

**HANDOUT 3:
PROBLEM SOLVING TOOLS AND
ANALYTICAL TECHNIQUES**

2021

1. CHANGE MANAGEMENT MODEL

- 1.1 Lewin's change management model**
- 1.2 ADKAR model**
- 1.3 Kotter's 8-step change model**
- 1.4 Kubler-Ross change curve**
- 1.5 Mckinsey 7s model**
- 1.6 PDCA model**
- 1.7 Bridges Transition model**

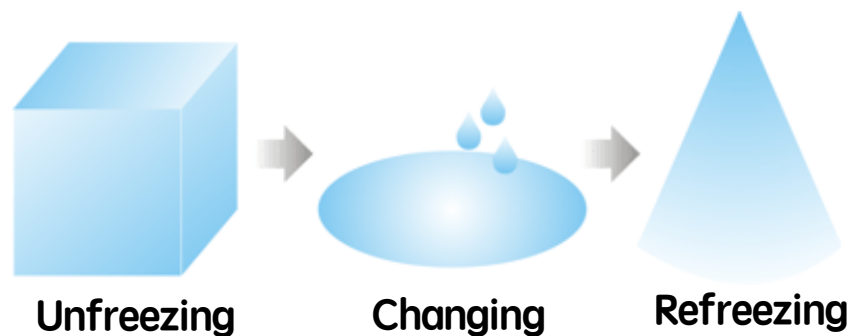
1.1 CHANGE MODELS



One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1940s, and still holds true today.

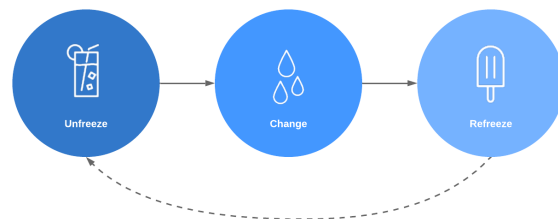
$$B=F(P, E)$$

His model is known as Unfreeze – Change – Refreeze, which refers to the three-stage process of change that he describes. Kurt Lewin (1890–1947), a German-born American social psychologist, explained organizational change using the analogy of changing the shape of a block of ice.



Developed in the 1940s, Lewin's change management model remains relevant because of its simple yet effective structure. According to the change model's namesake, Kurt Lewin, organizational change management can be broken down into three smaller, more manageable stages:

- Unfreeze
- Change
- Refreeze

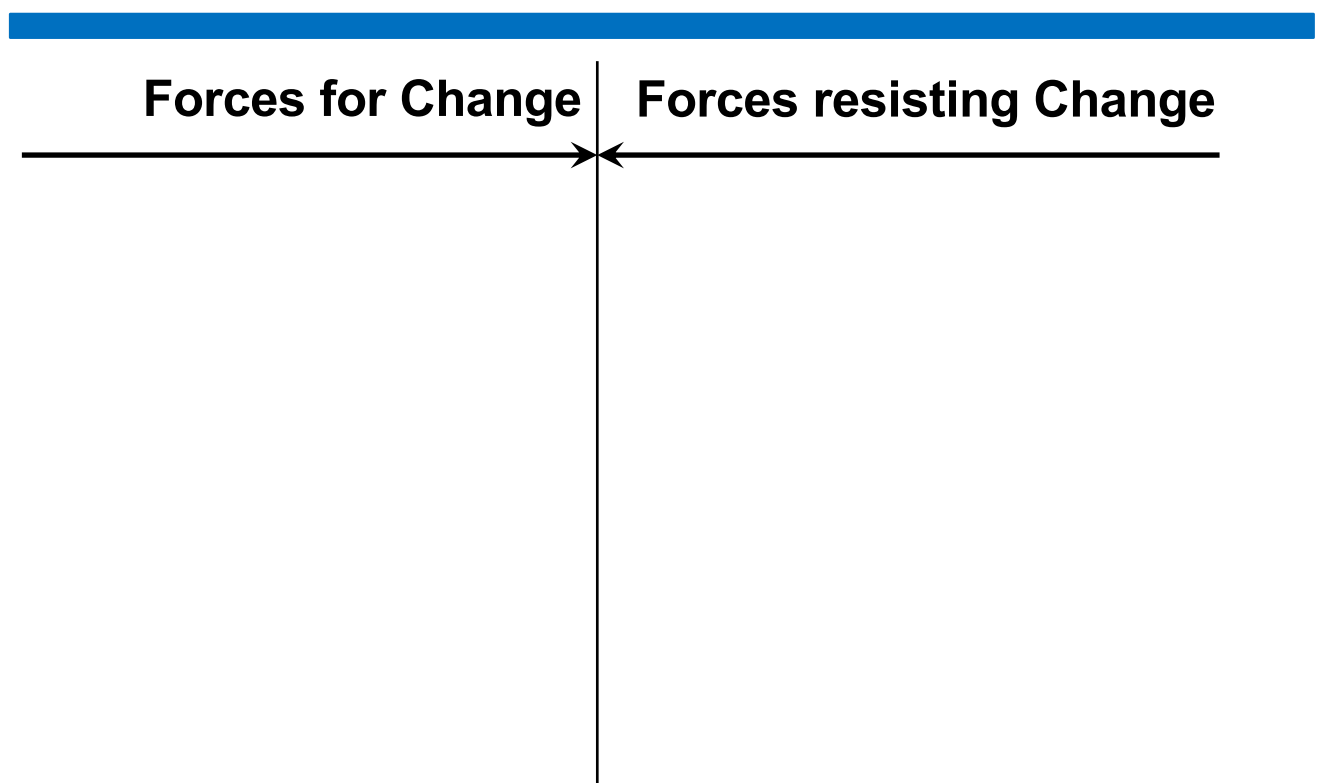


First, a team or organization must “unfreeze” their current process and perceptions when preparing for upcoming changes. This step helps the team approach the task or challenge with a clean slate without bias or bad habits.

Next, it's time to implement changes. Effective change requires clear and constant communication across all affected channels both during and after deployment. Finally, it's time to “refreeze.” Assuming accurate feedback and ongoing communication occurred during the “change” step, the refreeze step locks into place the new process. Like ice molds, teams and organizations need to move away from an old mold before they can fit into a new one.

The Lewin change model, while too simplistic for some, is favored by others for its ability to uncover old patterns or overlooked problems as well as for its clean approach to new ways of thinking.

FORCE FIELD ANALYSIS



Helpful when planning pragmatic change

1.2 ADKAR MODEL

The ADKAR model is popular for its people-focused approach to change management. Created by Jeffrey Hiatt, the ADKAR change model helps facilitate change on an individual level since change is often less about the changes themselves and more about people's reactions to them. ADKAR is an acronym for:

Awareness: Awareness of the need to change

Desire: Desire to participate in and support the change

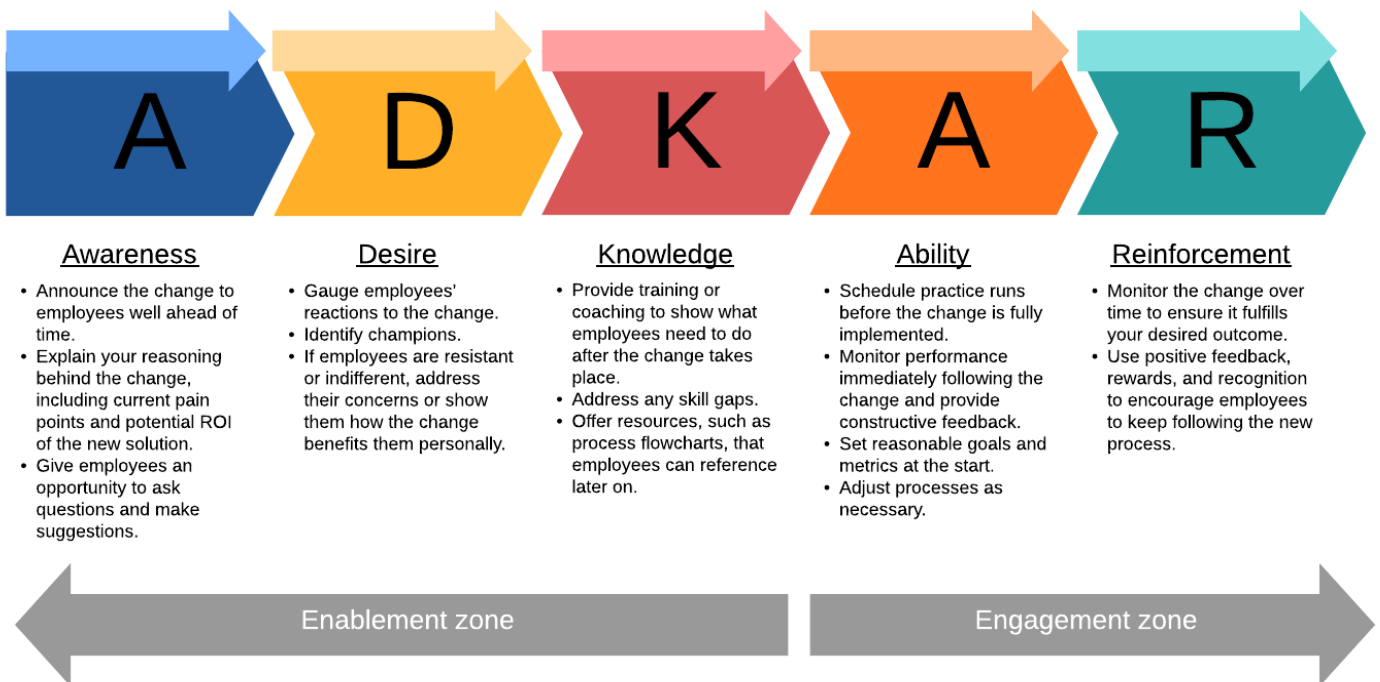
Knowledge: Knowledge of how to change

Ability: Ability to implement the change

Reinforcement: Reinforcement to sustain the change

Since organizational change is directly dependent upon its employees for successful implementation, it's critical for individuals to have a clear understanding of what changes are occurring, why they are occurring, and how they affect them personally. The ADKAR model helps individuals process change through clearly defined stages that enable them to both understand and accept the changes at hand.

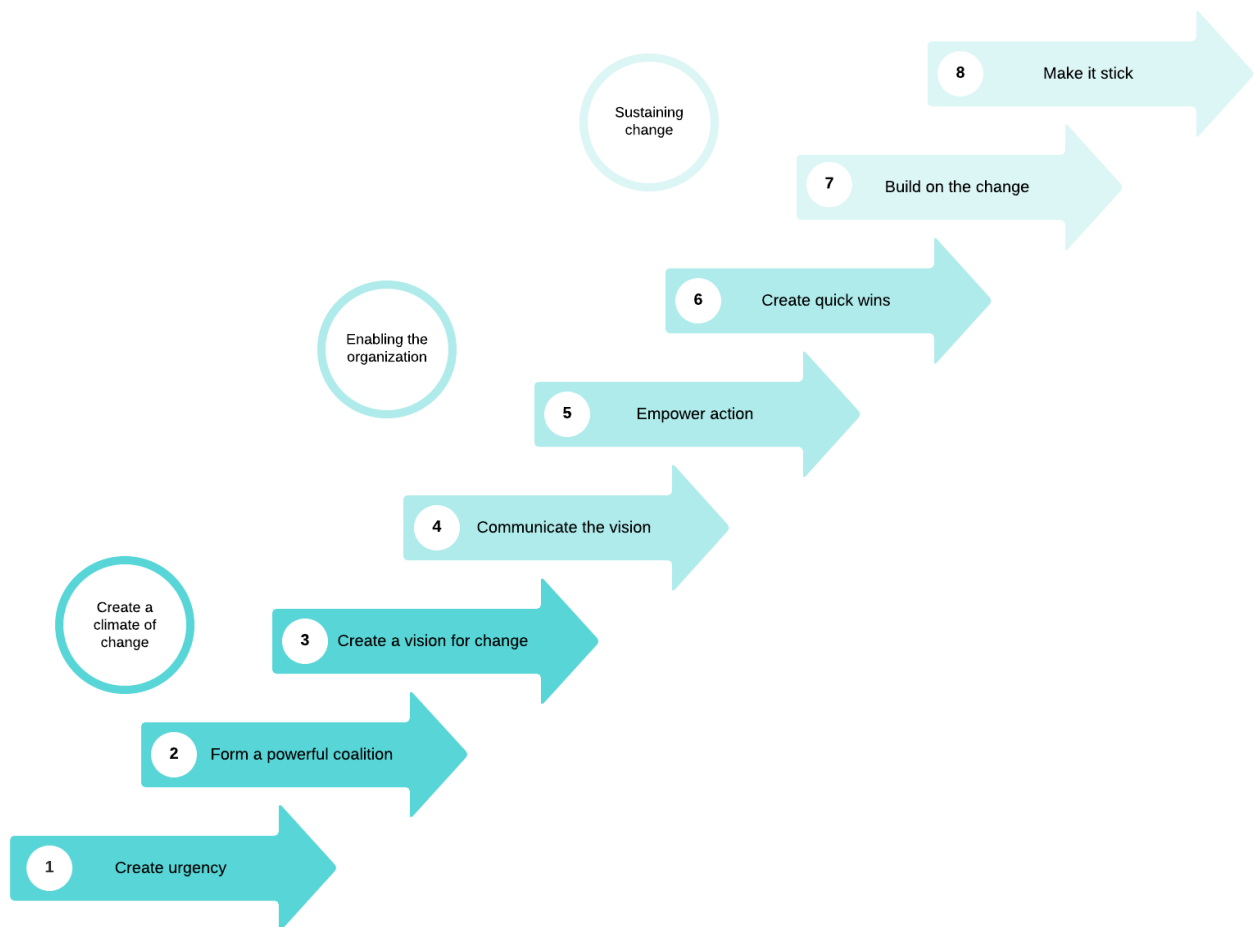
ADKAR MODEL



1.3 KOTTER'S 8-STEP CHANGE MODEL

Developed by John Kotter after a survey of over 100 organizations in flux, the Kotter 8-step change model also focuses more on the people experiencing large organizational changes rather than the changes themselves. The eight steps are:

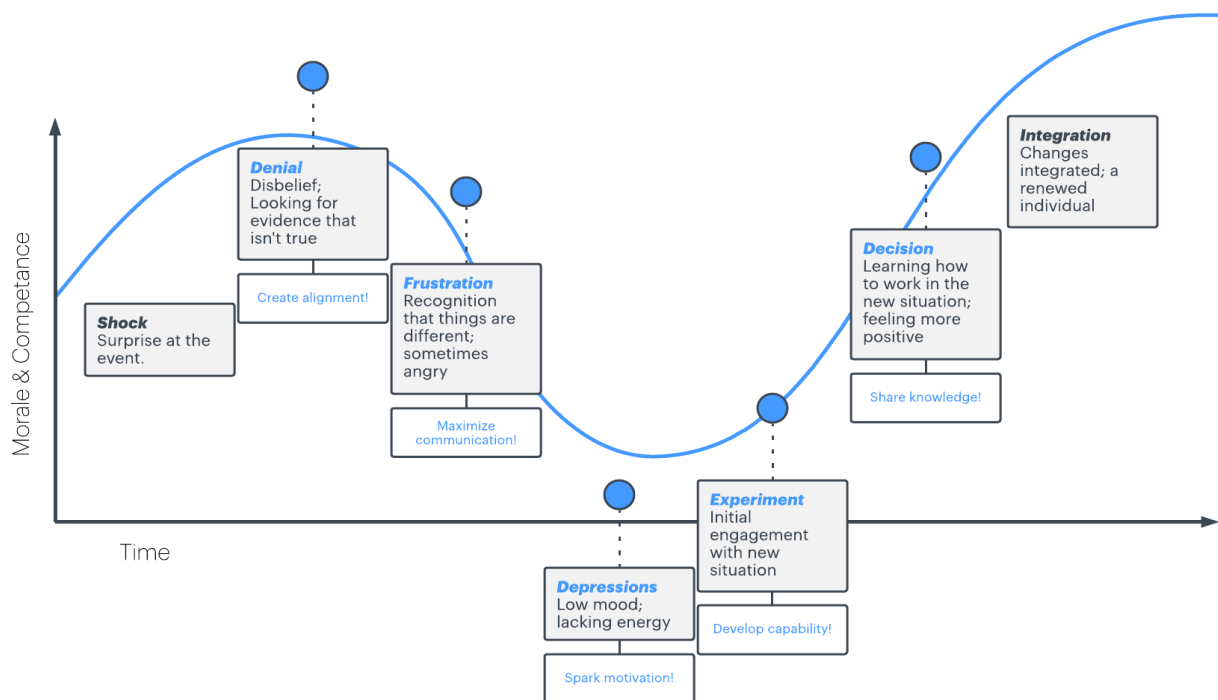
- Create a sense of urgency.
- Build a strong coalition.
- Form a strategic vision.
- Get everyone's buy-in.
- Enable action by removing barriers.
- Generate short-term wins.
- Sustain acceleration.
- Institute change.



1.4 KUBLER-ROSS CHANGE CURVE

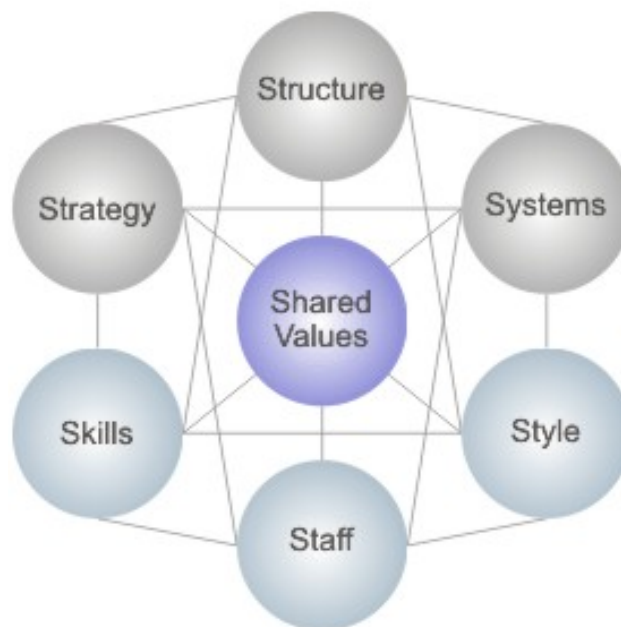
- Most widely known as the five stages of grief, the Kubler-Ross change curve can also be thought of as a reliable change management strategy due to its breakdown of how people process change in general. Organizations can better prepare for change when they also anticipate the possible reactions by their workforce. The five stages are:
 - Denial
 - Anger
 - Bargaining
 - Depression
 - Acceptance

Kubler-Ross Model



If teams and companies lose sight of whom their changes impact the most, then their attempts to make those changes will be for naught. Changing an organization is not like changing a tire; there are emotional factors to consider. One caveat to consider with this change management strategy is that these stages are not always sequential and that everyone can progress through them differently, so its effectiveness is not always predictive. As such, it can also be used to supplement other change management models for a two-fold approach.

1.5 MCKINSEY 7S MODEL



Helpful when looking at organisational alignment

The McKinsey 7s model was developed at the McKinsey consulting firm by Thomas J. Peters and Robert H. Waterman during the 1970s to evaluate how the different parts of an organization work together. According to the 7s model, there are seven fundamental elements of every organization:

Hard elements (easiest to identify and control)

- Strategy
- Structure
- System

Soft elements (more subjective and difficult to change)

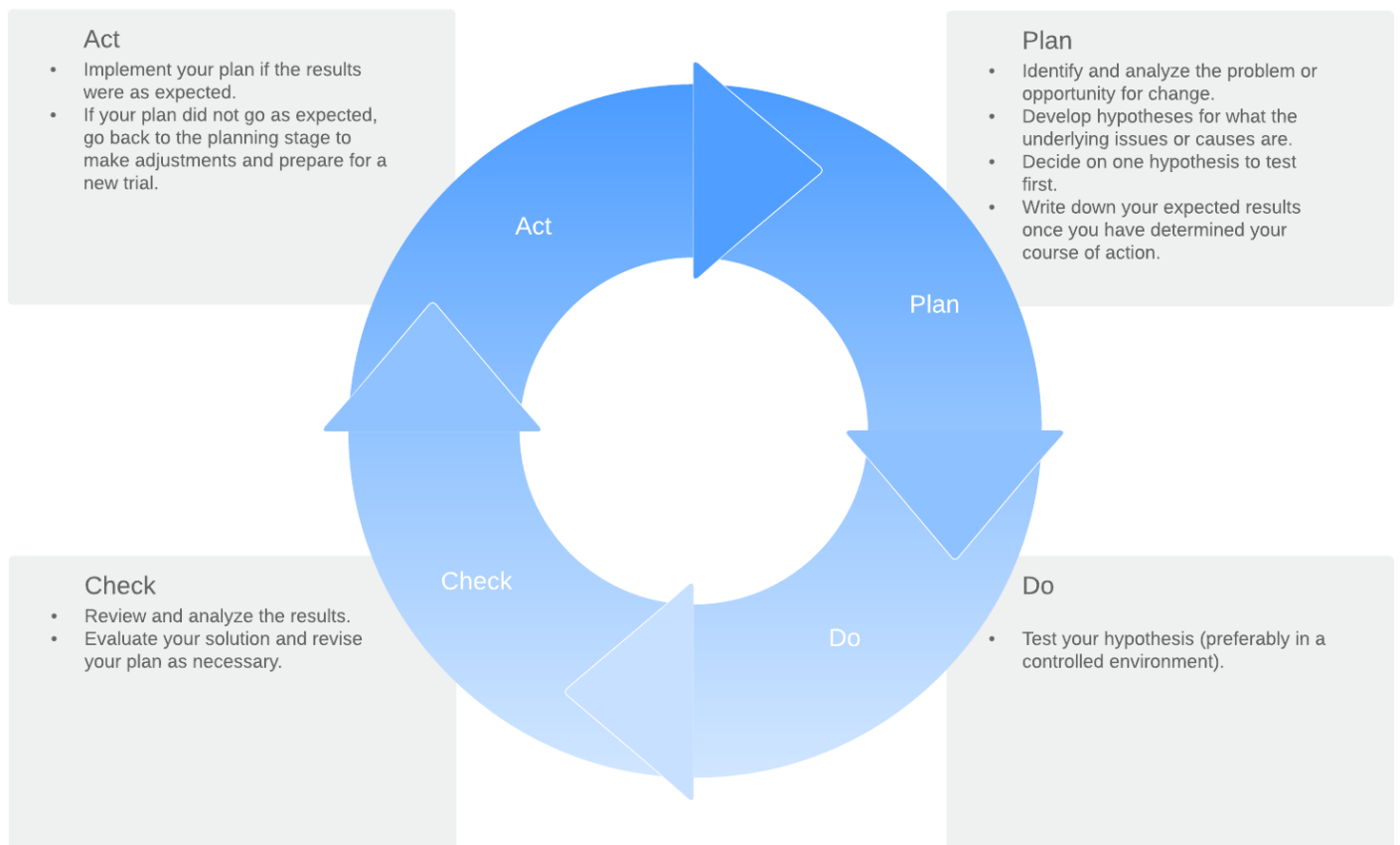
- Shared values
- Staff
- Style
- Skills

These elements are interconnected, and if one element is altered, the change will ripple out and affect the other elements. Companies tend to use the 7s model when they implement changes in the organization and need to align different departments and processes.

1.6 PDCA MODEL (PLAN-DO-ACT-CHECK)

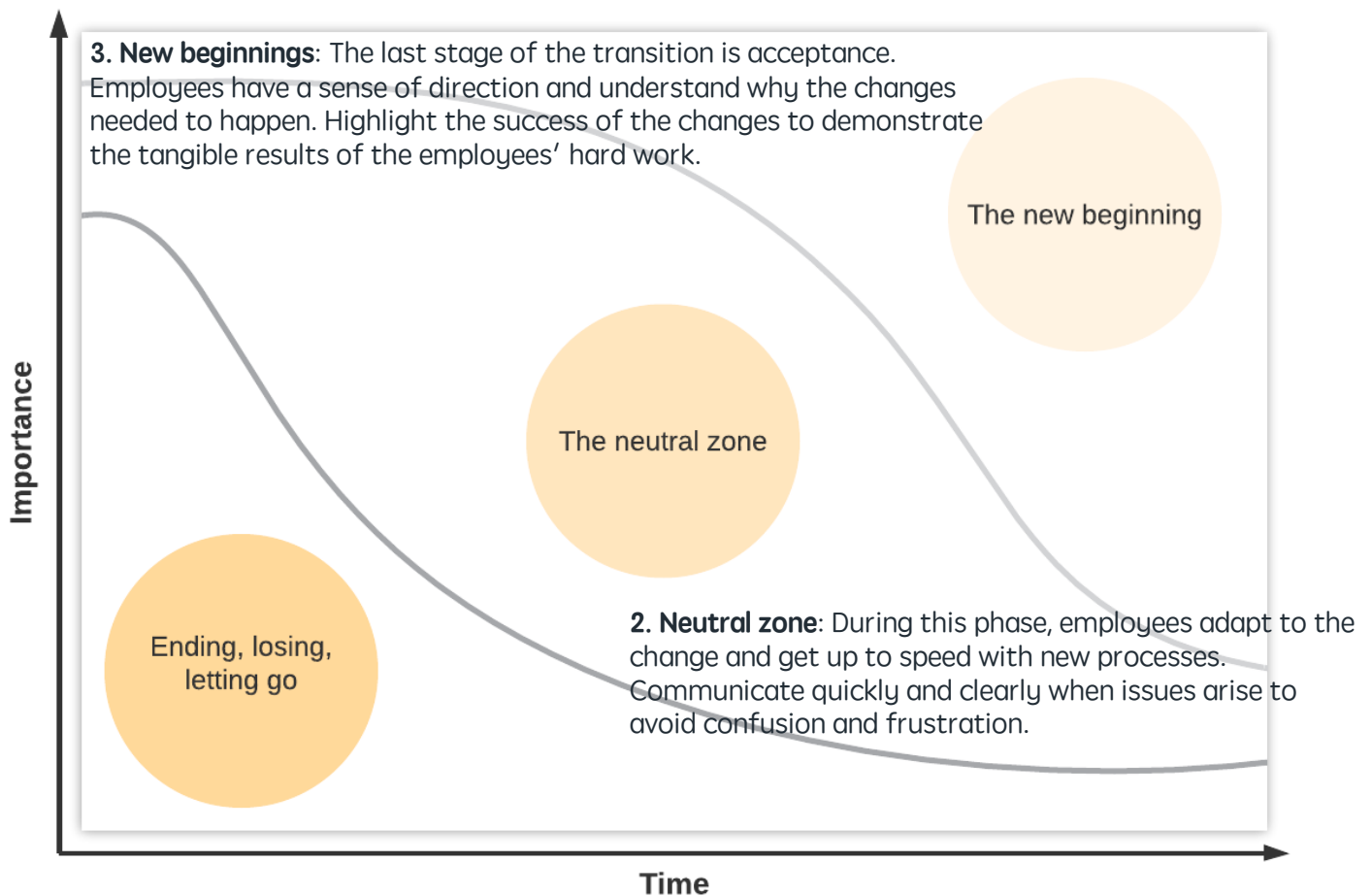
- The American statistician and physicist Walter Shewhart is considered the father of PDCA. He was passionate about statistical analysis and quality improvement, and he built the foundation of PDCA recorded in numerous publications.
- Years later, inspired by Shewhart's ideas, William Deming actually developed the model into a learning and improvement cycle, becoming popular as PDCA. This is why the model is also known as the Shewhart cycle or Deming cycle. The PDCA model was developed by William Deming during the 1950s. Standing for Plan-Do-Act-Change, the PDCA model is a cyclical and iterative process for continuous change and improvement.
- It helps organizations make improvements by following a simple process: devise a plan, test the plan, implement the plan, evaluate the plan's success, and make the necessary changes. Rinse and repeat.
- As a powerful and versatile cycle, PDCA is best used when conducting controlled trials, finding inefficiencies, and developing new processes across businesses and industries.

PDCA cycle is an iterative process for continually improving products, people, and services. It became an integral part of what is known today as Lean management. The Plan-Do-Check-Act model includes solutions testing, analyzing results, and improving the process. For example, imagine that you have plenty of customer complaints about the slow response rate of your support team. Then you will probably need to improve the way your team works to keep customers satisfied. That is the point where PDCA comes into play.



3.17 BRIDGES TRANSITION MODEL

- The Transition Model was created by change consultant, William Bridges, and was published in his 1991 book "Managing Transitions." The Bridges Transition Model is another people-centered approach to change management. However, unlike the Kubler-Ross change curve, the Bridges Transition Model focuses on the transition to the change and people's experience rather than the change itself. The key to change management isn't the results of the change, but the way the employees let go of the old and accept the new. The Bridges Transition Model is best used during large changes to help employees through the process. There are three stages that occur when people transition to change.
- Change is the external event or situation that takes place: a new business strategy, a turn of leadership, a merger or a new product. The organization focuses on the desired outcome that the change will produce, which is generally in response to external events. Change can happen very quickly.
- Transition is the inner psychological process that people go through as they internalize and come to terms with the new situation that the change brings about. Empathetic leaders recognize that change can put people in crisis. The starting point for dealing with transition is not the outcome but the endings that people have in leaving the old situation behind. Change will only be successful if leaders and organizations address the transition that people experience during change. Supporting people through transition, rather than pushing forward is essential if the change is to work as planned. This is key to capitalizing on opportunities for innovation and creating organizational resilience.



1. Ending, losing, and letting go: As contradictory as it seems, the first step in the transition model begins with an end and is typically the most emotional for employees. Failure to acknowledge employees' feelings may cause them to reject the changes so it is important to clearly communicate the purpose and benefits of the change.

2. STRATEGY MANAGEMENT MODEL

2.1 SWOT Analysis

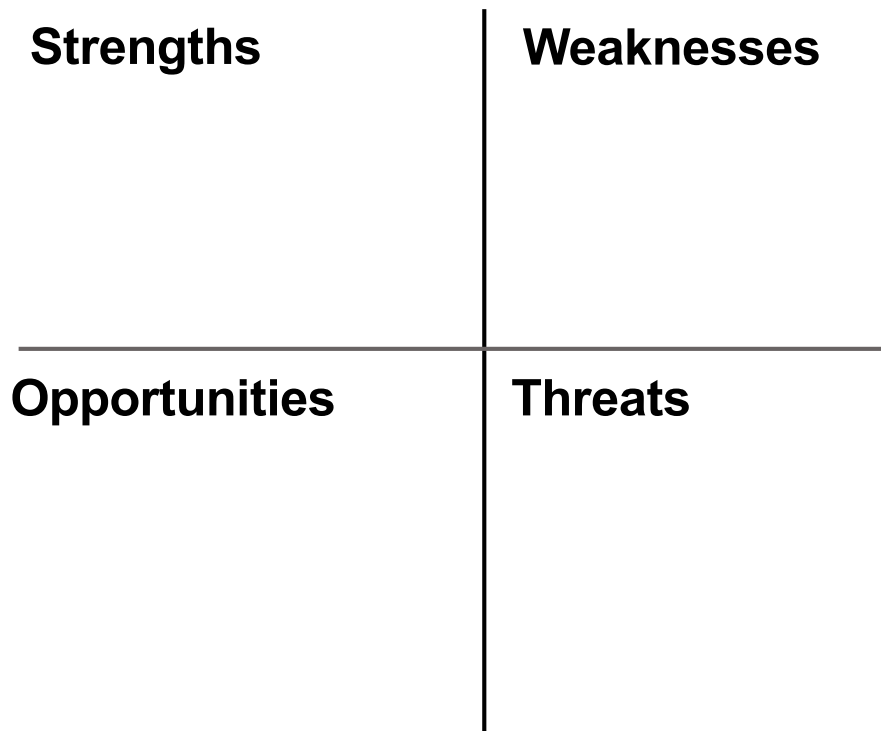
2.2 PESTEL Analysis

2.3 Ansoff Matrix

2.4 Blue Ocean Strategy

2.5 Porter's Five Forces and Generic Strategy

2.1 SWOT ANALYSIS



Helpful to summarise a situation analysis

2.2 PESTEL macro environmental forces

POLITICAL	ECONOMIC
SOCIAL	TECHNOLOGY
ENVIRONMENT	REGULATORY/ LEGAL

Helpful as a basis for organisational design (fit for environment), horizon scanning, scenario planning,

2.3 ANSOFF MATRIX

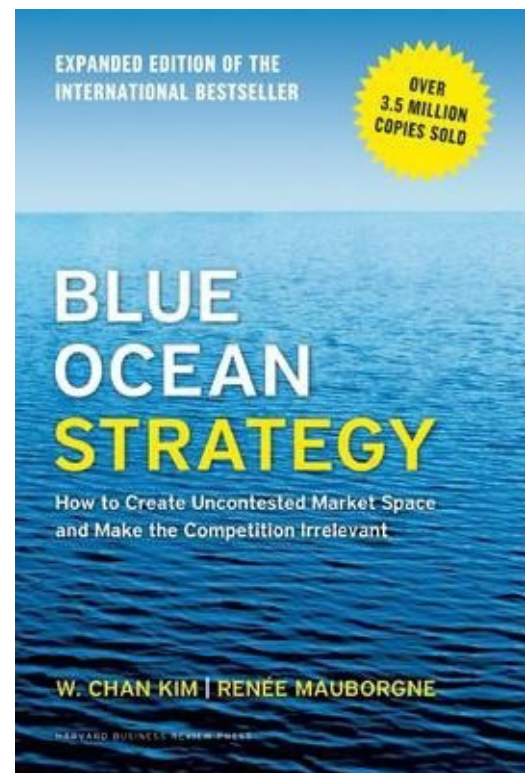
Source: Ansoff, H. I (1957), *Strategies for Diversification*, Harvard Business Review, Sept-Oct 1957)

	Existing products	New products
Existing markets	Penetration	Product development
New markets	Market development	Diversification

Helpful as a basis to discuss strategic options

2.4 BLUE OCEAN STRATEGY

Helpful when looking at business models and positioning in new boundary. The authors assert that these strategic moves create a leap in value for the company, its buyers, and its employees while unlocking new demand and making the competition irrelevant. The book presents analytical frameworks and tools to foster an organization's ability to systematically create and capture "blue oceans"—unexplored new market areas.



2.5 BCG Growth Share Matrix

The growth share matrix was created in 1968 by BCG's founder, Bruce Henderson. At the height of its success, the growth share matrix was used by about half of all Fortune 500 companies. The growth share matrix was built on the logic that market leadership results in sustainable superior returns. Ultimately, the market leader obtains a self-reinforcing cost advantage that competitors find difficult to replicate. These high growth rates then signal which markets have the most growth potential.

Low Growth, High Share. Companies should milk these “cash cows” for cash to reinvest.

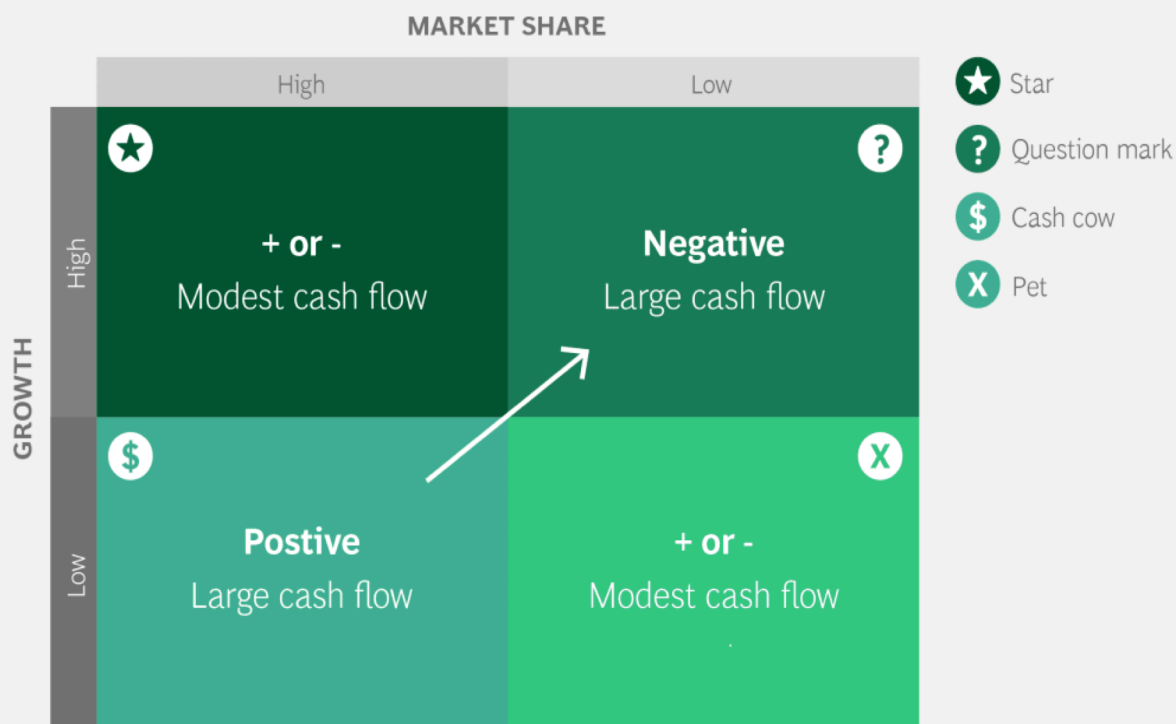
High Growth, High Share. Companies should significantly invest in these “stars” as they have high future potential.

High Growth, Low Share. Companies should invest in or discard these “question marks,” depending on their chances of becoming stars.

Low Share, Low Growth. Companies should liquidate, divest, or reposition these “pets.”

Product value depends entirely on whether or not a company is able to obtain a leading share of its market before growth slows. All products will eventually become either cash cows or pets. Pets are unnecessary; they are evidence of failure to either obtain a leadership position or to get out and cut the losses.

BCG's Growth Share Matrix: Optimum Cash Flow

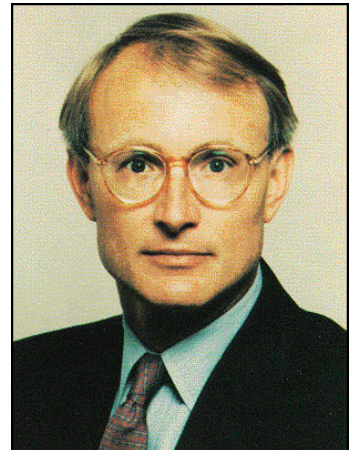


Source: BCG analysis.

2.6 Porter's Five Forces

Source: Michael E. Porter (1975), *How competitive forces shape strategy?* Harvard Business Review, December 2015 issue.

- Rivalry amongst those in the industry
- Bargaining power of suppliers
- Bargaining power of buyers
- Threat of new entrants
- Threat of substitute products or services
- Bargaining power of buyers



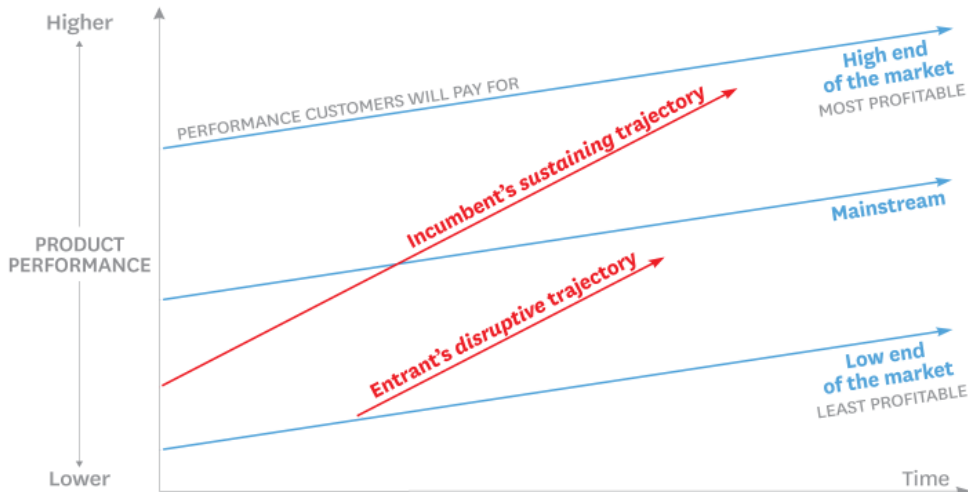
Helpful when looking at competitive positioning, segmentation approaches, customer needs and perception

2.7 Disruptive Innovation Strategy

Source: Clayton M. Christensen, Michael E. Raynor and Rory McDonald (2015), *What is disruptive innovation?* Harvard Business Review, December 2015 issue.

The Disruptive Innovation Model

This diagram contrasts *product performance trajectories* (the red lines showing how products or services improve over time) with *customer demand trajectories* (the blue lines showing customers' willingness to pay for performance). As incumbent companies introduce higher-quality products or services (upper red line) to satisfy the high end of the market (where profitability is highest), they overshoot the needs of low-end customers and many mainstream customers. This leaves an opening for entrants to find footholds in the less-profitable segments that incumbents are neglecting. Entrants on a disruptive trajectory (lower red line) improve the performance of their offerings and move upmarket (where profitability is highest for them, too) and challenge the dominance of the incumbents.



SOURCE CLAYTON M. CHRISTENSEN, MICHAEL RAYNOR, AND RORY McDONALD
FROM "WHAT IS DISRUPTIVE INNOVATION?" DECEMBER 2015

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