Kuwait Change Management Conference

Business transformation and the role of change agents

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Every major business transformation is bound to meet push back that is directly proportional to the relevance of the change

Emotional phases of change management

Denial	Resistance	Exploration	Commitment

How to move through denial

- Communicate
- Listen
- Exercise patience
- Minimise rumours

How to move through resistance

- Acknowledge how people feel about the past
- Focus on "what" and let go of "how"
- Show benefits in real and tangible way
- Communicate what will and will not change

How to move through exploration

- Focus on positive changes
- Foster environment that encourages creativity and experimentation
- Provide incentives
- Provide training

How to establish commitment

- Recognise success
- Prepare for the next change

Source: A.T. Kearney

Mobilizing across the whole organization, from top management to coalface workers, is key to any successful transformation

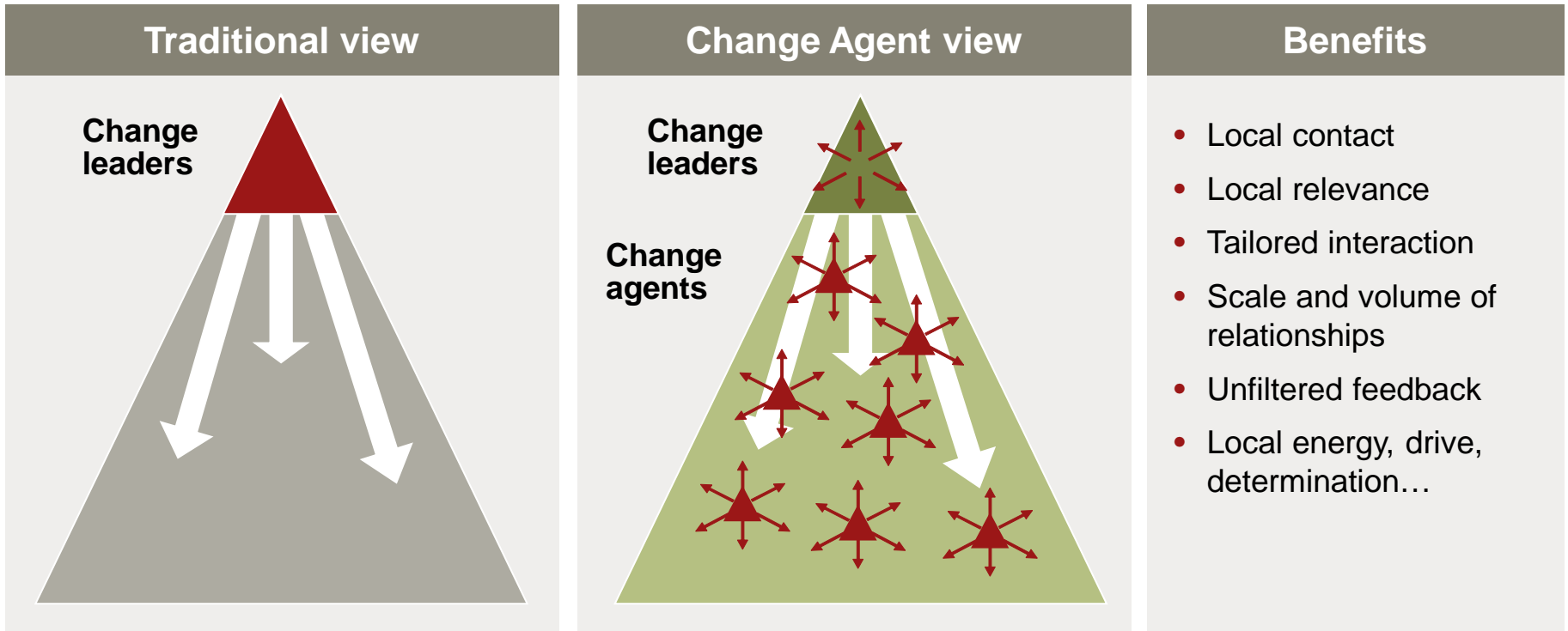## Typical change management challenges

Barriers to change

Old organization

New organization

Barriers to change

- No **trust** in leadership
- No understanding of **why** the changes are necessary
- **Confusion** on the goals
- **Emotional** responses to the change initiatives

Key success factors in transformation efforts[1]

Factor	Top Performer	Low Performer
Managing the change	8.0	3.3
Align, engage and mobilize leaders	7.8	3.9
Creating a case for change	7.3	4.3
Establishing a capable organization	6.3	2.8
Mobilizing the organization	6.3	2.9
Measuring progress	4.8	2.8
Establishing processes and technology enablers	3.1	4.4

■ Top Performer ■ Low Performer

1. The survey score reflects the importance of the element for successful transformations scale 1 to 10
Source: Handbook of enterprise transformation, A.T. Kearney

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Yet the traditional "drive change from the top" is not enough: people must be convinced that *this specific change* will work

Traditional vs. "Change Agent" approach

Traditional view	Change Agent view	Benefits
Change leaders	**Change leaders** / **Change agents**	• Local contact • Local relevance • Tailored interaction • Scale and volume of relationships • Unfiltered feedback • Local energy, drive, determination…

"We have to get everybody in the organization involved; if we do that, the best ideas rise to the top" – Jack Welch, former CEO General Electric

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Indeed, the ability to influence change does not come only from positions of seniority, but from informal networks and reputation

Organization network analysis

Example

Central Connectors or "Hubs"

Sub-Groups

Brokers

Peripherals

This is not just about "sprinkling" agents to ease out transition; activities must be carefully targeted, planned and monitored…

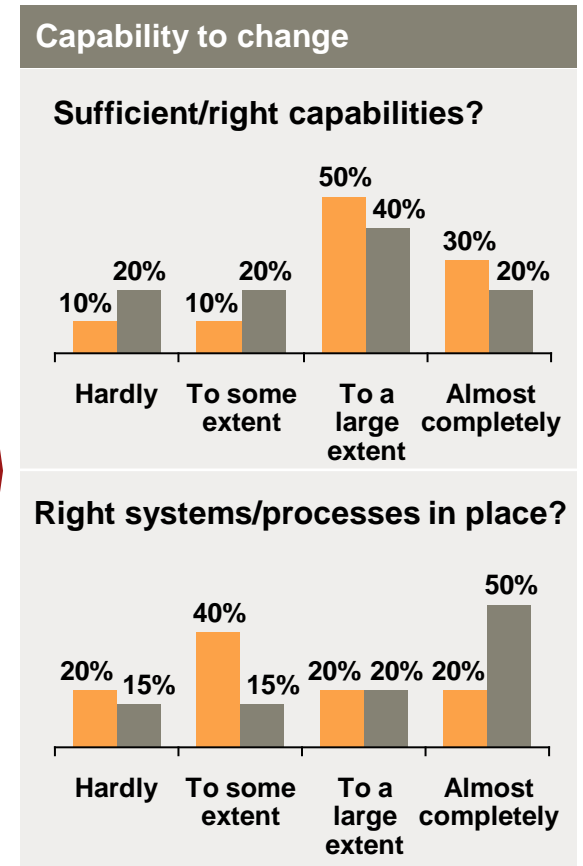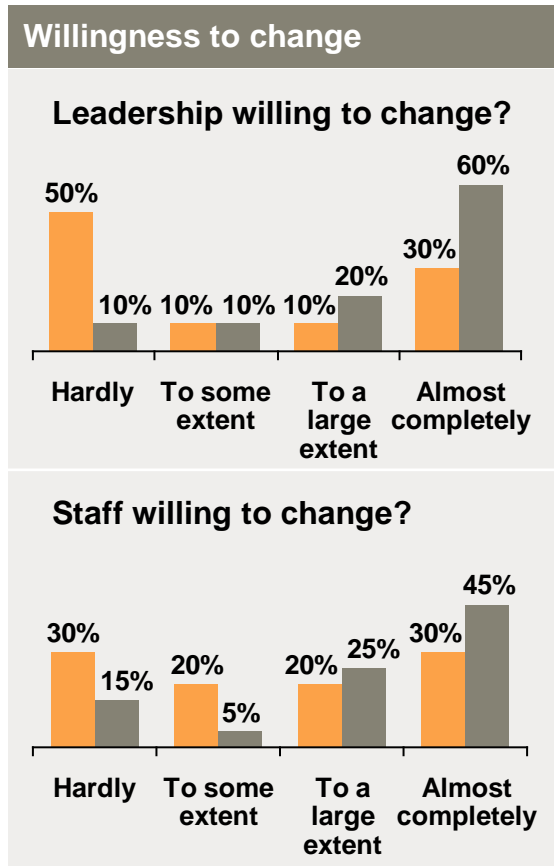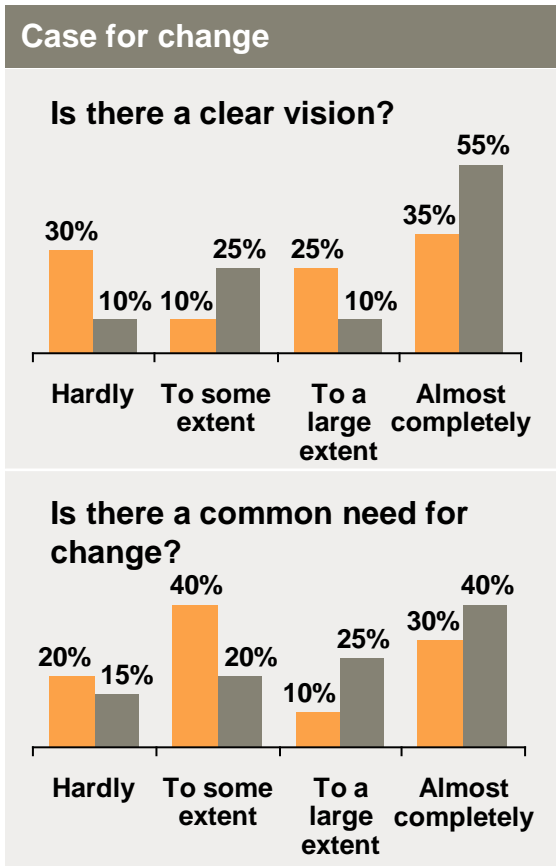**Targeting and planning change agents' activities**

Who		What & How	
Identify impacted stakeholders	**Map stakeholders by interaction level**	**Assess communic., train & coach needs**	**Execute communic., training & coaching**

- Identify stakeholders / end users directly or indirectly impacted by the transformation process
- Classify in homogeneous stakeholder / end user groups or communities

- Identify for each stakeholder group:
  - Decision rights, roles and responsibilities
  - Level of day to day involvement
  - Interaction / coaching model
  - Degree of awareness required

- Identify for each stakeholder group:
  - Communication messages and channels
  - Target skillset to be developed, training and coaching areas
  - KPIs and dashboards

- Identify preferred form of execution for the communication, training and coaching required
- Develop detailed plans and support materials
- Execute and monitor progress & results

…on the basis of a realistic (and periodically updated) assessment of the organization's actual readiness to change

Change readiness assessment

Illustrative

Case for change

Is there a clear vision?

Category	Organisation	Leadership
Hardly	30%	10%
To some extent	10%	25%
To a large extent	25%	10%
Almost completely	35%	55%

Is there a common need for change?

Category	Organisation	Leadership
Hardly	20%	15%
To some extent	40%	20%
To a large extent	10%	25%
Almost completely	30%	40%

Willingness to change

Leadership willing to change?

Category	Organisation	Leadership
Hardly	50%	10%
To some extent	10%	10%
To a large extent	10%	20%
Almost completely	30%	60%

Staff willing to change?

Category	Organisation	Leadership
Hardly	30%	15%
To some extent	20%	5%
To a large extent	20%	25%
Almost completely	30%	45%

Capability to change

Sufficient/right capabilities?

Category	Organisation	Leadership
Hardly	10%	20%
To some extent	10%	20%
To a large extent	50%	40%
Almost completely	30%	20%

Right systems/processes in place?

Category	Organisation	Leadership
Hardly	20%	15%
To some extent	40%	15%
To a large extent	20%	20%
Almost completely	20%	50%

Legend: Organisation (orange), Leadership (grey)

Source: A.T. Kearney

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Importantly, the role of change agents (internal or external) is not just to communicate but also to gradually train and handover

Change management engagement through change coaches

Illustrative

Getting started
- Coach steers and pedals
- End user accompanies

Gaining speed
- Coach steers and pedals
- End user pedals

Taking over
- End user steers and pedals
- Coach pedals

Gaining ground
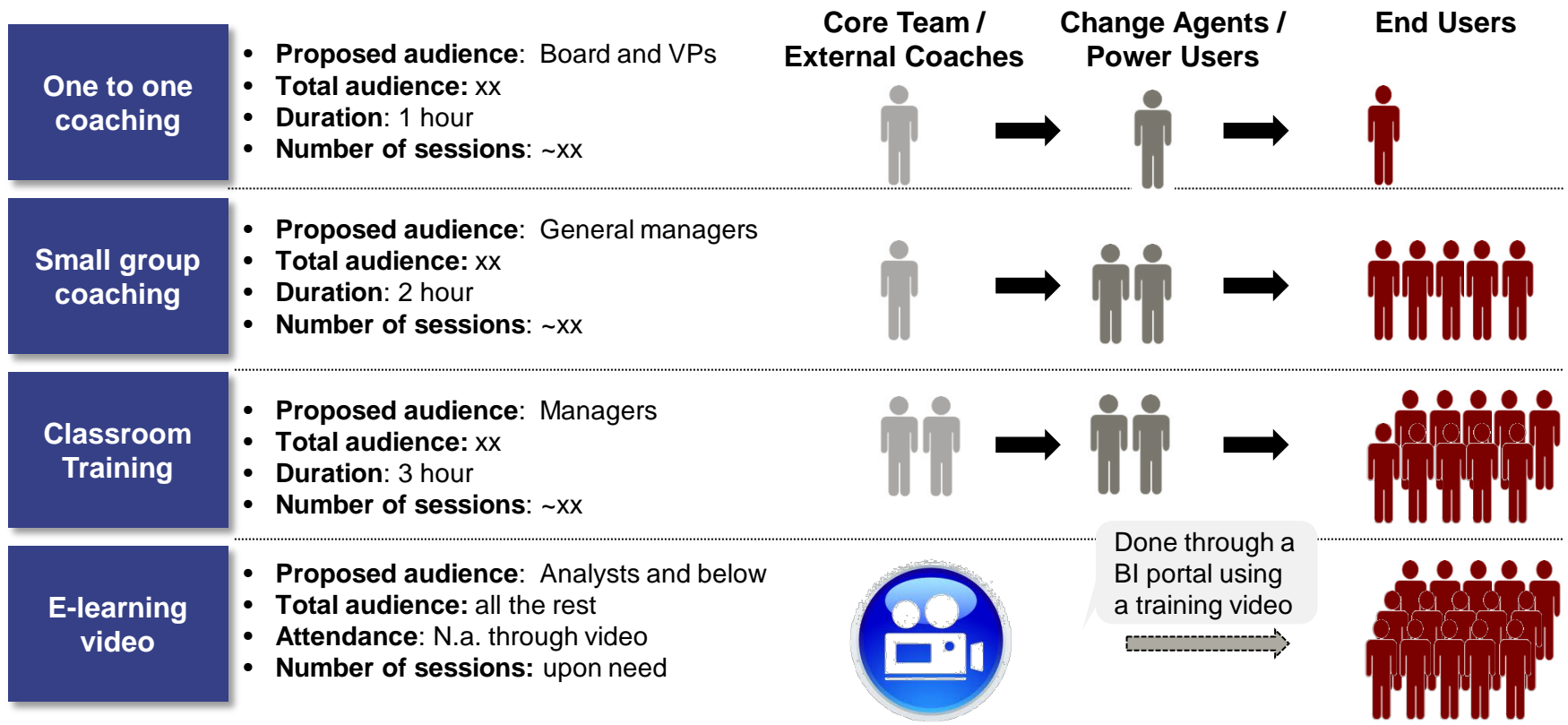- End user steers and pedals
- Coach backs off, balances and supports

Driving alone
- End user rides alone, steers and pedals
- Coach gets off and supports as required

● End user ● Coach

As the needs of the different stakeholders / end users can be very different, the approach selected must be tailored for each

Knowledge transfer delivery channel options

Illustrative

		Core Team / External Coaches	Change Agents / Power Users	End Users
One to one coaching	• **Proposed audience**: Board and VPs • **Total audience**: xx • **Duration**: 1 hour • **Number of sessions**: ~xx			
Small group coaching	• **Proposed audience**: General managers • **Total audience**: xx • **Duration**: 2 hour • **Number of sessions**: ~xx			
Classroom Training	• **Proposed audience**: Managers • **Total audience**: xx • **Duration**: 3 hour • **Number of sessions**: ~xx			
E-learning video	• **Proposed audience**: Analysts and below • **Total audience**: all the rest • **Attendance**: N.a. through video • **Number of sessions**: upon need		Done through a BI portal using a training video	

➡ Direct knowledge transfer

⇢ Virtual knowledge transfer

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At the same time, change management and coaching must be underpinned by a strong program communication strategy (1/2)

Change communication tools and methods (1/2)

Illustrative

Forums of interaction

Town hall

Workshops

Feedback sessions

One-on-One

Communication tools

Newsletters/Flyers

No worries, we just kindly advise you to switch to direct debit Now!

Help the customer!

DVD

DVD of **Transformation**

Handbooks

Intranet

Collaboration tools

Effective communication must be two-way i.e. not only convey leadership plans and decisions to the org. but also feedback from the org. to leadership

Source: A.T. Kearney

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At the same time, change management and coaching must be underpinned by a strong program communication strategy (2/2)

Change communication tools and methods (2/2)

Illustrative

Cartoons: hard messages
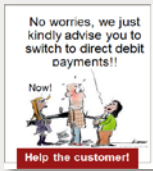
- Cartoons to provide difficult messages, were made in different settings

Video reports: momentum

- Video reports to capture implementation kick-offs and ongoing activities for every Business Unit

DVDs: personal stories

- Personal stories captured on DVD, from every level in the organization

Book of transformation

- Published and printed for all stakeholders

Case for Change game
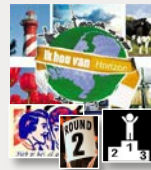
- Interactive games to facilitate awareness of business issues to strengthen case for change

Exercise: 'glueing' culture

- Teams make puzzles with the new structure and processes to increase knowledge on new ways of working

Change Mgt game

- Game made available for all employees to practice dealing with change in general

Screens in hallways

- Hallway screens display "hot news" about the program

Traditional ways

- Various other communication means are used

In sum, we believe successful transformations must combine strong central leadership with intensive coaching through agents

Key change agents' success factors

- Visible top management support

- Carefully selected, trained and motivated agents

- Strong communication and feedback mechanism

- Rigorous plan and progress monitoring process

- Tailored end user training and coaching

- Phased coaching, handover and support

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