Change Management: Approach, Strategy, and Making Change Happen (VISION)

Introduction

Researchers find that change programs fail to achieve their goals anywhere from 67% of the time to as high as 80% of the time. These statistics make executives consider the risk of change as soon as they think of change. Yet, these statistics focused on failure leave out an important fact. Successful change programs frequently significantly exceed the expectations of those championing them. They can make laggard organizations into front runners,

Given the necessity of change and the rewards of a successful change management program, many prescriptions have emerged. Some practitioners believe in carving the change program into small pieces and then celebrating every small success. Others believe in constant communication of the benefits, frequently bringing in current executives, former leaders, respected line managers and workers, and so forth to preach the new gospel. Others focus on the rewards for meeting stretch goals and incentives more generally. Still others focus on cultivating opinion leaders and disabling change resistors. All of these tactics improve the odds, but none reverses them. They do not get to the core of change.

VISION focuses on the essence of change. All change in organizations—even IT change--means a change in the **relationships** among senior executives, managers, staff, vendors, users, and external customers. Unless a change program focuses on helping people change their relationships, managers and staff will unconsciously resist the change by maintaining their old useful relationships in the name of friendship, collegiality, decency, and just simply knowing how to get work done. "I call Bob when I really need X." VISION's approach to change management focuses on how these relationships must change with any new change in system, process, strategy, or operations. We work with the key components of productive relationships, develop a comprehensive understanding of the before and after situations, and work in six domains to achieve successful change. Finally, we make **enthusiastic adoption** of—not **dogged implementation of**—the change into the top commitment of the Change Program Leader.

When VISION co-leads a change initiative with a client, initiatives succeed 80% of the time. When VISION plays purely a coaching role, initiatives succeed at least 60% of the time. We hold the key to the essence of change.

Approach

Our change management programs focus on changing relationships by making explicit--and then changing--the network of **recurrent commitments** that constitutes the organization. Inside any organization, managers and staff engage in tasks either explicitly or implicitly to satisfy requests of internal or external customers—the people who request evaluate (and pay for) the work. A productive organization fosters the coordination of those recurrent commitments. But for most managers, these implicit and sometimes even the explicit commitments are invisible. Managers are trained to think in terms of their functional specialization's deliverables and therefore orient themselves to inputs, processes, and outputs. When a special situation arises, capable managers instinctively know who they should ask to take care of the matter. (It is the person who recurrently promises to take care of these matters.) But mostly, managers do not think in terms of recurrent promises or commitments and so ignore the network and the quality of commitments that drives work across functions in their organizations. At VISION, we work with teams inside the organization to map the current structure of commitments and to design a new network of commitments. With almost any change, the central commitment of the organization to its most important stakeholders will change at least a little. Managers and staff will have to make new commitments and adopt some new practices to realize these new commitments. Our teams capture this change and follow through all its consequences for relationships, processes, and tools.(In figures 2 and 3 below, we will provide some examples of commitment maps.)

On the basis of this remapping, we run a change program that covers the following six domains:

1. Develop Strategic Understanding

We help the internal strategy team build a case for the change that has value and appeal for all the functions affected. Generally, we find that different benefits appeal to different internal units. Few change initiatives work where one benefit is expected to motivate all constituencies. The business case is built in collaboration with all constituencies whose key commitments will change.

2. Simplify Operational Processes

By mapping the organization's current network of commitments and redesigning the network in accordance with the sought-after change, we find numerous ways to simplify processes: by simplifying, aligning, and clarifying commitments; providing the opportunities to change commitments; or getting help in fulfilling them; and creating feedback loops. Frequently, such simplification eliminates many low value tasks (such as compliance checking, senior sign-offs, and Quality Assurance review meetings) and simplifies and re-orients many roles around the core promise they deliver. These simplifications most importantly show managers and staff why the change makes sense for them. When a change *program fails to increase simplicity of vision, goals, and tasks, it is very likely to fail.*

3. Lead Personal Change

In all change programs, we coach managers and staff to identify the commitments that they are making, to take ownership of those commitments, to request help from others as needed, and to work collaboratively with others to whom they have made promises (performers) and others for whom they must fulfill promises (customers). By making their commitments explicit and negotiating them as needed, managers and workers creatively design their work. They treat each other as creative adults, not as order takers and task performers. In virtually all organizations, that is a profound personal change. It makes the new process and new relationships invigorating. People frequently report that a commitment-based change process reminds them of why they chose their careers to begin with. Like process simplification, coaching people to manage their commitments impeccably, creates a specifically personal motivation for the change program

4. Develop an Inspiring Proposition for the Primary Stakeholder

Change programs focused only on internal or financial benefits seldom inspire enthusiasm. They become burdensome, hard slogs that tend to overrun their schedules or budgets. "We're doing it because the regulator is forcing us to." To overcome this tendency, we stretch the basic value-creating promise of the change program to ensure that the external customers or other main stakeholder finds the change truly inspiring. The external customer or main stakeholder should say "WOW!" If the change seems relatively small, its connection to the promise that does delight the customer or stakeholder needs to made clearly In all cases, the change is packaged to drive the main stakeholder to prefer this organization over that offered by other providers. Developing a proposition that creates a "WOW!" is only the first half. On the basis of that delight, the change leader negotiates commendations and other recognitions which the main stakeholder will make as the change gets made and when it is complete. Many change leaders mistakenly think that they should unveil the change to the main stakeholder or customer once it is complete. This showmanship generally degrades the change, which can be made even better by keeping the stakeholder informed and receiving acknowledgements from the stakeholder to boost morale of the change team.

5. Mobilise in Bite-sized Pieces

Much of the art of mobilizing change means finding bite-sized goals that can inspire individual teams to act with entrepreneurial enthusiasm and to overcome setbacks rather than to fall into resignation as they struggle to implement the change. These bite-sized goals also have to be large enough that the key stakeholders will notice the change and celebrate it.

For example, in implementing a new system at a commercial bank, the CEO defined the stretch goal as moving from a two-week to a 24-hour duration for loan approval. *Mobilizers* worked with a select

bank team in a series of iterations. At the end of each iteration, the CEO congratulated the team. At first, the team worked with loans of a certain size and promised approval within 3 days. After they showed that they could do that, the team worked to refine the practices and promised approval for a larger group of loans in 2 days. Finally, with two more iterations, they reduced all loan approvals down to 24 hours. In the process, they built new relationships with the sales and back office teams and repeatedly simplified the approval process. They also discovered that, as they made faster decisions, the sales team could sell larger loans to higher quality customers, thus make approving the loans easier and thereby creating a virtuous circle.

Many traditional change managers look at these iterations as delays. In contrast, we find that the lessons learned with the iterative approach increases overall speed and brings programs in *ahead* of schedule.

6. Implement Management Indicators, Standard Operating Procedures, Technology

Many systems changes simply seek efficiency through standardization. While standardization is important for scalability, systems retirement, effective support, and so forth, it seldom motivates change. Standardization, however, can generally provide new levels of management clarity both after-the-fact for auditors and before-the-fact for managers. We work with managers to provide them with the new leading indicators of effectiveness for the new networks of commitments they manage. Giving managers a better view of their business's new, simpler processes adds additional motivation for change program success.

How do these six domains of work fit together with mapping and redesigning the network of an organization's commitments? The change strategy brings together the commitment map and redesign within the six domains.

Change Strategy: Putting Elements of change into a Picture

The core of the change strategy comes down to:

1. Building a broad understanding of the current network of commitments, particularly the central commitment that the organisation is fulfilling and the alignment and quality of subordinate commitments.

2. Working with critical teams to design an ambitious, compelling, new central commitment to the main client community and redesigning subordinate commitments of each of the relevant units so that everyone can see their part in the big change and what they need to do to make the change stick.

3. Simplifying processes within the new network of commitments in advance of the full systems and process change and giving managers and staff the chance to experiment with the new simplified commitments.

4. Implementing the new technology and measures

Mapping the current network of commitments

We use a simple structure to help client teams identify implicit or hidden commitments and to determine their alignment and quality. For each commitment (and related set of tasks), there is an internal or external customer who is making a recurrent request, either explicitly or implicitly. To illustrate with a government organization, the Secretary of the Department of Homeland Security has to fulfill the President's request to "prevent terrorist attack and illegal entry into the USA." In response to this request, the Secretary negotiates either directly or through intermediaries for a budget and organization to fulfill the request. Then, once agreement is reached, the Secretary promises that the President's request will be fulfilled. Fulfilling the promise occurs within the basic commitment conversation. When contingencies arise, the agency head has to go back to the Executive Congress to report on fulfillment of the promise and ask for clarifications, alterations, or make additional requests or counter-offers in order to continue to fulfill. On the basis of such reports, oversight agencies will declare whether the work is successfully meeting the conditions of satisfaction of the promise. See Figure 1 for the general structure of any commitment. We show the four phases of commitment—Preparation, Negotiation, Performance, and Acknowledgement—and list the basic speech acts that customers and performers can make in each.
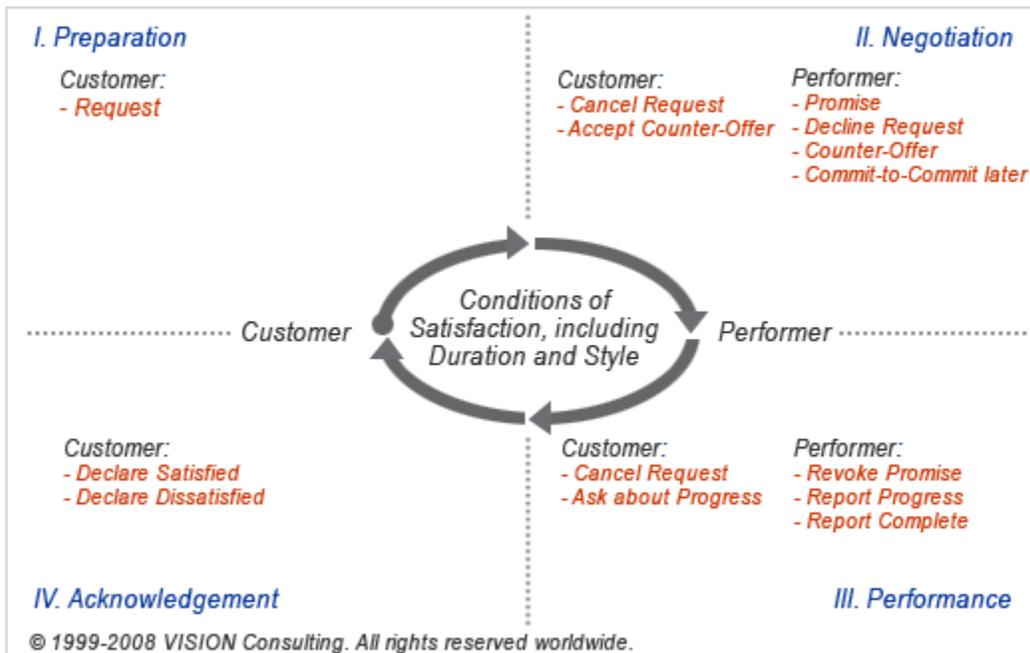
I. Preparation

Customer:
- Request

II. Negotiation

Customer:
- Cancel Request
- Accept Counter-Offer

Performer:
- Promise
- Decline Request
- Counter-Offer
- Commit-to-Commit later

Customer ·········· Conditions of Satisfaction, including Duration and Style ·········· Performer

Customer:
- Declare Satisfied
- Declare Dissatisfied

Customer:
- Cancel Request
- Ask about Progress

Performer:
- Revoke Promise
- Report Progress
- Report Complete

IV. Acknowledgement

III. Performance

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Figure 1

In order to map the network of critical relationships, we link loops together with the central promise made by the organization head to the key stakeholder in the center of the map. Then we identify the top (ten to twelve) commitments the head needs from others in the organization to fulfill his promise. We then map the promises of the leaders who report to the head. Ultimately, we map as deep into the organization as necessary to identify commitments that will need coaching in order to change. (Once change covers half the top-down layers of an organization, it usually becomes self-sustaining without direct coaching; good customers create good performers.)

This mapping of current commitments, which takes place in collaboration with teams within the organization, frequently shows that the commitments people actually make to each other add up to outcomes that are significantly less effective and competitive than those the leaders of the organization seek. Two examples illustrate this point.

1. In the government world, a Passport Agency promised to accelerate its processing of passport applications in order to facilitate commerce. It did so by eliminating the task of confirming citizenship. But the new network of promises did not add up to facilitating trade. The new promises caused problems with all agencies—many of them linked to commerce—that accepted the passport as proof of citizenship. Expediting work in one silo frequently increases the work in all the other silos.

2. Likewise, in the commercial world, a bank's retail unit head promised the CEO to "open client accounts quickly with a minimum of hassle for the customer." But on examination, the individual commitments made to the head added up to "process forms fast." Since each area looked to get through its part of the work quickly, unit members became compliance checkers who sent back forms that did not meet SLA conditions. Consequently, they were able to demonstrate high performance within their silos, even in the face of strong customer complaint. "Process forms fast" as a commitment does not add up to minimizing the customer's hassle and satisfying the customer quickly.

While it is fairly easy to see how individual unit promises can fall out of alignment with each other and thereby degrade the overall promise, reorganizing around a new more valuable central promise is the objective of change management. To see how this is done, we look at a large manufacturing company serving public and private utilities. To start, the commitments made to the head of sales and marketing added up to: "Complete proposals on time." The map (Figure 2) below shows an idealized version of the initial process of this manufacturing company. The question marks indicate missing roles or missing responsibilities within a role. The commitment map shows that the relationships people had with each other were for *manufacturing* standard proposals, nothing more: screen the RFP, set the clock going, "build" the proposal, get it out the door.
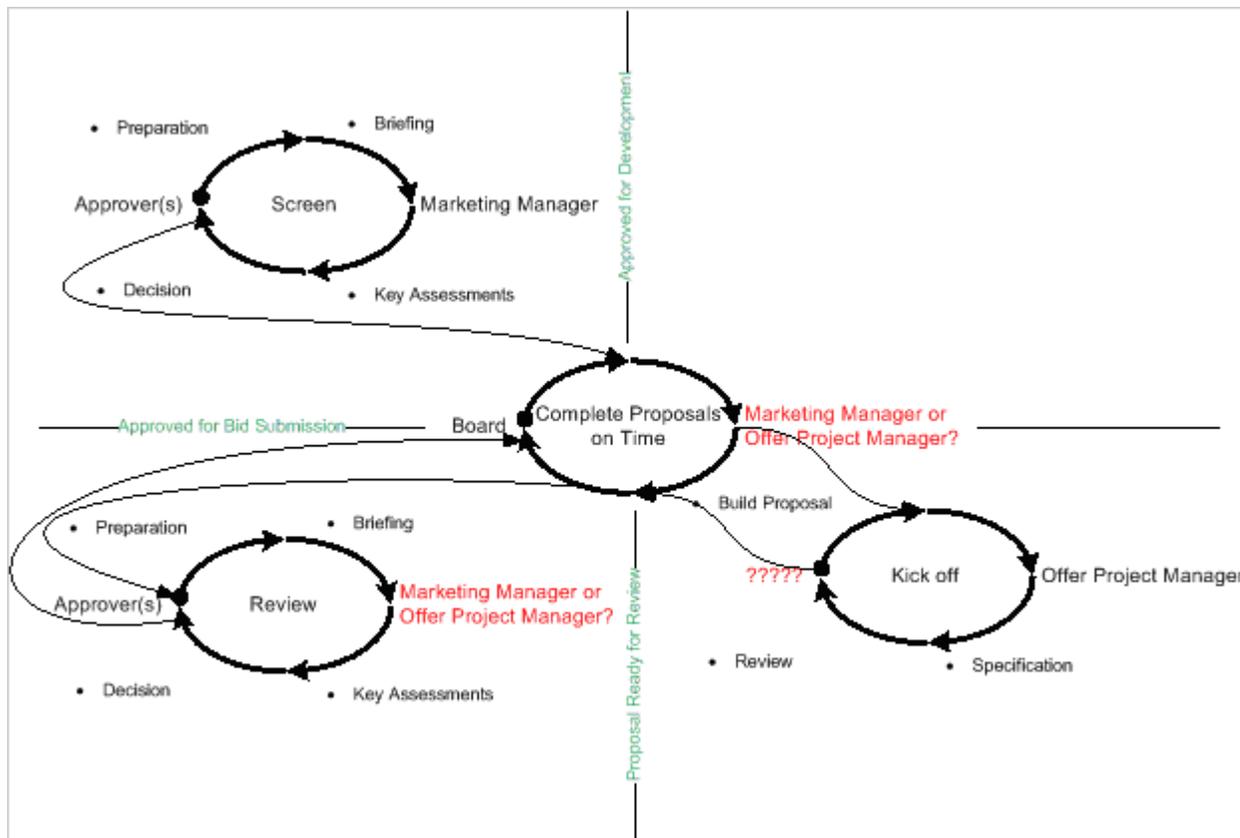

Figure 2

Since the manufacturing company wanted to transform itself into a solution provider, its relationships had to add up to a new commitment of greater care for and understanding of the customer. After numerous workshops in which the sales team discussed recent sales where their customers feel truly taken care of, they determined that they should change the central promise from "Complete proposals on time" to "Acquire customers." That dramatic shift required a number of new and refined subordinate commitments. Sales team members became customer advocates promising to learn deeply about customer concerns and to advocate for them within the manufacturing company. The advocates' understanding of customers, their green and other concerns, enabled advocates to create newly established strategy teams which drew on manufacturing, procurement, and project management to create an agreed customized strategy to win the bid. To convene such meetings, the marketing and sales head created the role of resource manager. Likewise, the marketing manager convened a board that ensured no bid would go out unless its strategy gave it a good chance of winning. That second practice made the strategy teams' development practice more pronounced and prestigious.

The transformed commitment design appears as Figure 3. Sales closure rates improved significantly. The biggest effect, however, came from process simplification that arose with clearer, better-aligned roles and clearer conditions of satisfaction. Under the old process, the winning proposal dismissed by the manufacturing, procurement, and project management teams who then fought with each other to agree on a genuinely final plan which inevitably ate up the margin. Under the new design, the company's margin became the highest in an industry that had formerly been dominated by GE
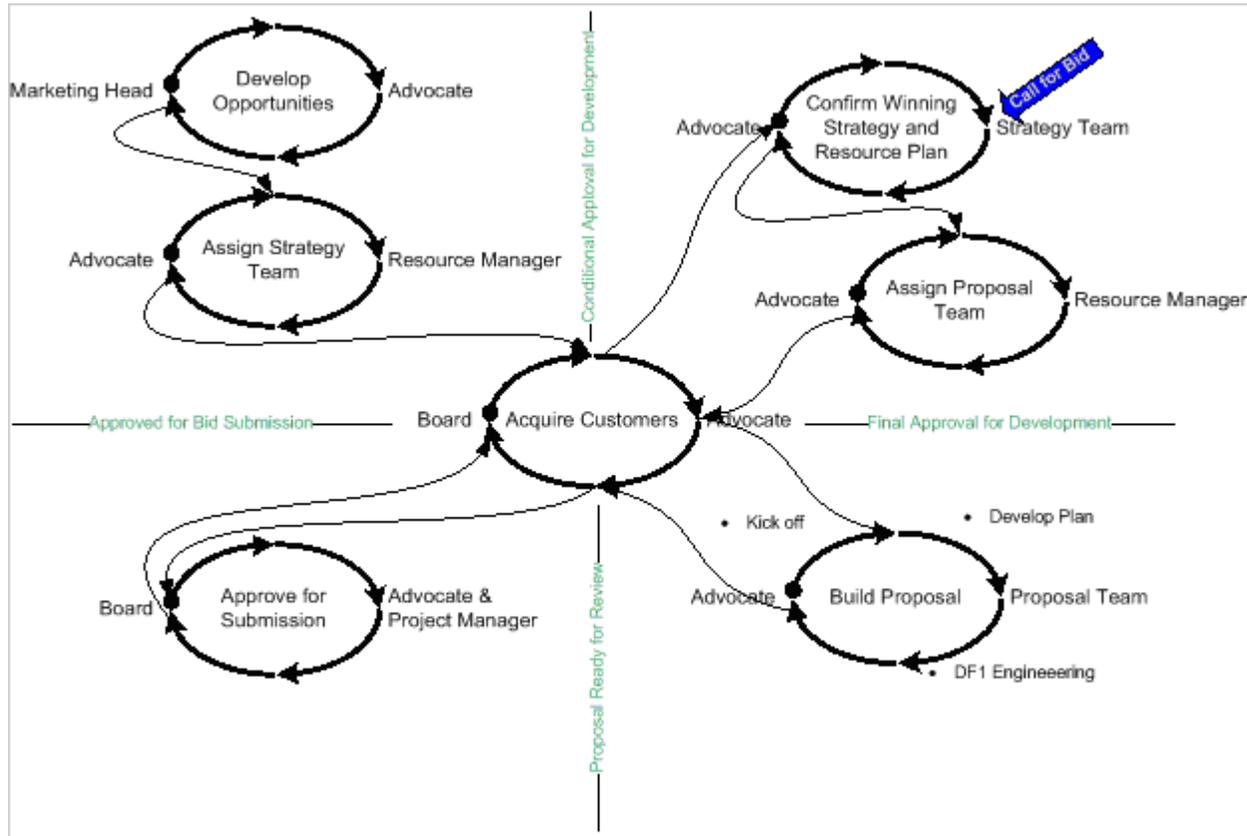

Figure 3

This new map became the basis for the work in each of the six domains of change. The new central promise itself becomes the basis of the proposition that delights the primary customer or stakeholder. The subordinate promises critical for fulfillment of the main promise have benefits for each of the unit heads who make them. But the work of filling out the main and multiple benefits does not get completed before starting the implementation of some of the new practices. With the manufacturer in our example, early stage implementation started in sales, procurement, R&D, engineering, manufacturing, and project management, where processes were simplified as new roles and aligned promises allowed people to feel the power of making and keeping promises. Successes with those efforts led to more precise estimates of benefits and enabled the change program managers to cut the project into bite-sized chunks and develop a series of simple tools for instituting the change. For instance, they developed a "blue book" that included all the commitment maps, descriptions of the new meetings and roles, sample agendas, hints on how to understand customer concerns throughout the process, and standard times for fulfilling promises. Tracking promise fulfillment became one of the simple key measures.

In summary, a new design is built from the new central promise and in collaboration with the units affected. The new design looks to the end state and makes sure all the separate commitments add up. It

redefines roles, creates new roles, and removes tasks that simply check for compliance without adding value. It announces its benefits and creates a new, more creative way of working.

Making change happen requires more than just good mapping and going through the six domains. There has to be a change leader dedicated to driving enthusiastic adoption of the change. In the next section, "Making Change Happen," we look at the constitution and promise of the promises of the change team.

Making Change Happen: The Change Team

Our experience shows that a successful commitment-based approach to making change happen has four main components. 1) A constitutional promise made by the change leader with aligned supporting promises of the subordinate change agents, 2) A plan that puts all the iterative bite-sized implementations *in an order* with negotiated acknowledgement from the customer for the success of each, 3) a mobilization team of commitment-based coaches and designers who drive the personal changes within each unit, and 4) a subject matter expert leader whose team of subject matter experts can bridge the skill and knowledge gaps that appear during the change.

Constitutional Promise

The change leader makes a constitutional promise for what really matters to the head of the changing organization. Many change programs lose steam right at the start when the change leader merely promises to implement the new systems or processes within a certain time and budget. Frequently, business leaders and change agents tranquilize themselves into thinking that getting the new processes or systems up and running is really all that the change program is about. *It never is.* A genuine change program requires a leader who promises that the new strategy, processes, and systems will be *enthusiastically adopted* and will achieve an outcome *enthusiastically supported* by key stakeholders, both on time and budget.

When the change leader understands that *enthusiastic adoption* is the main goal, the change leader adopts the following creed: 1) Start small; use a small team and lightweight tools to prove the value of the change; 2) Design and build in many dimensions at once; and 3) Mobilize iteratively, absorbing and disseminating lessons throughout the process.

Experience shows that the change leader needs to have at least three direct performers who make key supporting commitments to the leader. Each subordinate will be in charge of one of the remaining components of Making Change Happen. In the best cases, the change team consists of a combination of some outside change agents working with a cross-divisional team from within the organization. Since a siloed hierarchy cannot be expected to apply pressure to keep people from different units working well together, well-defined roles and good promises are the key.

Design and Negotiate Commitments

The Lead Negotiator & Designer promises to deliver the critical designs and negotiate satisfaction with all relevant stakeholders. The design promise includes: completing the redesign of the commitment network of the organization; the design of the program with all the bite-sized pieces set up on a timeline; developing the strategic case; and identifying new measures and standards. The negotiation promise, which is of equal importance to the design promise, involves reaching agreements with relevant senior constituencies to define success and to reward the achievement of each bite-sized piece. Additionally, the Lead Negotiator and Designer develops the compelling stakeholder proposition.

Mobilisation Commitments

The Lead Mobilizer promises that each unit will use explicit promises, or commitment-based management, to begin changing its behaviors and practices in advance of the process and systems change and that the mobilizing coaches will ensure that unit members feel enabled. The Lead Mobilizer also promises to train an internal team of trainers. The internal team will gradually play a larger and larger role in the roll-out. The Mobilization Designer, an additional role, promises to use commitment-based design to simplify processes in each unit.

Subject Matter Expert Commitment

Last, the leader of the Subject Matter Experts promises that all subject matter gaps will be anticipated and filled as the change program progresses. Driving the change by implementing the new commitments first and then backfilling the new processes and systems always needs some early automation that is not yet up and running. The technology expert and team will quickly design and build these ad hoc systems usually using simple tools such as Excel or Access. Normally, the insights they develop from this design and build will lead to faster development, lower development costs, and greater usability of the final system. Likewise, as roles and responsibilities shift with the simplification of processes and the fulfillment the new stakeholder propositions, some expert skills will be found missing. These missing skill sets can range from marketing to finance, from manufacturing production to trading. The lead subject matter expert will find people who can both occupy those roles and train people within the organization to fill them.

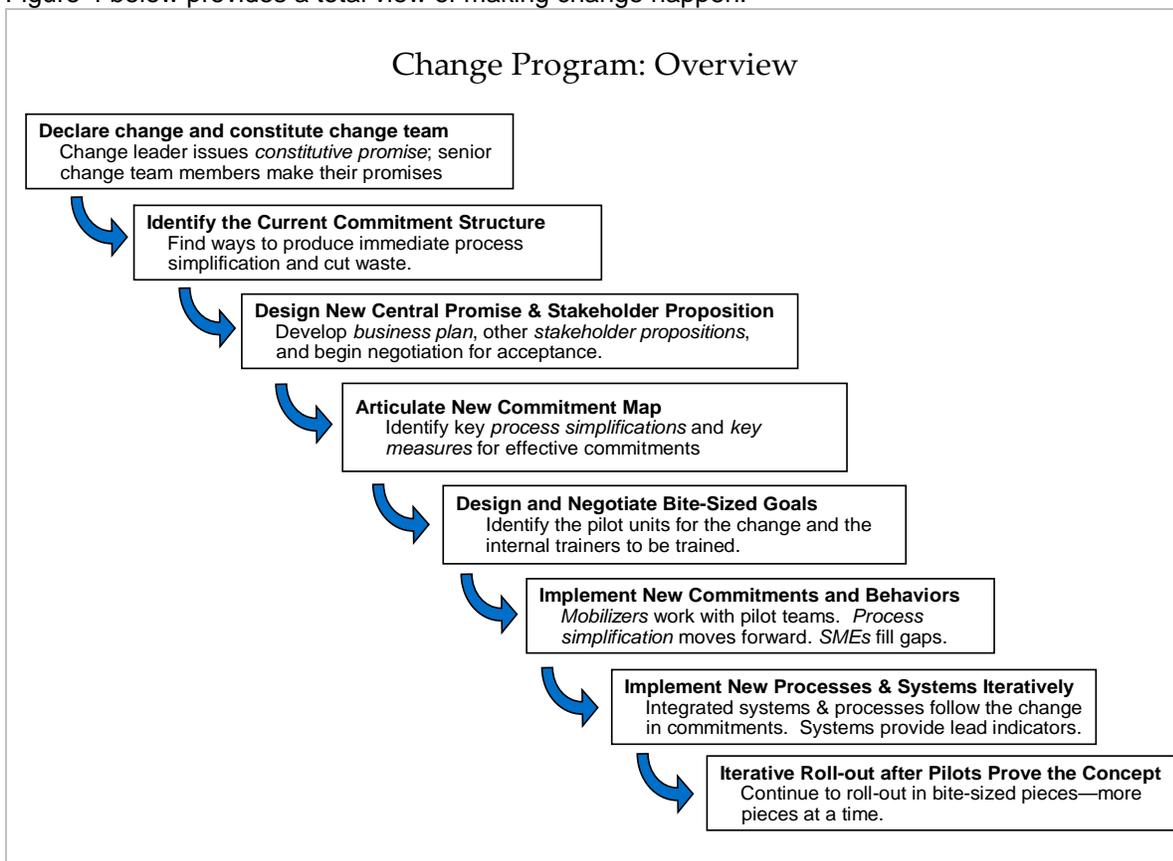Figure 4 below provides a total view of making change happen.

Figure 4

Conclusion

Change programs succeed when the change leader and the change agents start by focusing on the organization's relationships. Whether the change is focused on technology, process, market entry, new product, or new strategy, changing the relationships and hence the commitment network is the key. Changes that improve the commitment network will always bring simplification and personal change. Starting the actual change program with the necessary behavior change to achieve the new goals creates a desire for the technical changes that cement the change.

Change programs that identify the commitment structure at the beginning also have the advantage of making certain value conflicts among senior managers explicit. These conflicts appear when designers find misaligned senior commitments. Negotiating for increased alignment is a critical part of the design phase of commitment-based change. Few large organizations have commitment structures where senior promises are completely aligned. There are always senior stresses between regional and central, cutting costs and innovation, allocation of resources to cash cows and to rising stars. A good commitment redesign will acknowledge and bridge these differences with working commitments. Senior managers then renegotiate promises as needed. In short, a commitment-based change program not only leads to enthusiastic adoption but also makes the next change program easier because managers learn to alter the commitment network on their own.