

Change Management Strategies for Performance Improvement

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Successful companies are not necessarily effective or efficient at implementing change.

Even companies that are good at making operational changes may not be good at implementing systemic performance improvements. The use of the planning/project management tools that serve them well in product introduction or facility construction are useful but insufficient for this type of implementation. An intelligent solution, effective planning, and rigorous project management do not, by themselves, prepare an organization for change.

While change actions are unique to each situation, we can generalize about and begin planning for the *magnitude* of the change, which should be known before design begins; the *categories* of change (e.g., work flow, systems, policies, job, work environment,

measurement); and the *process and infrastructure* for implementation.

Organizations frequently need third-party support

as they ready the organization for change; develop and test the detailed implementation plan; establish the change roles and infrastructure; and, create/install the solutions.

When an improvement effort fails, it is only occasionally because the idea or

model is flawed. Sometimes it falls short due to the quality of the analysis or design. Most frequently, improvements—incremental and radical, quality-driven and cost-driven, team-designed and individual-designed—fail during implementation.

Here are some of the most common causes for lack of implementation success and strategies that can be utilized to avoid them:

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Causes of Implementation Failure	Preventive Strategies
The change is not worth making	<ol style="list-style-type: none"> 1) Involve stakeholders in the design (e.g., customers, employees, suppliers). 2) Do cost-benefit analysis. 3) Simulate or pilot test before full rollout.
Implementation drags on, loses support, or is continuously plagued by surprises	<ol style="list-style-type: none"> 1) Ensure that the effort is not only supported by, but also driven by top management. 2) Formulate and be driven by a vision of the change to be made. 3) Plan, plan, plan. A detailed implementation plan and accountability for its deployment are critical to the success of a change effort. 4) Project manage the implementation. For large changes, consider a full-time project manager. Modify the plan as necessary.

Performance Improvement

Insufficient commitment to the change

- 1) Involve stakeholders in design and implementation.
- 2) Ensure that stakeholders are ready for change. The heart of change readiness is communication of features and benefits.
- 3) Identify risks and barriers to successful change and build preventive actions into the plan.

Implementation is torpedoed by cultural factors

- 1) "Culture-test" the design.
 - a) Identify cultural attributes that will support change.
 - b) Test those attributes against the current culture.
 - c) If there is a fit, proceed. If not, develop an action plan to bring about cultural compatibility (i.e., either modify culture or modify change).
- 2) Ensure that the plan addresses cultural as well as technical variables/changes.

Unrealistic schedule expectations

- 1) Incorporate in the plan the work flow and resource consequences of moving too quickly or slowly.

Insufficient resources to implement the change

- 1) Have the implementation effort driven by the people who have the power to allocate resources.
- 2) Recognize that the resources required to implement change far exceed the resources involved in the analysis/design.
- 3) Build resource requirements into the plan.

Isolating this change from the rest of what's going on

- 1) Address the impact that this change will have elsewhere, and the effect that other efforts will have on this change.
 - a) This process involves looking at the company holistically, as an integrated system, rather than as a set of individual components.
- 2) Ensure that the plan includes the changes that need to be made at all three levels of performance: organization, process, and job.

To structure these preventive strategies, we have found a need to have a three-stage approach to implementation:

- **Readiness.** Beginning early in the design phase, the sponsors and designers should analyze the reasons previous change efforts have succeeded (e.g., mission was communicated clearly and consistently across the organization) or failed (e.g., mission was unclear); explore their roles and the resources that they are likely to invest; and articulate and communicate the over-arching implementation strategy and goals.

- **Transition.** The sponsors and designers establish the team infrastructure and communicate throughout the organization the impetus for and magnitude of the change. The designers develop and secure the approval of the detailed plan. Key infrastructure components include: 1) an imple-

mentation steering team, or sponsor group: an executive-level group that spans the areas that will be influenced by the change and also has the power to make the change; 2) a project manager: a point person for all the change activities; and 3) recommendation clusters: small teams or groups that identify changes that will need to be made in particular units or departments of the organization (e.g., an Information and Technology Recommendation Cluster).

- **Installation.** The implementation teams make the changes, with the schedule and roles changing as needed to get the job done.

The pitfalls in analysis and design pale when compared to what can go wrong during implementation. By taking preventive actions, we can avoid the traps that can cause a brilliant idea to languish on the shelf. 