
- Focus on making change stick

or consumer responsiveness' are core criteria by which large scale public organisations are being assessed.

**Transformational change**

So what does this mean for the average organisation in any sector? Things don't stand still – so expect more change coming at a faster rate. For those senior staff in organisations who welcome change as the norm, this will provide the incentive to develop a very strong and enduring competitive advantage. For those who have not yet started on the journey, consider what action senior staff can commit to, to equip their business with a culture based on 'rapid response'. The secret to rapid customer response is continuous improvement based upon speedy implementation.

**Corporate leadership**

Organisations that have learnt this secret have prospered well. General Electric, a leading US conglomerate, has for a long time pursued their own innovative culture of continuous improvement of work-out – that is, working out the waste and implementing new changes by listening to those who man key functions, who in turn re-design and implement the required changes.

Here there is a fundamental shift in emphasis, away from believing that managers have all the knowledge to an empowering belief where focus is directed toward the 'owners' of the process working that process every day. In General Electric, work-out as a process of continuous change permeates every single part of the business and has been innovated on by developing the change acceleration process. GE recognises that by focusing upon the process where change is implemented 100% effectively, this can become a very powerful competitive differentiator. The core benefit behind this approach is that if you are learning faster and implementing necessary changes faster than your key competitors – rationality tells us you'll soon capture market share from those who are too slow or lazy to make the effort to keep up with the same state of implementation.

By pursuing this approach, there is a very strong likelihood that they become a dominant player renowned for customer responsiveness and thereby creating their competitive edge. This is the ultimate advantage in service excellence, which leads to capturing additional market share with a vision of always being either number one or two in all the industries in which GE operates.

**Accelerated change and your business**

If today you are not improving all the processes that support your business, or equipping your staff with the skills to perform beyond their potential and you have failed to lead this process with passion and conviction, it is a good bet that your competitors will soon be closing in on you.

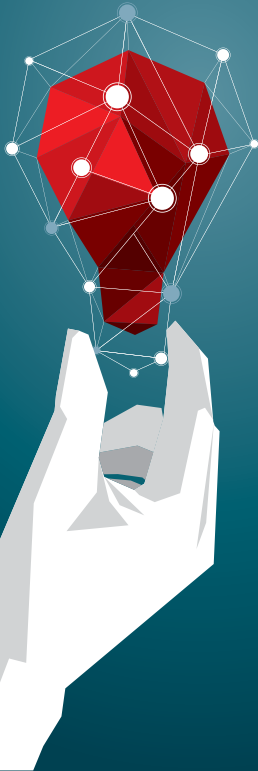
If you are in the public sector, then failing to improve

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The demanding customer, consumer and citizen of today wants the service they receive right first time, and delivered when they want it.

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Politicians and public sector specialists recognise that there are many gains that must be achieved in all service sectors.



performance will lead to less investment in your services and questions from regulators, consumers, user groups and the media.

### Effective changes require balance: Precision and speed of implementation

Speeding up implementation is only half the story – you have to know where to apply the changes you want to best effect. Imagine the impact on your business of being able to offer error free service faster than the competition. You have to have the specific details of how this can be achieved. A generalised campaign will do little apart from consume resources and confuse your people. Yet how often do we see change programmes introduced with no more than generalised intent, with confused and ambiguous goals and outcomes?

If you could improve just three things to enhance your customer responsiveness, what would they be? What is stopping you?

The answer is related to gathering evidence, analysing data and trends, assessing options and alternatives, modelling or benchmarking 'best in class' and deciding what precise action will lead to improvement. You can 'motivate the hell out of others' but if you have imprecise goals, cloudy outcomes and a vague and unambitious vision, you will not do well.

### Shaping a strong compelling vision requires precision

The key to effective change is simple. Decide on precisely what

outcome you want to achieve, test that your implementation plan is robust, analyse for potential failure, and focus on precise behaviours when implementing change. Here we need to focus upon those who manage others as being the instruments for driving change. It's not just having a plan in place, but having the ability to execute that plan.

### Top-down change

This is even more important when we discuss the behaviours of the top team to ensure that the strategic imperatives for the business are lived in their actions. They lead and challenge the process of change. Who else can build and articulate a vision for the organisation? Responsibility and ownership resides at this level, and when achieved should align within all tiers of management committing to a change process that is speedy, proficient and precise in achieving outcomes.

From what has been stated so far you may gather that we are embarking upon a journey to focus upon shifting the fabric, the culture and behaviour of key people in the organisation to a positioning of the business for transformational change.

### Vision and transformation

Any significant change must start with a strong vision of what you can achieve, but vision alone will not generate the results you desire. Just wanting to become a thriving responsive organisation will not be enough. You need to take action and monitor results; find out specifically what 'is' and 'is not' working and then be flexible enough to apply new techniques and strategies. Vision by itself is insufficient. You need a structure or framework for implementing change with precision. As part of developing a model for change it is important to consider focusing upon those variables where change is most likely to happen. So this means finding out what 'hinders' and 'helps' change.

### Remove what inhibits change first

You also need to understand the negative elements of the existing organisation and what holds it back from rising to the new vision. Force field analysis is often used to simply identify the key factors which 'inhibit' and which 'help' change. Think of a time when you imagined change would work. You probably assumed that resistance would decline and acceptance would quickly follow, yet the opposite occurred.

What happened was that it was too easy to focus upon the positive factors, those that drive, support and help change, rather than those that inhibit change.

But, the 'helping' factors can actually increase the intensity of the factors which inhibit change. In many circumstances, people became more stubborn than expected and resistance to the changes intensified.

Instead of focusing entirely upon strengthening the 'helping' factors we believe you should rather focus almost entirely, at first, on diminishing the impact of the 'hindering' factors.

### Vision, focus and precision

We believe fundamentally that there are three key forces within any organisation which determine the degree to which of change is implemented effectively. The most important is the vision and focus of the change. You get what you focus on. If your focus is specific you will achieve your goal or outcome. If your focus or path is vague and rambling, then any route will get you to your

destination, eventually. (For vision to KPI's model contact authors.)

Energy and passion for change is the force or 'energy' displayed by staff. Change will never take place without a solid wall of 'energy' which permeates the culture of an organisation. A dispassionate, lacklustre, low energy leadership team will generate the negative results. A firm commitment to drive and challenge the old ways, and replace them with something rigorous, innovative and vibrant, lies in the inherent energy inherent within the hearts and minds of the people and the organisation, and it is up to the leadership team to add that spark to ignite it. To transform an organisation requires an enormous amount of energy which is overpowering and requires strong vision, direction and focus.

The third factor is alignment. You need to align all resources and people behind the focus and energy to kick start the organisation into transforming itself. Without ownership at the top, it will not happen.

### Slow and sleepy bureaucratic organisations

Large, bureaucratic structures emit a trickle of energy which depicts their poor capacity to act. Energy is reflected in the enthusiasm of the people who drive the culture. If you end up with a slow moving organisation, it is probably managed by equally slow leaders with little energy, passion and motivation.

### Shaping a compelling vision: Critical steps

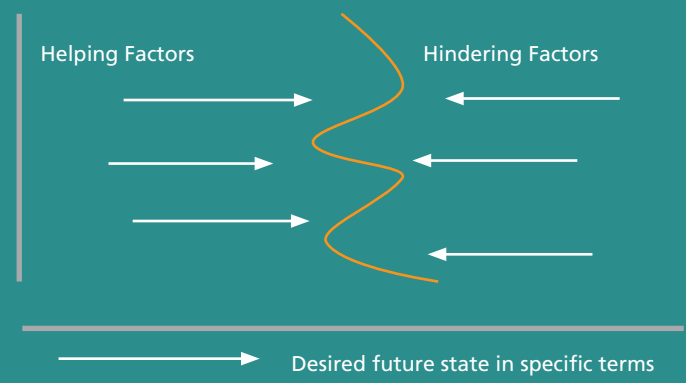
It is important that focus and energy are aligned and that the direction in which change is driven is clearly articulated. In too many change initiatives, the goals of transformational change are ambiguous and not clearly communicated. Investing time and energy into making the process of continuous improvement tangible and concrete is time well spent. Below are ten factors which highlight the degree to which cultural change goals should be focused.

**1. Precise outcomes** – effective speedy change is based upon there being a shared 'desire' among the key players in the process and this should demonstrate that they really want and value the end state or outcome. Managers who articulate the desired outcomes should be enthusiastic and express their personal commitment to the transformational change with passion. A 'damp squib' is of little value. If the goal of transformational change is not compelling or is vague in its description, then it is highly unlikely that it will be achieved. If the goal and desired outcome is vibrant, bright, easy to understand and represents the feelings of the organisation, then it will be understood by those that receive the message. Equally, managers should demonstrate a real commitment to the process whereby change is driven.

**2. Ability to achieve outcome** – managers have to truly believe that the company and staff have the ability to achieve the desired outcome. It has to be realistic and fit within certain constraints. However, this sometimes can create difficulties because managers fail to focus upon challenging goals – to stretch themselves beyond their corporate comfort zone. Individual ambition and self-confidence on behalf of managers often create self-limiting beliefs which constrain choice, challenge and creativity.

**3. Transformational change goals and outcomes** – must be recorded in simple to understand language. "We focus on

### Boxed Inset Force Field Analysis



retaining 97% of our core customers". These very simple goals are visual and can be easily understood by anyone in the organisation. The more specific the better – defined in precise terms.

**4. Organisational benefits** – define now how you will benefit from achieving the transformational or behavioural outcome. Focus upon exploring and communicating the benefits of the change to everybody. This is a key area for improvement in most organisations. Getting senior staff to articulate the short and long term benefits of the corporate change from the organisation, shareholder, customer and the staff perspective is central if people are to understand why the needed changes are being pursued. The more benefits that managers can articulate and communicate to key constituents, the better. If you can only find one or two benefits which accrue to business and shareholders it is unlikely that staff will buy into the process with enthusiasm.

**5. Readiness for change** – how long it will take you to achieve a goal or outcome is dependent upon where you are currently in terms of transformational change. Managing the gap becomes easier if there is a clear understanding of the steps which have to be taken. If you are a long way from achieving your goal or outcome, then you need to break down transitions into discrete steps which become sub goals or outcomes – their achievement becomes the foundation for incremental change.

**6. Deadline date** – set a deadline for the completion of the projects or sub projects and review these constantly. Adopt a critical attitude and understand now whether you are getting closer or further away from your goal. You will need measures to assess progress. Ensure your goals are tangible and quantifiable.

**7. Opinion formers** – identify the key barriers to achieving your goal and the key players in the organisation who can help you – either to facilitate change or open doors. Ask yourself, who are the opinion formers' and align with them with the purpose of winning their support.

**8. Power and influence** – what knowledge will you need to help yourself and others achieve your transformational goal or outcomes? Who is important in the power stakes, and how reliable and resilient are they to support you and your team?

METHODS TO SUSTAINING CHANGE	
Methods	Key Activities
<b>Leadership</b>	<ul style="list-style-type: none"> <li>Lead by example</li> <li>make the change team core leaders</li> <li>develop a model of leadership focused on change</li> </ul>
<b>Commitment</b>	<ul style="list-style-type: none"> <li>Be visible and support all activities</li> <li>take action first</li> <li>visibly commit top team players to present their support</li> </ul>
<b>Passion and enthusiasm</b>	<ul style="list-style-type: none"> <li>Energise self before energising others</li> <li>use every opportunity to talk about the change</li> <li>Give motivational talks</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>You cannot over communicate</li> <li>communication is what is 'received' not what is sent</li> <li>Seek feedback on what people have received</li> </ul>
<b>Early successes</b>	<ul style="list-style-type: none"> <li>Document and present success stories</li> <li>Spread best practice to all corners of the organisation</li> <li>Identify behaviours that lead to success and promote them</li> </ul>
<b>Lessons learned</b>	<ul style="list-style-type: none"> <li>Be open about failures</li> <li>Demonstrate how learning improved the culture</li> <li>Create new training opportunities to reinforce the new culture</li> </ul>
<b>Recognition and reinforcement</b>	<ul style="list-style-type: none"> <li>Consistently reward desired behaviours</li> <li>Always recognise effort expended</li> <li>Create performance improvement linked to change implementation</li> </ul>
<b>Teamwork</b>	<ul style="list-style-type: none"> <li>Encourage people to work cross functionally –most problems reside in processes between functions</li> <li>Use 'change' for team building</li> <li>Promote advancement based upon team skills</li> </ul>
<b>Resource allocation</b>	<ul style="list-style-type: none"> <li>Invest in areas where change is delivered</li> <li>Let budgets follow effort and energy</li> <li>Demonstrate that everyone is expected to achieve more</li> </ul>
<b>Quantifying progress</b>	<ul style="list-style-type: none"> <li>Establish cause-effect relationships especially between a change in culture leading to business results</li> <li>Develop metrics and feedback listen to what people think and feel about the change</li> </ul>

## Summary

Starting with the end in mind is central to transformational change. This requires a major investment in planning, focusing, and influencing on specific changes to transform the organisation. The transformation needs to be about building an agile, flexible and simple culture that can endure difficult times, and know exactly where it is going and how it can map and record progress. The organisation needs to be steered with precise outcomes, and review data that informs whether it is nearer or further away from its outcomes.

Business transformation is about investing in developing a culture of prevention, anticipating the worst, and taking action to mitigate any risk. This means rejecting the firefighting culture which creates enormous rework costs and fuels functional conflict and dysfunctional behaviour.

Investing in creating a strong and tangible vision is vital to engendering the teamwork necessary to make change stick. Transformation requires people to be prepared to work together in cross functional teams, where win-win is the only outcome. To commit diverse functional groups to a common goal requires a firm and solid view or vision of where the business is going.

Focus upon diminishing the power and intensity of the negative elements and devise innovative strategies to deal with the major factors which hinder change.

Understand that you get what you focus on. If the goal or desired outcome uniting core team members in changing the culture is loose and colourless, with little substance, then the outcome is not as motivational as it could be.

The vision of transformational change must be tangible, measurable and stretching. Focusing upon harnessing the energy of the business and directing it towards a 'desired' end state is the first stage in transformational change which people can see, hear, feel, believe and personally commit.

## About the Authors

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9. Clear vision of outcomes – have a clear image of achieving your outcome. Describe how things will change and the core characteristics of this change. Imagine what customers will see – what will be different – what will others say, and what attitude will they portray, reflecting the changes and how will they feel about the changes?

10. Implementation plan – win the support of others to write a detailed action plan reflecting roles, responsibilities and ownership. Too many implementation plans remain within the heads of senior managers or the implementation team. When writing about achieving the outcomes, write about them as a certainty.