Increases Your ROI on Change

You're leading your organization through a large change project, perhaps a:

- Merger and acquisition

- Reorganization

- Large technology project

As the leader, you have worked out the strategic plan, the finances and budget, the resources and timeline. All set, right? No.

You will not reap the ROI on your big change project unless you bring the people in your organization along, which sadly is often an afterthought for many leaders.

> *The Economist's Intelligence Unit, sponsored by The Project Management Institute, conducted a survey in March of 2013 on strategic change project success. These 587 senior executives who were surveyed globally believe the failure rate on "strategic initiatives" is 44%, which is very high risk.*

When change occurs, conflict comes up. People don't understand why the organization is changing, or agree with the changes. Some people don't want to let go of their old ways of doing things. There is a lot at stake to them personally.

So they resist.

Productivity suffers.

Moral tanks.

Don't waste your time and money by not proactively taking into account the human element.

Money Down The Drain

When I was working at Arthur Andersen, I helped executive teams implement large-scale changes such as mergers, reorganizations and enterprise resource planning systems. The biggest mistake CEO's would make was focusing only on the business or "smart" side of the project rather than also including the human or "healthy" side of the project. This is like throwing money down the drain.

I often came in to help the CEO's repair the damage after this would occur. We had one frustrated CEO, Bill, who called us after his company had spent a significant amount of money implementing a new financial system, and the project was failing miserably. Despite his efforts to tell, train, encourage and force people to use the new system, people

were keeping their own systems in place, undermining the benefits of having an integrated financial system.

When we started to interview people, we quickly learned that the new system was missing key financial data, causing manual workarounds, and was so complex that it wasn't going to help people meet their current workload demands, even if it was beneficial in the long run. Plus, the finance team was mad, and a bit insulted, that Bill had not chosen the system that they had liked best.

First, I had Bill come to the financial department with the CFO and hear frustrations that the people in the finance department were experiencing. It may seem like overkill to engage the CEO at this level, but the finance department had taken the decision quite personally. They wanted to be heard by Bill. While there, he did a good job of reflecting back what he heard, acknowledging his choice was different than they wanted, and expressing his desire to make it work. Good job, Bill!

After listening, he said, "We are going to use this new system, but tell me how we can make it work for you folks." Together they came up with a plan.

Bill, the CFO, and the entire finance team had a three-day boot camp, focusing on three areas:

- advanced training
- missing-data entry day
- complex test, simulation, and troubleshooting

At the end of the boot camp, the system was fully operational, and the finance department was its biggest supporter! It was clear that taking the time and effort to communicate, work together, and problem-solve key issues was much more powerful than giving the team a binder to work through.

If you want a group or team to buy into a new way of doing something, get them involved, listen to them, and work together on it. You will build tremendous loyalty and engagement, which is priceless.

My job of helping leaders includes focusing on the human or healthy side, which helps them reap the ROI of their business or smart investment.

Be Proactive

Make sure you communicate early and often and in many different ways. Also, be sure to give your people what they need to get on board with the change. I use a simple communication framework, called: *"Why, What, How and Who."*

When you want people to buy into a change, you need to help them see the change from your point of view. You know *why* you want to change, *what* you are aiming for, *how* you are going to get there, and are thinking about *who* needs to do what, yes?

Well, map it out for them, and remind them often along the journey.

Why, What, How, and Who

Why - Start with why: You want people to understand why this change is so important. You're doing this for some good reason. Let them know what that purpose is.

What - Paint the picture of what the world will look and feel like on the other side of this change so that people understand where you are aiming. People want to know what the destination will look and feel like. It will help them gauge their progress along the way.

How - Lay out a step-by-step plan to help people see how the organization will get to the final destination. Plans may change as you travel to close the gap between where the organization is now and where you want it to go. So update them often.

Who – Who needs to do what? Help people understand the role that you want them to play in making this change a reality. You can't do it alone, giving people a role helps them buy into the change as they participate in implementing it.

Also, people want to know that you care about more than just the business results. They want to know that you care about them, as human beings.

Treat Them as Humans

So when you communicate, pay attention to making people feel like they are apart of this process, because they are. You literally could not do it without them.

• Show them that they matter as people - meaning they are not just cogs in the wheel, but you hear and understand their point of view. Be considerate. Let them talk about where they are in the change process, especially if they are upset with it. Shutting that down only makes it go underground, causing worse problems.

• Let them know you haven't discarded them. Show them how they are still connected to the company, you, and each other while making this change a success. Giving them a specific role to play, hearing their feedback, and even encouraging their participation in the solution are some ways to do this.

Combining the *Why, What, How and Who* as well as *Treat Them as Humans* when you are addressing the organization, gives people clarity on where they are going and helps them get engaged.

Valley of Despair

When change happens something about the way people are working needs to be different. Going from what-was to what-will-be involves a period of transition. While this transition is happening, productivity drops. This is called the Valley of Despair. The productivity drop is due to concrete changes such as new systems and new processes. It is also due to the internal process that human beings need to go through to embrace the change.

Well Managed Change

Productivity | Change | Success | Valley of Despair | TIME
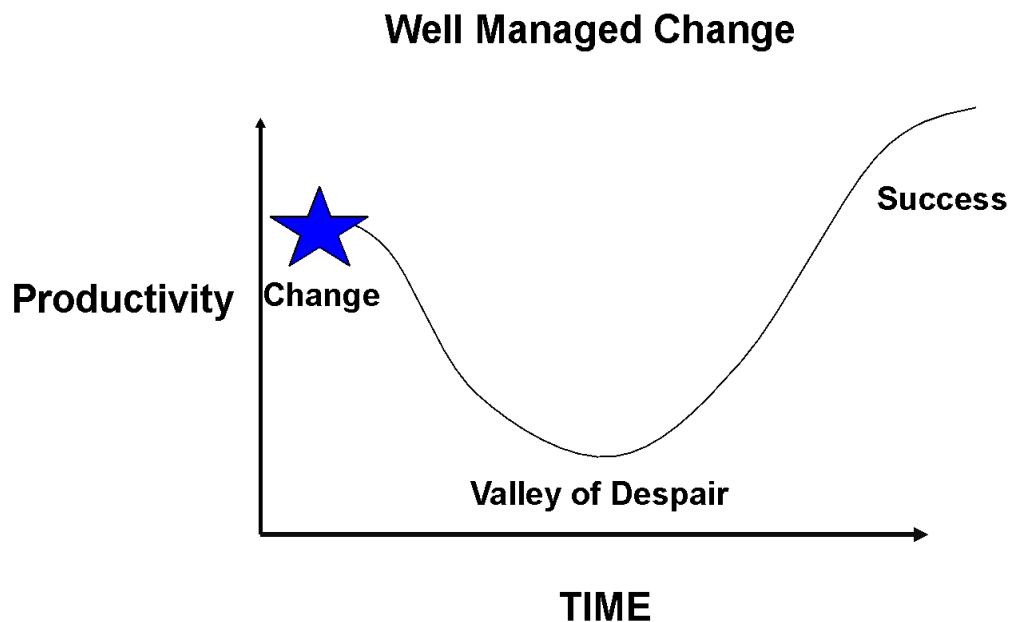
When change is being done to us, we have to go through the psychological reorientation to the new way of being. For people that have been at the organization for a significant amount of time doing things the same way, this does not happen overnight. We all process at different speeds, but you can support people moving through this process.

Often what you experience as resistance is people's fear of the unknown. Despite what you may think, most people really do want to do a good job. They are resisting the new way because they are afraid of their loss of competency, status, control, relationships, turf, meaning, or identity.

People can get stuck in an overwhelming feeling of loss. What helps people move through this is getting specific about what they are losing. When people identify what they are losing, it cuts the change down to size.

Then they can move through the next phase and figure out how they are going to replace or redefine what they have lost. Sometimes they need to come to terms that they simply need to relinquish something.

Merger Between David and Goliath

We were working with an organization that was going through a merger between a small innovative startup and a big stable process-oriented sales engine. It was a merger between David and Goliath.

The smaller innovative start up, David, was terrified their culture wasn't going to survive the merger with Goliath, which was larger. It was easier for Goliath to assume everything was going to go their way, yet they desperately needed to develop the capability to innovation in order to succeed in their industry.

To help these two disparate cultures merge, we developed a cross-company change team with key people from both companies. We worked with this leadership team first to develop a nexus of trust, communication, common purpose and plan to drive a successful merger. Once the team was clear, aligned and operating well, we expanded to the next layer in the organization.

We conducted cross-company workshops on change. At these workshops, members from the co-company leadership change team stood up and talked about their own experience of the change by discussing what was working, and where they were struggling. It was authentic and real. Leaders from both companies got up together and also shared their common goals for the change.

During these interactive workshops, we provided tools and experiences for the larger group to honestly discuss where they were on the change cycle, ask questions, give feedback, and check out their stories of what they were concerned about.

They also learned skills for dealing with differences effectively since we knew they would keep bumping into that throughout the process. They made cross-company personal connections, this built trust and communication, which went a long way to breaking down the "us" versus "them" barriers.

In the end the company was able to merge successfully and profitably, gaining the ROI they had hoped for. Were there casualties? Yes, there always are in a change process. However, the new culture was able to harness the innovative nature of David while benefitting from the process-oriented sales expertise of Goliath.

To Lead Change Successfully

When implementing a big change, remember a key job of yours as the leader is communication... early and often.

Make sure you communicate the *Why, What, How and Who* of the change so people have clarity on why the organization is changing, what the end goal looks and feels like, how they will get there, and who will do what to get there.

You will not be successful unless you bring the people along. So be sure to *Treat Them as Humans* so they know they matter to you, the company and each other.

Be prepared for the Valley of Despair, and provide a path for people to honestly talk about where they are in the change process. Give them ways to identify what specifically they are losing in this change and how they can replace, redefine or relinquish what they have lost.

Big changes often take months or years to successfully implement. Stay connected to your people for the entire journey.

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