

**In this age of complexity and uncertainty organisations have to be really sharp about how they position themselves to anticipate and manage change. In the following article, author Philip Atkinson maintains that too many organisations prevaricate and delay making decisions about how best to change for improvement. But, he maintains, there are some trusted remedies for organisational ills that do work – if given the necessary support and commitment.**

Organisations need to develop foolproof strategies for anticipating and influencing how they can change in the future. The alternative is to let the environment and other dominant forces such as their competitors' strategies and behaviours influence how they, in turn, operate. One would think, given the choice, that most organisations would choose to influence how their own futures evolve. Our research indicates however that this is not the case. Too many organisations appear to be risk averse and are what we call 'change followers' rather than 'change leaders'. That is, too many businesses wait to see how other organisations, their competitors and suppliers, the industry norm, perform with implementing their own plans on change management. It is not that these strategies are 'risky,' just that many businesses do not know how to appraise, action and implement a change initiative.

If one believes that organisations function rationally it would suggest that any business would focus energies on scanning the environment to assess trends and patterns. Further, they would assess their current strengths and limitations and develop strategies to ensure that the business was able to function, evolve, grow and compete successfully in the longer term. Genuinely, our conclusions are that this is often not

the case. Too many businesses fail to commit to any sort of decision to manage change beyond the tactical manoeuvre of 'what if' scenarios – for instance 'if they do that – we will do this'. This is fine as a local tactical manoeuvre in the short term, but this strategy will never create a leader in any industry – and in the 'not for profit sector' this will certainly not create 'Best Value'.

### Pressures for Change

There is no doubt that the business environment is changing rapidly and few commentators can predict the way things will go. Complexity in the environment is extreme, creating a whole host of 'what if' scenarios that organisations have to assess quickly. It is doubtful whether people in organisations are making and implementing decisions fast enough to protect the future of their businesses.

Our experience tells us that:

- ❑ People are not scanning the environment specifically enough to predict how market conditions will evolve.
- ❑ For those that do scan using a formal process, too many are not making decisions fast enough to implement solutions, thus putting their organisations at risk.
- ❑ Many strategies required to solve problems have yet to be designed and rigorously tested. The reality is that, currently, the many problems that organisations' experience still have no reliable tested solutions to fix them!

# Riding the Winds of Change

by Philip Atkinson

### Customers

We still need to focus our energies on differentiating what it is that makes a difference to customer satisfaction and consumer delight.

- ❑ The reality is that too many measures of customer satisfaction are totally historical and static in nature. They tell us what happened in the past but give no clue as to what we can do, as we experience 'on line' problems with potential customers.
- ❑ Customer satisfaction metrics should enable us to intervene to influence buying behaviour and retention levels. We need dynamic measures that focus upon adding positive emotional value to the customer as we detect 'satisfaction' levels declining.
- ❑ We need to develop strategies that can be instantly applied as 'customer issues' evolve by customer, location, product and market segment.

### Competitors

- ❑ Competitors can change rapidly. Often, our core competitors were not even operating in our markets one to three years ago.
- ❑ Barriers to entry in most businesses are usually based upon 'knowledge' and the key to success

in any market is being able to source accurate information, and act quickly upon it to put your business to best advantage. If your information generation process is not operating effectively you can be putting yourself at risk.

- Time invested in competitor analysis is time well spent – especially as our businesses become international in nature. Leading businesses 10 years ago were investing in Madras as the Software Region of the future. Now, the same problem resides with Call centres. Who would have thought a few years ago that companies would be outsourcing ‘Call Centre’ services to less developed Regions of the world ?

## You want a Panacea that works?

A Panacea is a cure for all ills. Ever since ‘In Search of Excellence’ hit the bookshelves, people have been looking for a Holy Grail – the one best way to manage or to create the superior business. The fact that Tom Peters has always argued that what works for one business can be the ‘death knell’ for others seems to have attracted little attention. The eight guiding principles in Peters and Watermans ground-breaking text were taken by many to be the ‘right way to manage every business’. But after applying the eight concepts, many found they did not deliver the results foretold. The same has happened with other people’s work that has been misinterpreted. From Drucker, Heller and Handy who are generalists, to more specific writers, Porter on strategy, Crosby on quality, Hammer on re-engineering, Senge on the ‘Learning Organisation’ etc etc and so it continues.

Eager managers reading such texts are looking for the magic formula that would work for them. The argument is that ‘a magic formula’ does not exist. One formula cannot work for every business simply because every business is different in terms of, history, customers, industrial context, technology employed and product or service. It stands to reason that what will work for a speedily growing FMCG business will not be applicable to a recently privatised Rail network.

No one solution will work for every business. We have seen ‘quick fixes’ or ‘fads’ come and go – the list is endless Participative Management, Quality Systems, BS5750/ISO, JIT, TQM, MRP, IiP, Re-Engineering, Emotional Intelligence, Matrix Management and so the list continues ‘ad nauseum’.

Of course, there are many instances of how these approaches and many others have worked, but labelling them and blindly applying them to an organisation does not guarantee immediate results. The remedy must suit the condition or the ailment. The remedy must be tailored to address the problems the organisation is currently suffering.

However, there are some very specific themes – as opposed to ‘solutions’ – that will move an organisation significantly to achieve objectives. These themes have to be tailored specifically but can be viewed as actual ‘panaceas’ that do work! If applied, they will significantly improve performance along a number of dimensions including business results and long-term shareholder value.

## Five Dimensions: Five Panaceas that work!

What I am going to present below is the big contradiction. I am going to state that if organisations commit to improvement along five dimensions they will significantly improve their performance and their future. The big statement is that there are some ‘panaceas’ that do work if given commitment and energy in both the short and long term. The reason that many change initiatives fail is that they are launched with enthusiasm but fail to be sustained over the long run.

The five panaceas are focused on five dimensions of the organisation. They are:

- ***On what should we focus our energies?***
- ***What drivers do we need to ensure our energies are applied with maximum effect?***
- ***What culture do we need to sustain and meet the conditions above?***
- ***What infrastructure do we need to support this process?***
- ***How will we implement and generate a climate of continuous improvement?***

Let us focus our energies on each of these five issues. If we concentrate our resources on these five areas we can only succeed. Each will work differently. What is important to understand is that any change in business is iterative. Forget the sequence of steps in the diagrams on change management methodologies – unless you have really planned them with precision. And unless you have committed to ‘fool-proofing’ techniques in your change methodology, problems that you did not foresee will arise – they always do. No one can predict with certainty what will happen after you have implemented the first few stages of any change initiative. Consider this, think back to a time when you thought you had all factors under control. Did everything flow as expected? What happened? Did the unexpected raise its ‘ugly head’ forcing you to intervene?

Many managers still fail to see that when we attempt to change human systems, processes and even the culture itself it is impossible to track and control all the variables. This is so because the variables we find so difficult to track – and more importantly control – are the unexpected ways in which people respond.

They respond through their ‘emotions’ to the changes we are trying to implement and as much as we like to think so – these are not always predictable. A colleague of mine smiles when he sees a carefully drawn Gantt chart highlighting core stages, completion dates and measurement criteria when driving ‘people change’. He smiles because he knows you have to adopt a flexible approach to deal with the unexpected!

Pic from  
June 2001  
Page 7

**Philip Atkinson MSc** is a consultant specialising in strategic behavioural and cultural change. He consults in the UK, Europe and the US and has written five business books and published many articles as well as speaking at conferences and running workshop sessions. He can be contacted on 0131-346-1276 or by email on: [Philip@transformations-uk.co.uk](mailto:Philip@transformations-uk.co.uk) or at [www.transformations-uk.co.uk](http://www.transformations-uk.co.uk)

***“Failing to commit to any decision in such a fast changing world will only damn us to exist in the world of yesterday rather than forging a prosperous future in the world of tomorrow.”***

***The Panaceas are tried and tested – like anything worthwhile, it is sticking with it that makes the difference.”***

## Let us address the five areas.

### 1 On what should we focus our energies?

***Focus all attention on Customers and Consumers as the 'raison d'être' of your business.***

In this customer-centric society it would have seemed logical that the 'customer is king' philosophy would be key in any organisation. This is not always the case. We still witness businesses which spend more time and energy focusing upon the provision of a set service or product, disregarding how the customer actually measures what they receive?

Some of the issues we need to address:

- Are we proactive or reactive with our customer service?
- How does our lack of proactivity impact on us in the short and in the longer term?
- Do we know the three core reasons why we lose customers?
- What is it that we do that specifically helps us retain or win new customers?
- How do we compare our service delivery to that of our competitors?
- Where are our competitors most at risk in terms of delivering customer service, and how can we leverage that to our advantage?
- Which two areas, which if addressed, could significantly improve our service delivery?
- Are we equally effective with all our customers in different market segments?

There is no doubt that any organisation can improve its performance significantly just by thinking of the customer or consumer before it commits to any action. A good friend of mine says: "If you are not serving the customer directly, then you should be supporting those who do". She has a good point, because in many organisations, including the not-for-profit sector as few as 3-5% of staff are actually customer facing. As the organisation increases in size it is very easy to lose sight of who is the most important person in the world i.e. the customer, or those who consume the service.

Many organisations are committing to creating a 'Customer Focused Strategy' that permeates every aspect of the business. It is not just the responsibility of those in Customer Service, Call Centres, Business Development, Marketing and Sales but also the vast majority of staff in operational or 'back office' and 'support' areas, IT, HRD, Purchasing, Central Administration and Finance.

The excellent point about Customer Service Strategies is that they can evolve from any point within the organisation, and everyone can relate to the end user. It is an amazingly simple concept to sell because those who work in any business are also customers in so many contexts and know the difference in how they feel when they receive 'excellent' or 'lousy' customer service.

It is important to keep on the cutting edge of customer service and recognise that it is all about generating positive emotions. Our research into customer service tells us that customers will experience a variety of emotions whenever they come into contact with an organisation. Companies need to develop specific strategies to focus upon how many ways they can convert

negative emotions into positive ones and, more importantly, what steps they can take to ensure they do not intensify negative emotions – resulting in loss to the customer base.

### 2 What 'drivers' do we need to ensure our energies are applied with maximum effect?

***Create a strong Leadership Culture – developing the internal capability to change.***

Once we have our focus, – delighting the customer – how are we going to grow a commitment towards the end user or purchaser of our service? The focus has to be upon developing a strong leadership culture.

The phrase 'without leadership there is no change' is paramount in driving any change within the business. Organisations need to address the following issues:

- What benefits will accrue to us if we develop a stronger leadership culture?
- How can we translate these benefits into teamwork?
- If leadership is about 'achieving results through others' what do we have to commit to train our staff to take more responsibility for becoming more focused upon the customer?
- Are there any gaps in the organisation where a leadership culture could provide a firm structure for improvement?
- Consider the issue – if we could double the numbers of acknowledged leaders and change makers in the organisation, would it take us further towards or away from our goals?
- What are the 'downsides' for us of translating the leadership message to all levels?
- If we develop a 'leadership culture' does that mean we can then differentiate those behaviours we encourage from those we do not?
- What specific behaviours would take us to the next level in organisational performance and how can we leverage a leadership culture to do just that?
- By developing a commitment to leadership will we be more able or less able to develop an internal commitment to change?
- What instances can we think of when poor leadership actually led to an increase in business improvement?

***Focus all attention on Customers and Consumers as the 'raison d'être' of your business.***

***Create a strong Leadership Culture – developing the internal capability to change.***

***To rise  
winds o***

***A commitment  
better a***

Leadership works on the cascade principle. We start with the key people at the top of the organisation working with their direct Reports. They in turn formulate the core values for the business and translate these into 'must do' desirable behaviours from the 'stop doing' counterproductive behaviours. Through simple coaching and development workshops the ideas can be further cascaded down, with surprising impact resulting in opening up the business to new ideas.

Organisations committing to leadership as an organisational panacea will see the results quickly and with effect.

### 3 What culture do we need to sustain to meet the conditions above?

***A commitment to do things better and faster.***

Much is talked about organisational culture but still little is understood about how to develop that culture. We know that strong vibrant cultures yield impressive results and that weak negative cultures are slow, bureaucratic and no fun to work in. Culture change is based upon articulating the vision for the business and then translating this into how are we going to transact business together to get the 'what' or the vision. What emerges are 5 - 7 core values based upon how we need to operate to ensure that we maintain and grow the organisation 'today and tomorrow'. Values can then be translated into 'behaviours' and actions' resulting in KPI's which can be measured and assessed. There is no secret about culture change but so many people put off doing it because they don't know how to go about it.

- What sort of culture do we have – is it weak or strong, negative or positive?
- Does the whole business portray the culture and how do parts of the organisation differ?
- What has shaped our culture thus far?
- What sustains the best elements?
- What holds us back from generating an even more powerful culture?
- What culture do we want?
- When do we want it?
- How can we speed up culture change?
- What action can we take as leaders to form a strong foundation for a positive culture?
- How would a stronger culture impact upon our performance?

- Have we clearly understood the relationship between vision and strategy and culture?
- Do we understand the causal relationships between Vision, Values, Behaviours, Actions and KPI's?
- What action can we take to bridge the gap between 'where we are now' and 'where we want to be'?

Culture change still has to be de-mystified for many organisations. When they unravel the causal links the simplicity of a change programme can be introduced speedily.

### 4 What infrastructure do we need to support this process?

***Focus upon Process Improvement in all areas.***

People and processes are significant factors in driving performance improvement. Some organisations need to spend a great deal of time focusing upon process improvement because they experience a lack of control and discipline in the infrastructure. Seriously, this is one big problem holding people back from improving performance. You may find that when asking people what 'processes' they have in place to support transactions or systems you may be confronted with a large blue book which outlines a series of processes. We are interested in the core processes upon which an organisation depends. We are interested in streamlining these processes, documenting and then innovating upon them and then documenting them again. As soon as a process is documented it is time to start again. How can we do this better, faster, cheaper?

- What are the core processes that drive your business?
- What non-performing processes put your business performance at risk?
- What customer-focused processes are in need of revision and redesign?
- What processes are unmapped?
- What processes are ambiguous and create confusion?

It is essential that organisations possess the right processes and the right people to question and re-design processes to meet the needs of customers – not just today – but tomorrow.

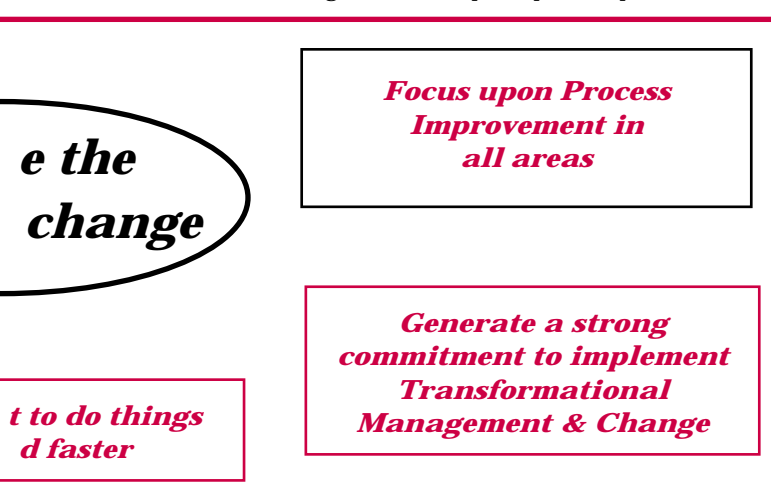
Focusing upon Process Improvement is a Panacea that works.

### 5 How will we implement and generate a climate of continuous improvement?

***Generate a strong commitment to implement Transformational Management & Change.***

There is little point having developed an initiative for change, if you fail to master the transition from today to tomorrow. It is worth recognising that the best change management strategies focus upon the key actors in the change process, how they currently operate and how they should operate. The key actors are the 'Change Sponsors', the 'Change Agents', the 'Targets' (those who are the focus of our attention) and 'Advocates' (who, without a formal role, can help change along).

Change takes as long as an organisation wants it to take. Change can be speeded up. As one conference delegate quipped, "if you want change to work, start sooner". He was right. It is always easy to put change off – until conditions are right or until 'things calm down'. Let us face it, there is never a good time to



## IMT ADVERT

1/2 Page upright

Repeat from Page 29

February 2002

implement change:

- What is our record on change management?
- Are we equally committed to implementing change as we are to talking about it?
- Are we renowned for sustaining change initiatives once they have taken off?
- Do we address blockages in the change management process?
- Do we address 'personal' or 'actual 'people' blockages to the change management?
- Do we adhere to a methodology for implementing new ways of working?
- Have we clearly delineated the relationships between 'Sponsors' and 'Change Agents'?
- Do we see change as a political process?
- Do we undertake a risk assessment when introducing strategic change?
- Do we follow best practice?
- Could we speed up the implementation of change?
- How are we most at risk from not addressing the above factors?

Change management is again one of those areas which attracts a great deal of discussion, but does not always generate a trusted path that will work in every instance. In this case I always ask the question – “should we spend more or less time devoted to working through the issues and arriving at a methodology that works?”

Clearly mastering 'Change Management' is a panacea that works!

### Summary

What is important is that we are operating in a business environment where nothing is certain. We can be sure of that whether we are talking about entering the 'Single Currency' or examining international foreign affairs and relations since September 11<sup>th</sup>. We can be certain of nothing any more though I suspect we have always known that.

To test the case of uncertainty, do this exercise. Take a quality Sunday Newspaper and hide it away for four weeks. At the end of four weeks open up the paper and read through it. Has anything changed? You bet it has. Political stories have evolved, economic trends have been confirmed or not. Leading companies have collapsed – new mergers have evolved, large companies have downsized, new investment has entered the country, fast-breaking news stories have evolved, retirement, pensions, unemployment and re-training initiatives have turned full circle. All that can be certain is that things will never be the same.

Knowing this, organisations have some very difficult decisions to make about how they structure themselves to ride the winds of change. There are 'flavours of the month' to follow, but the robust strategies that have worked in the past and will continue to do so fall within the five headings we have addressed. Committing to a variant of these can only put organisations in a stronger rather than a weaker position.

Failing to commit to any decision in such a fast changing world will only damn us to exist in the world of yesterday rather than forging a prosperous future in the world of tomorrow. The Panaceas are tried and tested – like anything worthwhile, it is sticking with it that makes the difference. ■