





Change Management





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Kotter's 8 Steps of Organisational Change

1. Create a Sense of Urgency - [Link](#)
2. Pull Together the Guiding Team – [Link](#)
3. Develop the Change Vision and Strategy – [Link](#)
4. Communicate for Understanding and Buy-in – [Link](#)
5. Empower Other to Act – [Link](#)
6. Produce Short-Term Wins – [Link](#)
7. Don't Let Up – [Link](#)
8. Create a New Culture – [Link](#)





Step 1: Create a Sense of Urgency

- Help others see the need for change and they will be convinced of the importance of acting immediately.
- Take the pulse of the organisation and consider;
 1. Complacency
 2. False urgency
 3. True urgency
- Common ways organisations fail and succeed at establishing true urgency;
 1. Guaranteed to Fail
 2. Guaranteed to Succeed





Step 1: Create a Sense of Urgency









Step 2: Creating the Guiding Coalition

- Assemble a group with enough power to lead the change effort, and encourage the group to work as a team.
- No one person, no matter how competent, is singularly capable of:
 1. Developing the right vision,
 2. Communicating it to vast numbers of people,
 3. Eliminating all of the key obstacles,
 4. Generating short term wins,
 5. Leading and managing dozens of change projects, and
 6. Anchoring new approaches deep in an organization's culture.
- Putting together the right coalition of people to lead a change initiative is critical to its success.





Step 2: Creating the Guiding Coalition

- The Importance of Teams to Decision making.
- What sort of world do we live in? Moore's Law?
- It is essential that the team develop a level of trust in one another.
- Team building has to happen quickly.
- The Four Qualities of an Effective Guiding Coalition
 1. Position Power
 2. Expertise
 3. Credibility
 4. Leadership





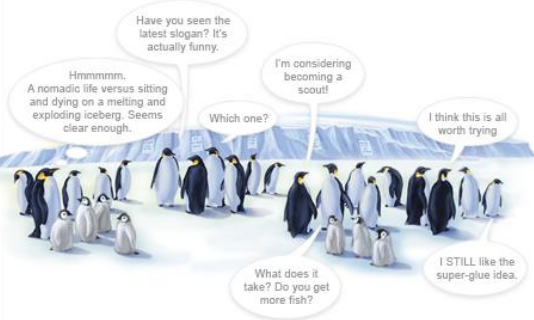
Step 2: Creating the Guiding Coalition

- The Four Qualities of an Effective Guiding Coalition
 1. **Position Power** - Enough key players should be on board so that those left out cannot block progress.
 2. **Expertise** - All relevant points of view should be represented so that informed intelligent decisions can be made.
 3. **Credibility** - The group should be seen and respected by those in the firm so that the group's pronouncements will be taken seriously by other employees.
 4. **Leadership** - The group should have enough proven leaders to be able to drive the change process.





Step 2: Creating the Guiding Coalition





Step 3: Developing a Change Vision

- Create a vision to help direct the change effort.
- A clear vision serves three important purposes;
 1. Simplifies hundreds or thousands of more detailed decisions
 2. Motivates people to take action in the right direction even if the first steps are painful.
 3. Helps to coordinate the actions of different people in a remarkably fast and efficient way
- A clear and powerful vision will do far more than an authoritarian decree or micromanagement can ever hope to accomplish.





Step 3: Developing a Change Vision

- Effective visions have six key characteristics.
 1. **Imaginable** - They convey a clear picture of what the future will look like.
 2. **Desirable** - They appeal to the long-term interest of those who have a stake in the enterprise.
 3. **Feasible** - They contain realistic and attainable goals.
 4. **Focused** - They are clear enough to provide guidance in decision making.
 5. **Flexible** - They allow individual initiative and alternative responses in light of changing conditions.
 6. **Communicable** - They are easy to communicate and can be explained quickly.





Step 3: Developing a Change Vision



- Easy to understand
- Communicated in 1 minute
- Intellectually Solid
- Emotional Appeal
- Understood by everyone





Step 4: Communicating the Vision for Buy-in

- Gaining understanding and commitment to a new direction is not easy.
- Single 'launch' letter or memo from the CEO is never enough!
- The vision needs to be referred to in emails, in meetings, in presentations – it will be communicated anywhere and everywhere.
- The vision should be;
 1. Simple
 2. Vivid
 3. Repeatable
 4. Invitational





Step 4: Communicating the Vision for Buy-in

Consider the following vision statement;

"Our goal is to reduce our mean time to repair parameters so that they are perceptually lower than all major competitors inside the United States and out. In a similar vein, we have targeted new product development cycle times, order process times, and other customer-relevant processes for change."





Step 4: Communicating the Vision for Buy-in

Would this be better?

"We are going to become faster than anyone in our industry at satisfying customer needs."

- Actions speak louder than words!





Step 4: Communicating the Vision for Buy-in



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Step 5: Empowering Broad-based Action

- Remove obstacles to change, change systems or structures that seriously undermine the vision.
- Structural Barriers
 - An organization that claims to want to be customer focused finds its structures fragment resources and responsibilities.
 - Companies that claim to want to increase productivity have huge staff groups that constantly initiate costly procedures.
 - Many times, these are the most difficult barriers to get past because they are part of the internal structure of the company.
- Realigning incentives and appraisals to reflect the change vision.
- People with interrelated habits that add up to a style of management that inhibits change



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Step 5: Empowering Broad-based Action



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Step 6: Generating Short-term Wins

- Plan for achievements that can easily be made visible, follow-through with those achievements and recognize and reward employees who were involved.
- For leaders in the middle of a long-term change effort, short-term wins are essential.
- Research shows that companies that experience significant short-term wins by fourteen and twenty-six months after the change initiative begins are much more likely to complete the transformation.
- The wins provide evidence that the sacrifices that people are making are paying off.
- The wins also serve the practical purpose of helping to fine tune the vision and the strategies
- Short-term wins also tend to undermine the credibility of cynics.



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Step 6: Generating Short-term Wins

- Short-term wins rarely simply happen.
- They are usually the result of careful planning and effort.
- So why aren't they planned for?
 - Overwhelming task of the total change effort.
 - Belief that you can't produce major change and short-term performance results.
- The need to get short-term wins adds a great deal of pressure to an organization in the midst of a transformation effort. However,
- Short-wins can actually increase the sense of true urgency.
- Actually accomplishing these goals does much to cement the change initiative.



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Step 6: Generating Short-term Wins



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Step 7: Never Letting Up

- Consolidating gains and producing more change.
- Using the increased credibility
 - Change systems, structures, and policies that don't fit the vision
 - Hire, promote, and develop employees who can implement vision
 - Reinvalidate the process with new projects and themes
- Resistance is always waiting in the wings to re-assert itself.
 - Waiting for an opportunity to emerge when you least expect it
- Whenever you let up before the job is done, critical momentum can be lost and regression may soon follow.
- The new behaviours and practices must be driven into the culture to ensure long-term success.





Step 7: Never Letting Up

- In a successful major change initiative, by step 7 you will begin to see;
 1. More projects being added
 2. Additional people being brought in to help with the changes
 3. Senior leadership focused on giving clarity to an aligned vision and shared purpose
 4. Employees empowered at all levels to lead projects
 5. Reduced interdependencies between areas
 6. Constant effort to keep urgency high
 7. Consistent show of proof that the new way is working
- Instead of declaring victory and moving on, these transformational leaders will launch more and more projects to drive the change deeper into the organization.





Step 7: Never Letting Up





Step 8: Incorporating Changes into the Culture

- Anchoring new approaches in the culture for sustained change
- New practices must grow deep roots in order to remain firmly planted in the culture.
- What is culture?
 1. Cultural change comes last, not first
 2. You must be able to prove that the new way is superior to the old
 3. The success must be visible and well communicated
 4. You will lose some people in the process
 5. You must reinforce new norms and values with incentives and rewards – including promotions
 6. Reinforce the culture with every new employee
 7. Tradition is a powerful force.



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