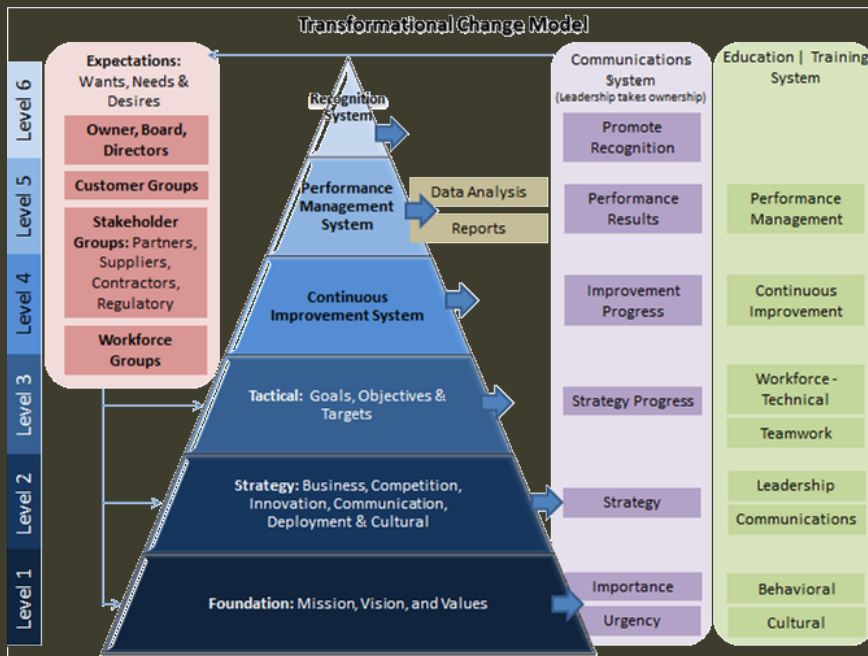# The
Transformational
Change
Model

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Performance Solutions, LLC

| Business | Management | Systems |
| Strategy | Improvement | Excellence |

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Transformational Change Model

Level 6	Expectations: Wants, Needs & Desires		Recognition System	Communications System (Leadership takes ownership)	Education | Training System
	Owner, Board, Directors			Promote Recognition	
Level 5	Customer Groups	Performance Management System	Data Analysis	Performance Results	Performance Management
	Stakeholder Groups: Partners, Suppliers, Contractors, Regulatory		Reports		
Level 4		Continuous Improvement System		Improvement Progress	Continuous Improvement
	Workforce Groups				Workforce - Technical
Level 3		Tactical: Goals, Objectives & Targets		Strategy Progress	Teamwork
Level 2		Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural		Strategy	Leadership
					Communications
Level 1		Foundation: Mission, Vision, and Values		Importance	Behavioral
				Urgency	Cultural

Rick Bickerstaff

Why...

do we need

to change?

Not meeting:
- Customer requirements (internal/external)
- Goals
- Targets
- Deadlines
- Budgets

Need for:
- Revenue
- Competitive advantages
- Innovation
- Application of best practices
- New skills
- Economic adjustments

Why...

do we need change management?

%

Why do people resist change?

Individuals are typically *resistant* to change. Why?

10 Reasons people resist change:

- Fear of the unknown
- "We've tried this before."
- "Is there really a need for change?"
- Lack of information
- Lack of resources
- Loss of security
- Loss of power
- Poor timing
- Habit
- Too many responsibilities/special projects

The workforce wonders...

- Is this just another program?
- Is this the 'flavor of the month?'
- What's in it for me?
- How can I do this on top of everything else?

What strategies can be employed to facilitate change?

Common Mistakes
organizations make:

Focus
- Effort is not focused on the customer
- Focus is on products or services and not processes

Goals, Measurement and Results
- Goals are set too low
- Results are *not obtained quickly* (need quick wins)
- 'Paralysis by analysis'
  - Overwhelming data collection & analysis
  - Data not adding value to the process

Personal
- Quality is a *personal commitment*
- Reward systems are not in place

Common Mistakes organizations make:

- *Senior management* is not driving it…living it
- Silos: organization does not see itself or operate as a collection of interrelated processes
- Little real empowerment is seen
- The culture remains one of 'command and control'
- Training is not addressed
- Organization is too complacent
- Misalignment with the mission & vision

Keys to success

- **Buy into** what you are selling
  - Buy-in yourself
  - Gain buy-in from top management
- Foster an entrepreneurial / ownership attitude
- Enable risk taking
- A simpler plan is better
- Use a stepped or phased approach to make it manageable, with clear action plans
- Set measurable, attainable goals
- *Establish a sense of urgency*

The more people on the bus *the better!*

- Identify "Change Agents" – those that readily accept change and can promote change to get people on the bus.
- Choose Change Agents that are:
  - Influential
  - Doers
- Get them excited about the changes.
- Gain support from management
  - Physical
  - Emotional
  - Resources

Gaining and maintaining momentum early will yield _greater successes_ later.

- Plan for "Quick wins"
  - To provide early momentum for change
  - To get people on board
  - To foster excitement
- Use benchmarks
  - and benchmark organizations
  - If it can be done by others, it can be done by us
- Identify:
  - Milestones
  - Timelines
  - The finish line
- Recognize /Reward along the journey

5 'I's
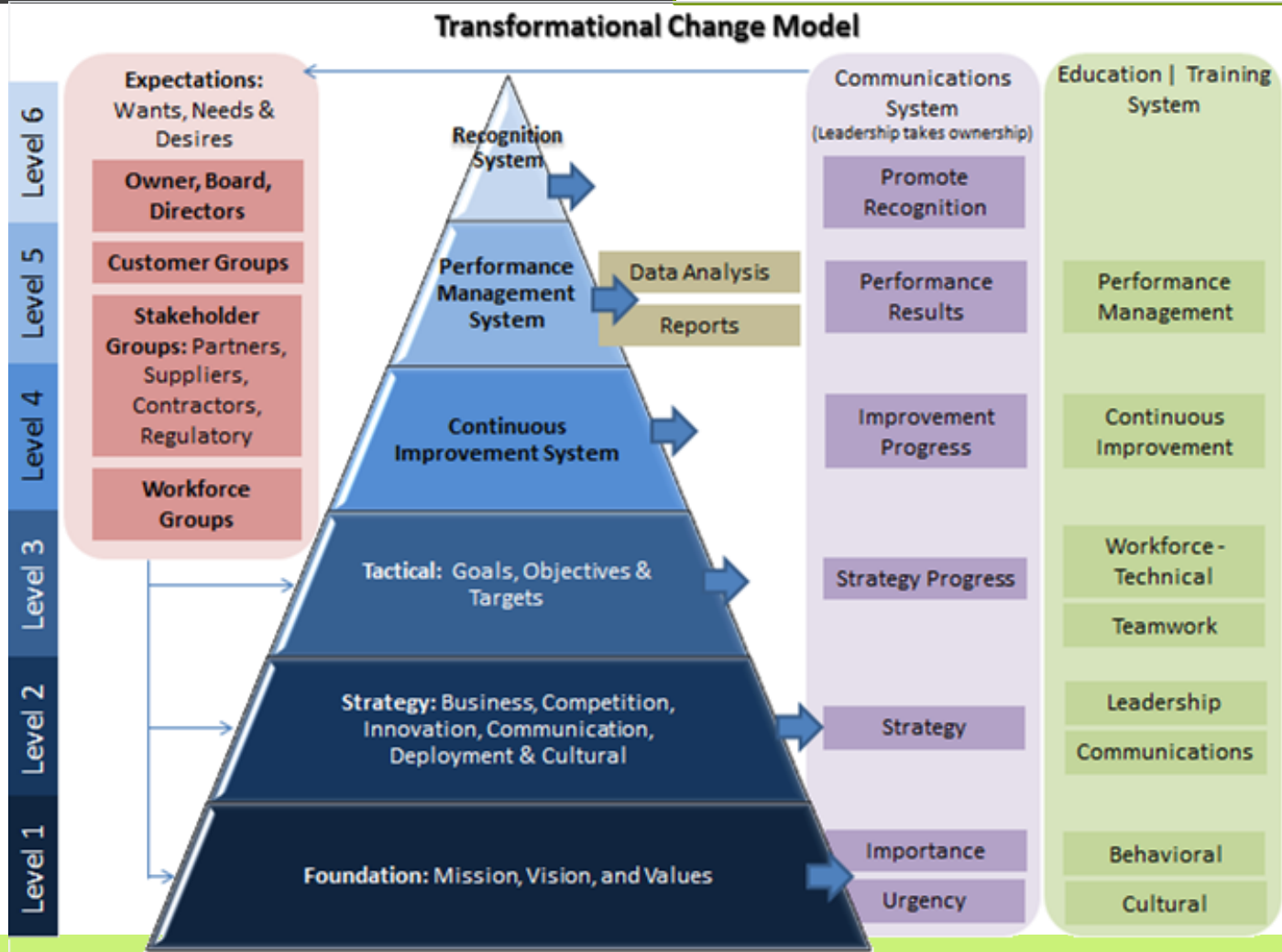## Key Mechanisms for Overcoming Resistance

- **Information** – educate; dispel uncertainty and fear
- **Indoctrination** – make changes seem inevitable
- **Intervention** –
  - Communication strategy/plan (groups; one-on-one)
  - Provide/acquire resources
  - Contingency plans
- **Involvement**
  - Make people part of the solution
  - Negotiation and agreement
- **Incentives**
  - Share positive incentives
  - Share negatives if change does not occur
  - Get naysayers off the bus (early)

The Transformational Change Model

Transformational Change Model

Level	Expectations: Wants, Needs & Desires	Pyramid	Communications System (Leadership takes ownership)	Education | Training System
Level 6	Owner, Board, Directors	Recognition System	Promote Recognition	
Level 5	Customer Groups	Performance Management System — Data Analysis, Reports	Performance Results	Performance Management
Level 4	Stakeholder Groups: Partners, Suppliers, Contractors, Regulatory	Continuous Improvement System	Improvement Progress	Continuous Improvement
Level 3	Workforce Groups	Tactical: Goals, Objectives & Targets	Strategy Progress	Workforce - Technical / Teamwork
Level 2		Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural	Strategy	Leadership / Communications
Level 1		Foundation: Mission, Vision, and Values	Importance / Urgency	Behavioral / Cultural

The Model
6 Levels

'Transformational'

'Foundational'

Level 6	Recognition System
Level 5	Performance Management System
Level 4	Continuous Improvement System
Level 3	Tactical: Goals, Objectives & Targets
Level 2	Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural
Level 1	Foundation: Mission, Vision, and Values

The need for change starts and ends *with the customer.*

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START HERE

- Know your Customer <u>AND</u> stakeholder **expectations**
- **Involve them with your** Strategies and tactics
- **Balancing** the needs of customers <u>AND</u> stakeholders is *important.*

The pyramid diagram shows levels 1-5 with Expectations: Wants, Needs & Desires; Owner, Board, Directors; Customer Groups; Stakeholder Groups: Partners, Suppliers, Contractors, Regulatory; Workforce Groups. The pyramid levels: Recognition System; Performance Management System; Continuous Improvement System; Tactical: Goals, Objectives & Targets; Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural; Foundation: Mission, Vision, and Values.

For most companies **communication** is the _number one concern._

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Transformational Change Model
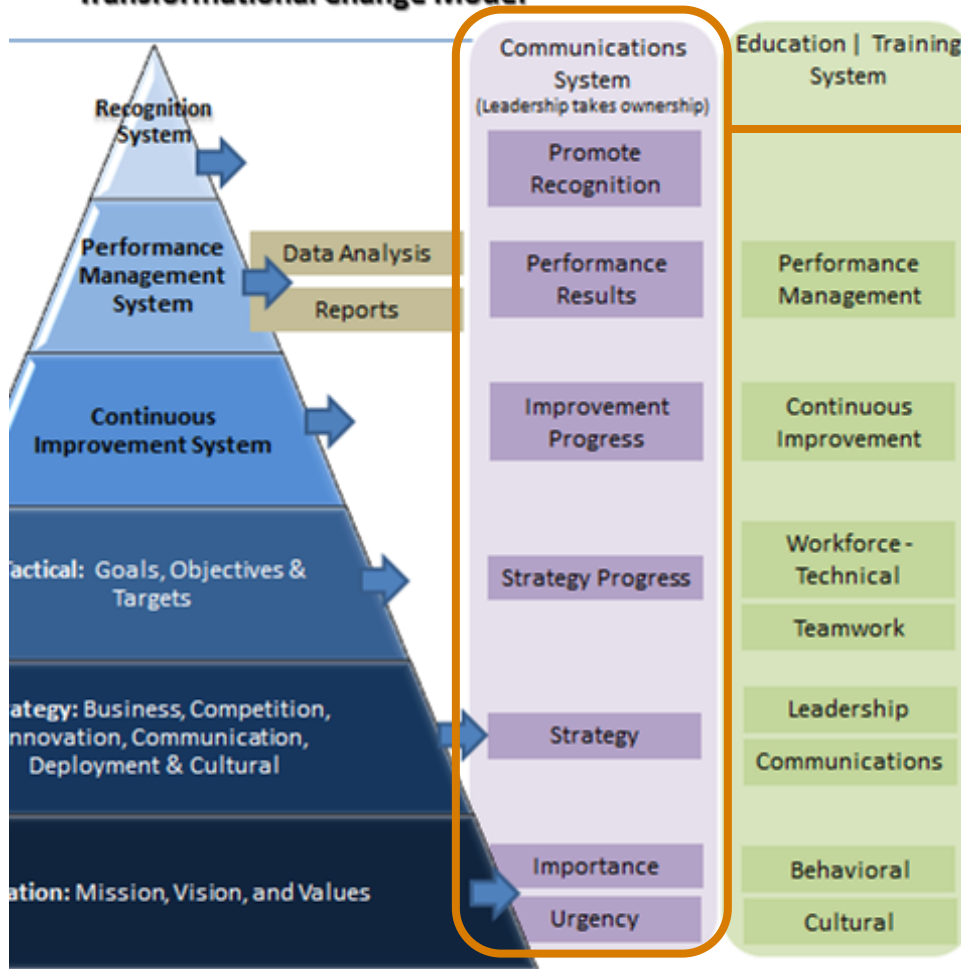
- From workforce surveys
- Have a parallel communication system _aligned with your levels_.

Workforce **competency** *improves* change acceptance.

Transformational Change Model
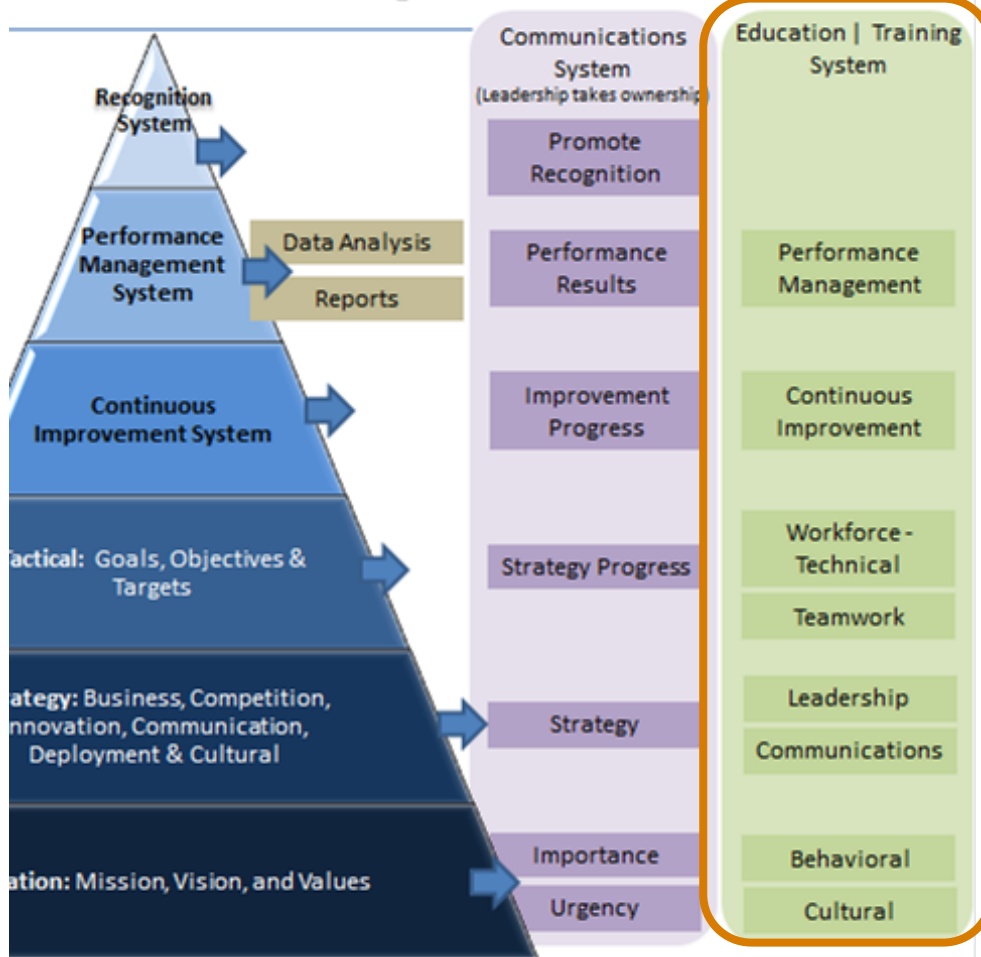
- An **Education System** is needed to support transformational change.

- **Ask.**

- Make it **SYSTEMatic.** (More on this later)

A strong **foundation** is *fundamental* to begin the change process.

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Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — **Tactical:** Goals, Objectives & Targets

Level 2 — **Strategy:** Business, Competition, Innovation, Communication, Deployment & Cultural

Level 1 — **Foundation:** Mission, Vision, and Values
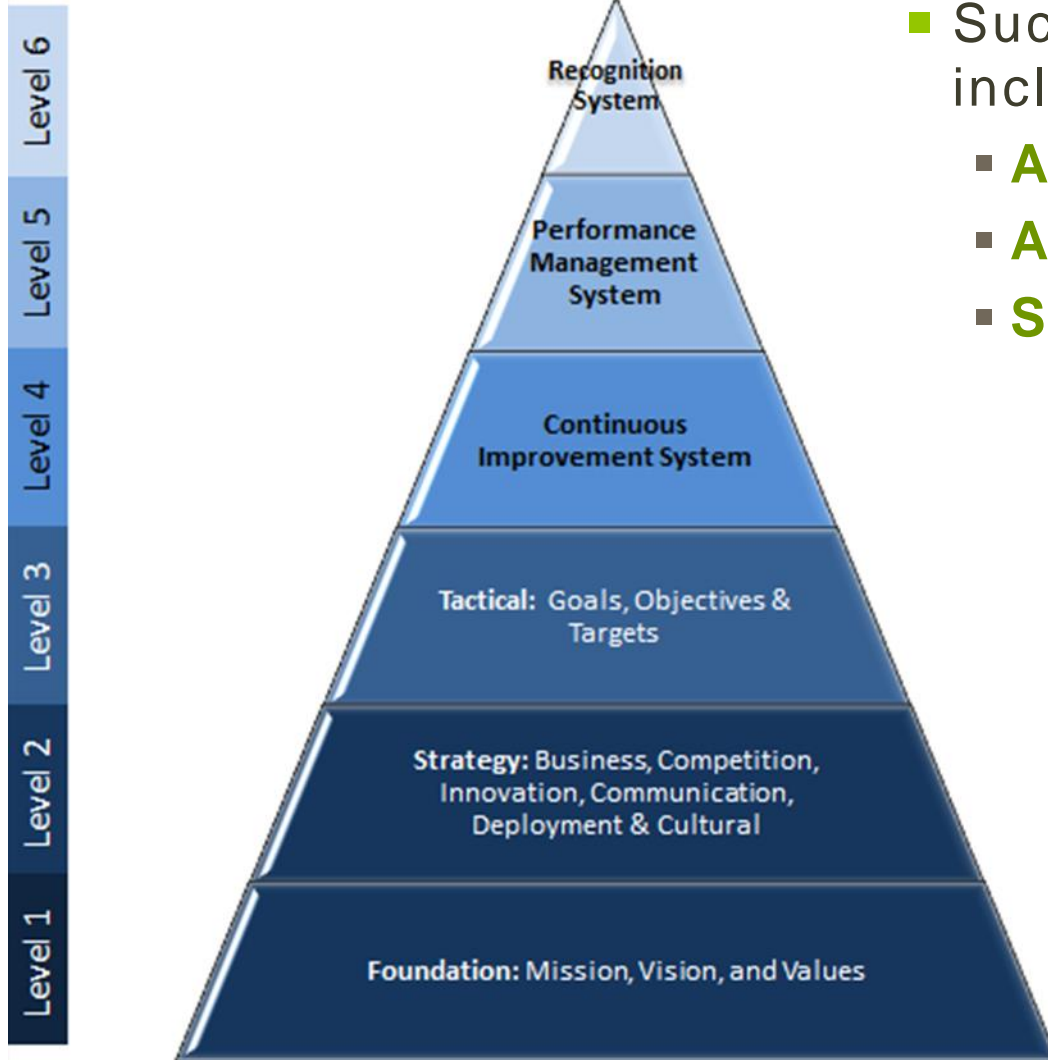
- Such a foundation includes developing:
  - **A Mission**
  - **A Vision**
  - **Strong Core Values**

Build

Foundation

Leaders must create a _sense of urgency._

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Transformational Change Model
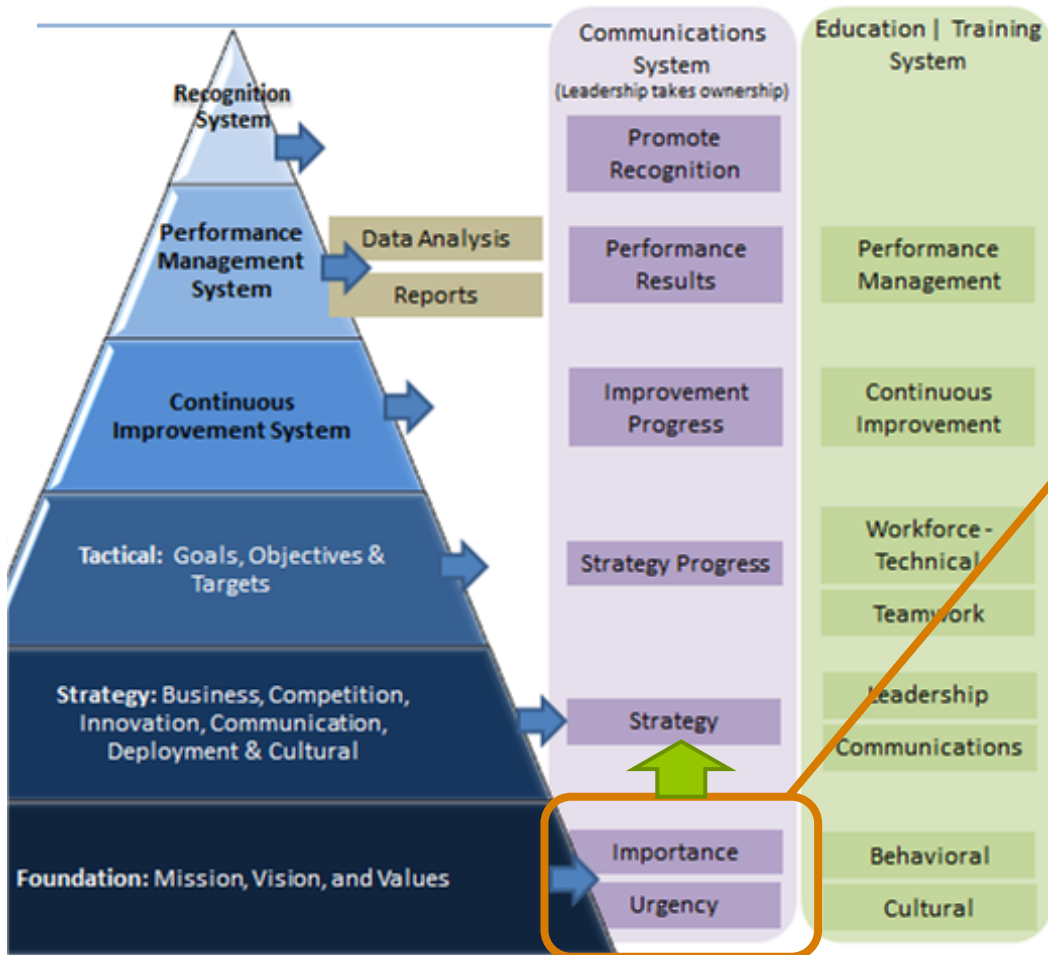
- And _maintain_ this urgency
- Significant _emphasis_ is needed at the start
- Leaders must also _communicate the importance_ …the **'Whys' for change**

Education is needed to address *cultural behaviors*

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Transformational Change Model
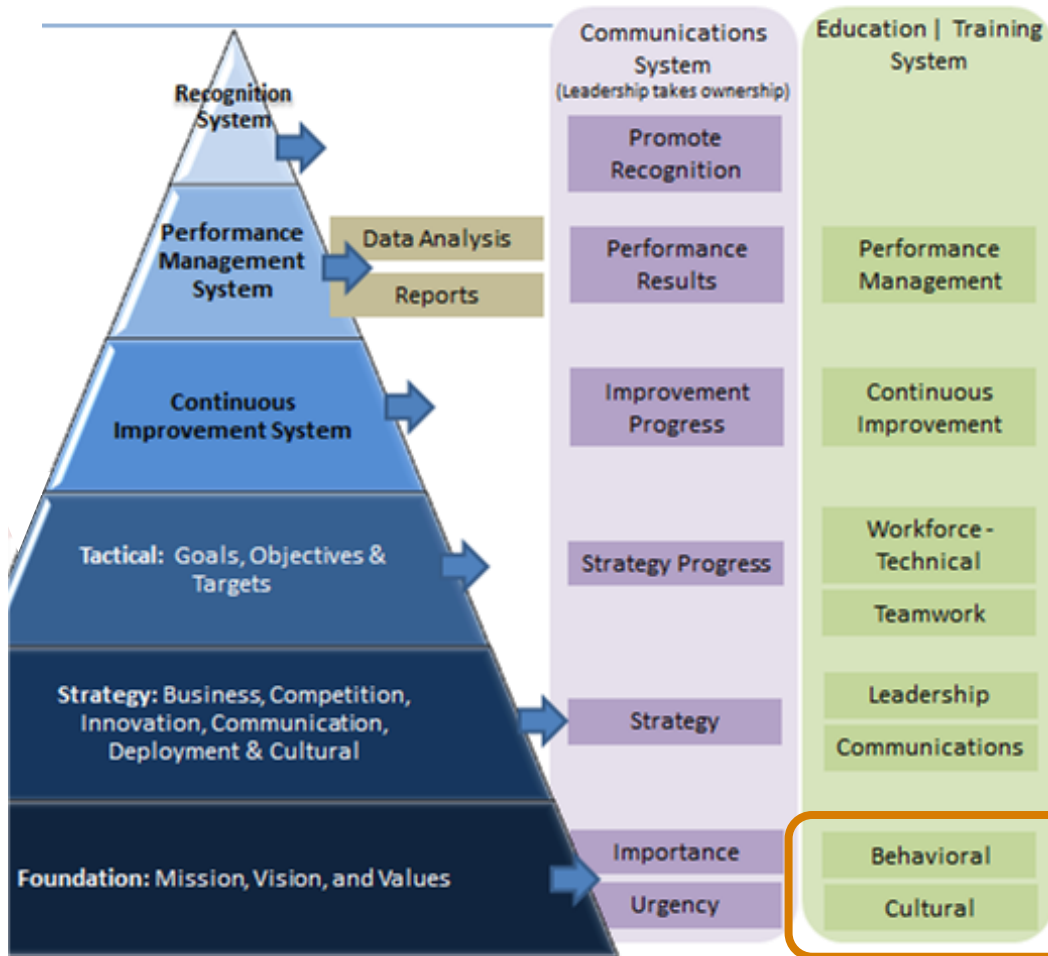
- Observe **behaviors**
- Evaluate **the culture for alignment**
- Establish **expectations** early

Establishing strategies *builds confidence.*

- **Stakeholder confidence**
- **Examples:**
  - Business improvement
  - Process improvement
  - Financial gains
  - Competitiveness improvement
  - Innovation
  - Communications
  - Deployment
  - Cultural change

Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — Tactical: Goals, Objectives & Targets

Level 2 — Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural

Level 1 — Foundation: Mission, Vision, and Values
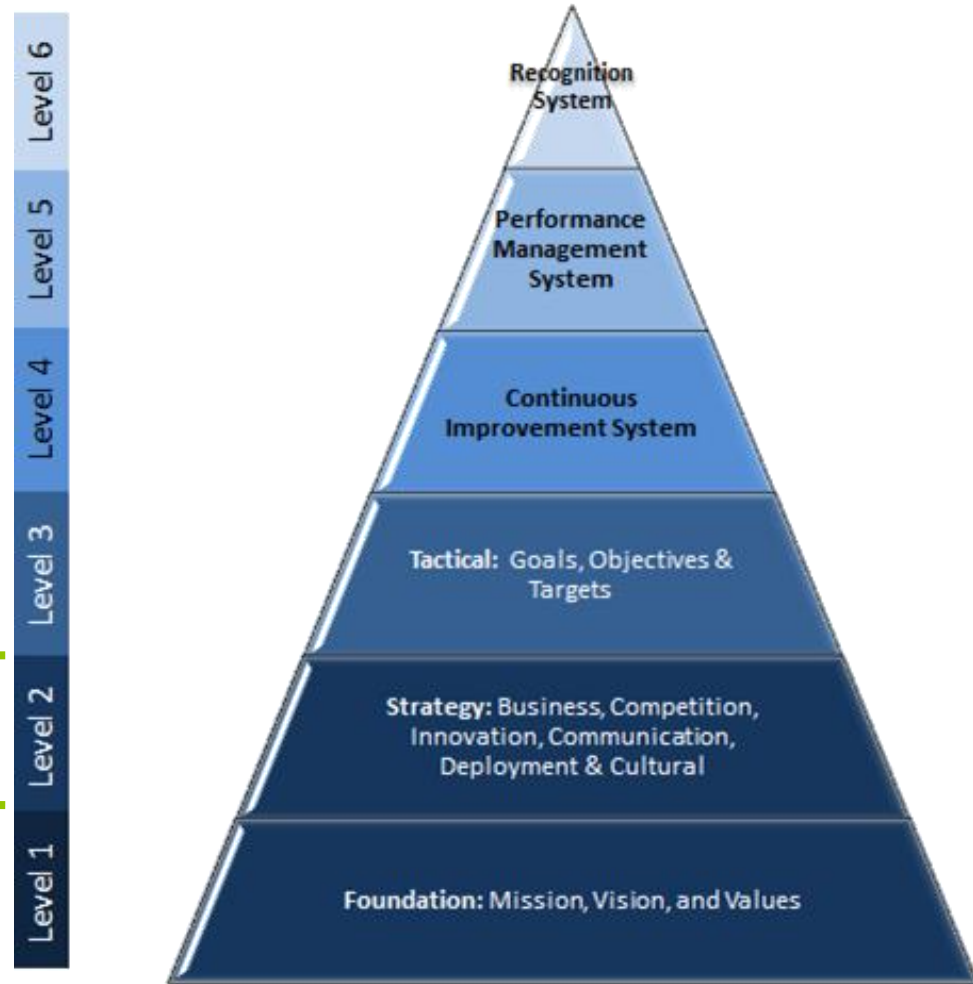
Strategies need plans for _implementation_.

- **Possible strategic plan components:**
  - Implementation Plan
  - Communications Plan
  - Education/Training Plan
  - Performance Management Plan
  - Cost Management Plan
  - Stakeholder Management Plan
  - Contingency / Scenario Plan(s)

Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — Tactical: Goals, Objectives & Targets

Level 2 — Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural

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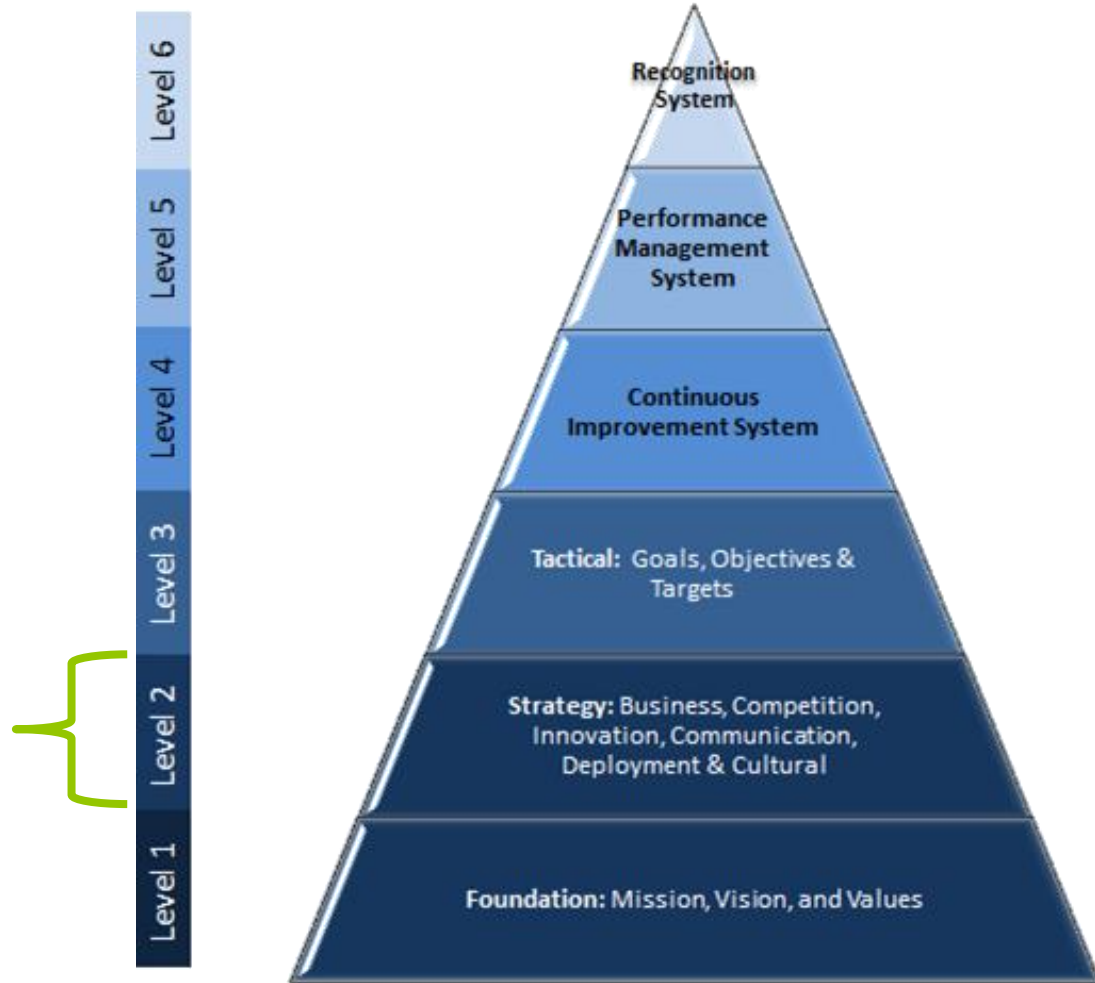
The Strategic Plan must be communicated and referred to *nearly constantly.*

Transformational Change Model
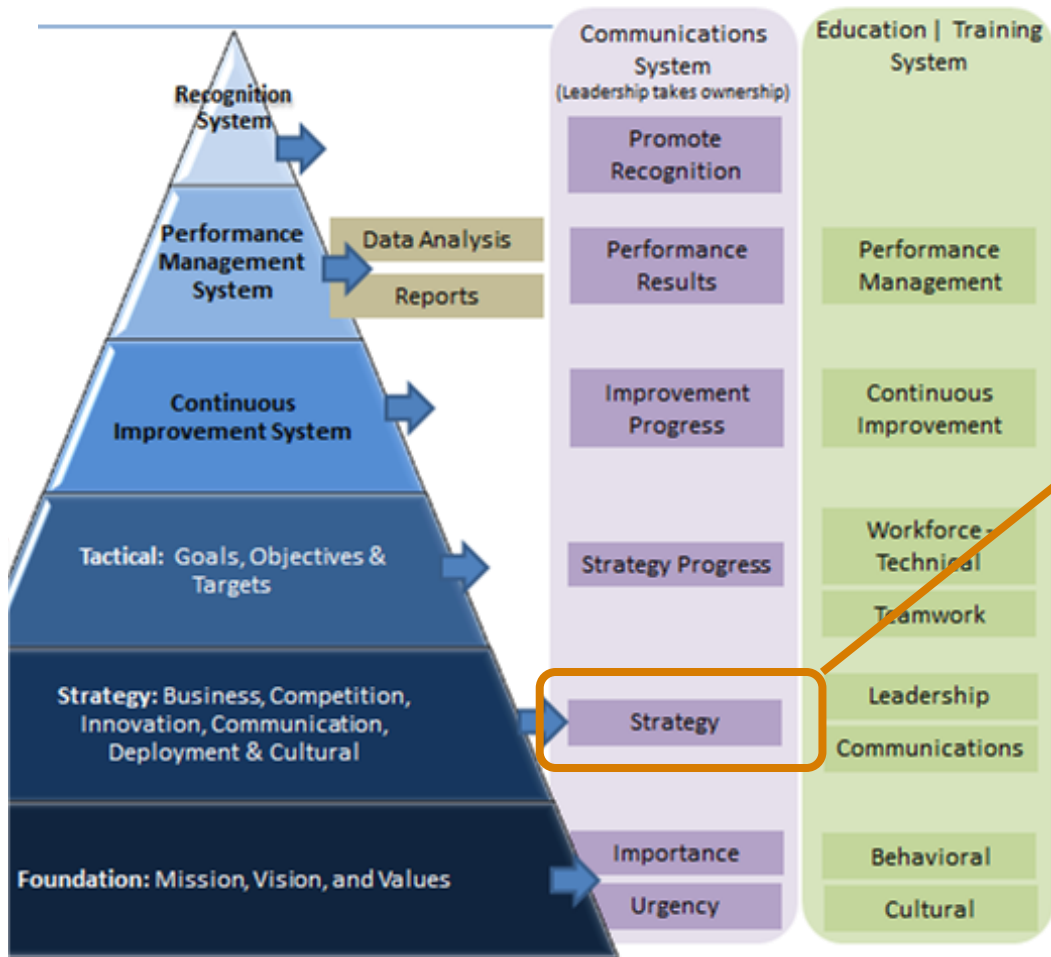
- Emphasize:
  - *Roles*
  - *Responsibilities*
  - *Expectations*
  - *Accountability*

Leadership, managers *and the workforce* need to *understand*…

Transformational Change Model
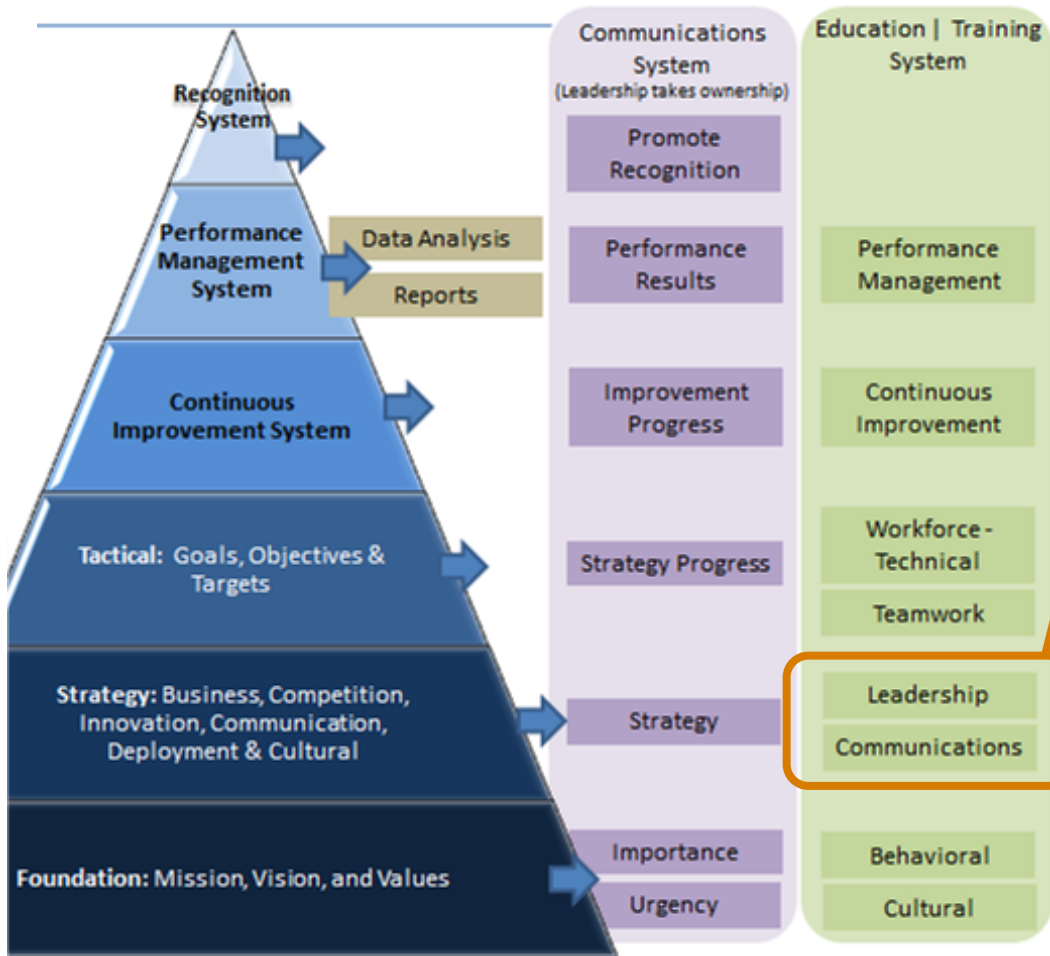
- **The strategy**
- The **planning** and **implementation process**
- The **communications process**
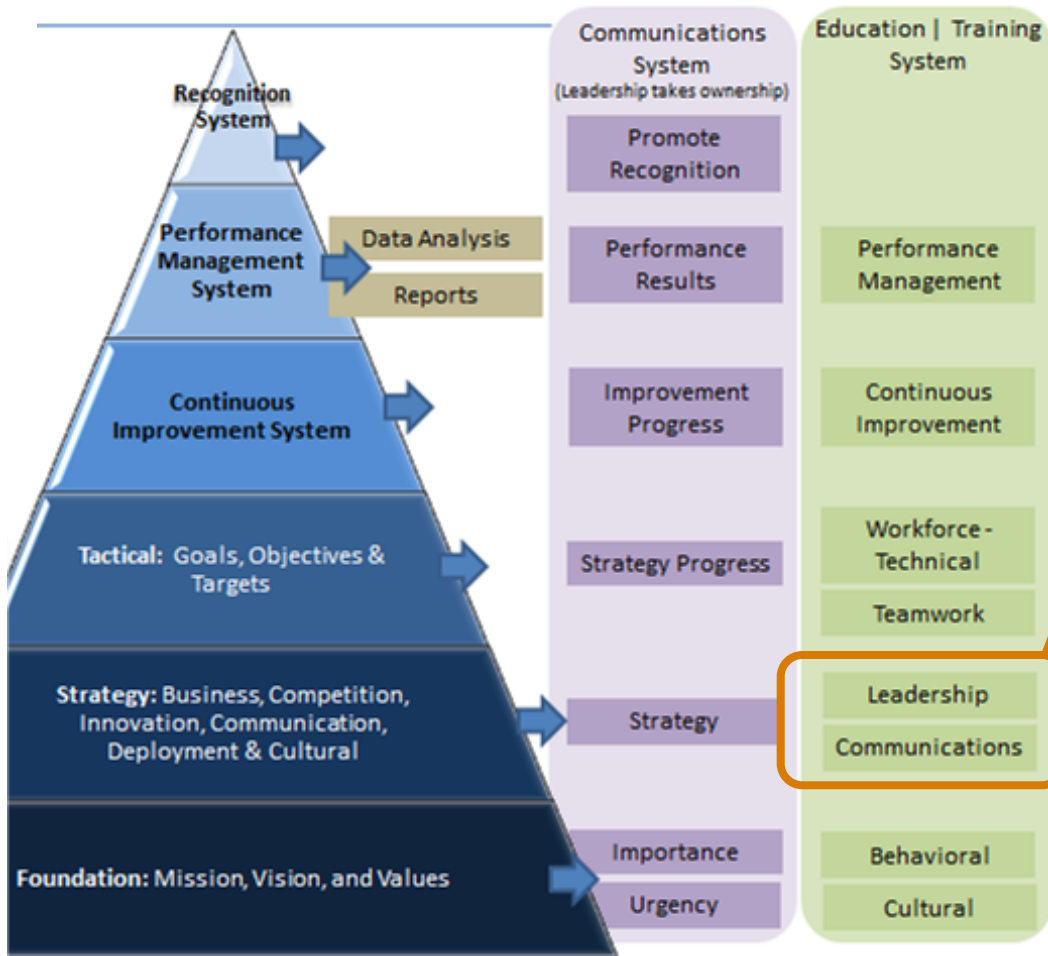- Therefore, *education and training is imperative.*

Supervisory / middle management is the *most critical level.*

Transformational Change Model

- **They translate** the strategy to the workforce.
- Middle managers must be **targeted** for understanding and commitment.

Tactical plans should align with the strategic areas.
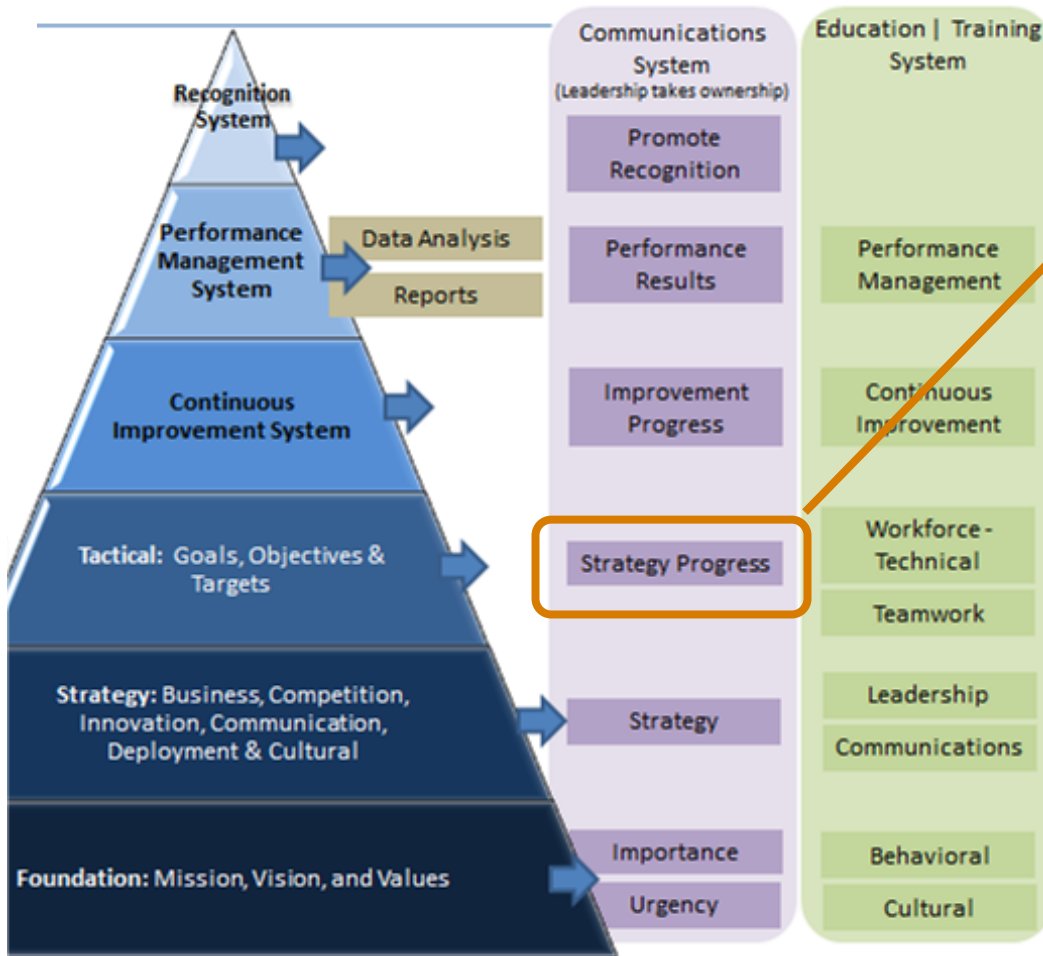
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Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — Tactical: Goals, Objectives & Targets

Level 2 — Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural

Level 1 — Foundation: Mission, Vision, and Values
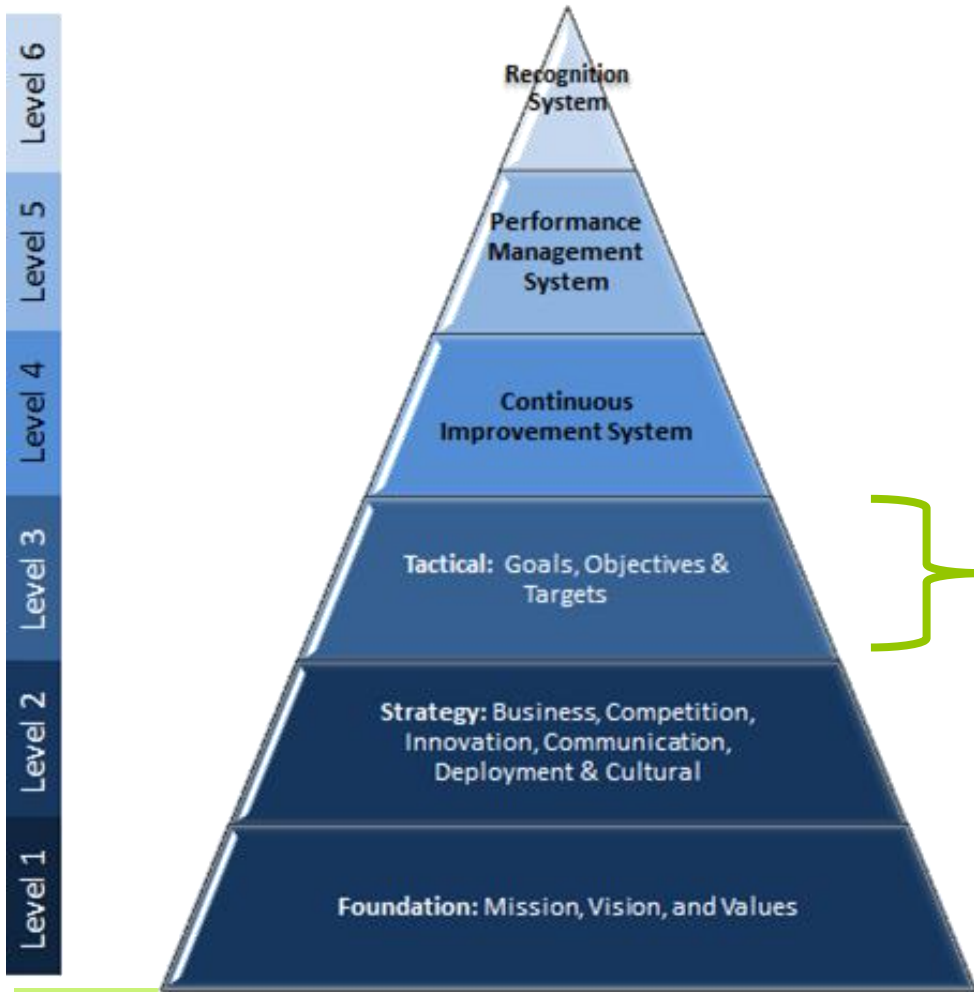
- Tactical plans should include goals and objectives.
- Actions should align with the major tactics.

For momentum and buy-in, **continuous sharing of progress** *is critical.*

Transformational Change Model

- *Multiple forms* of communication are needed.
- Workforce *segments* **require** (want) varying communication.
- **Ask.**

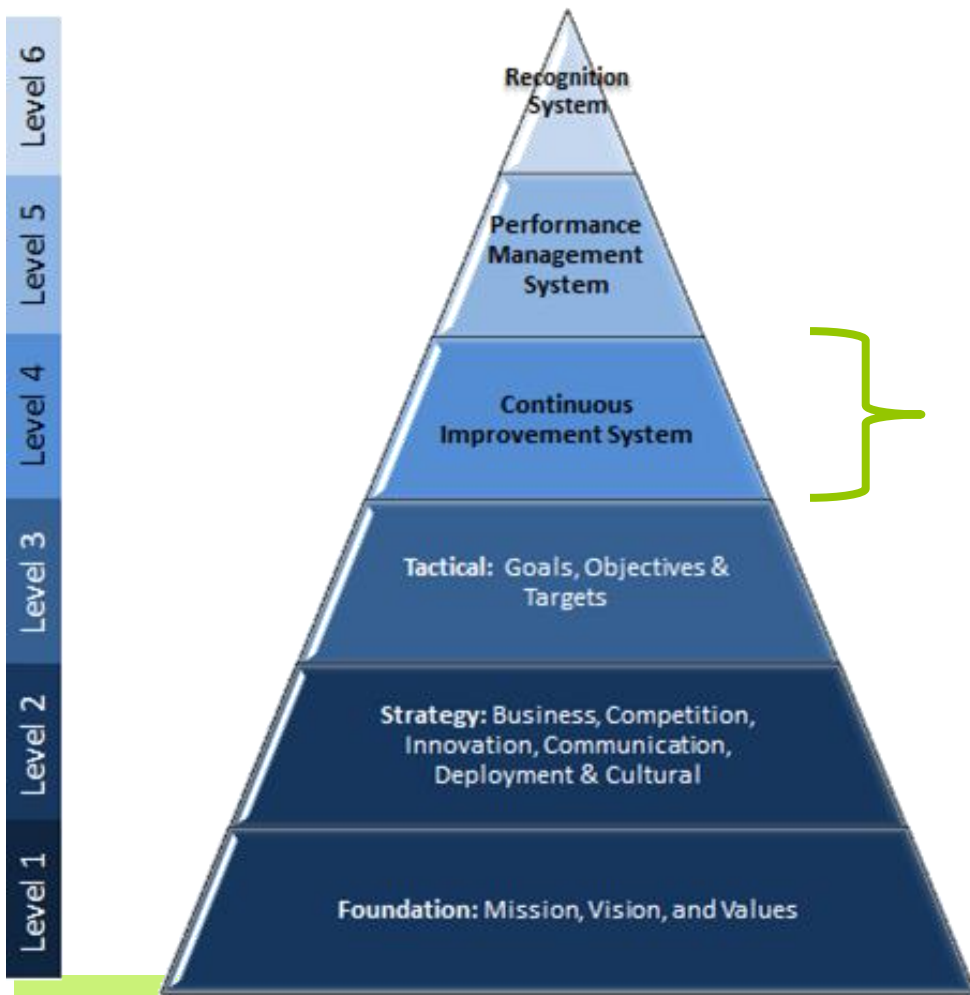# Tactical actions require *teamwork.*

Transformational Change Model
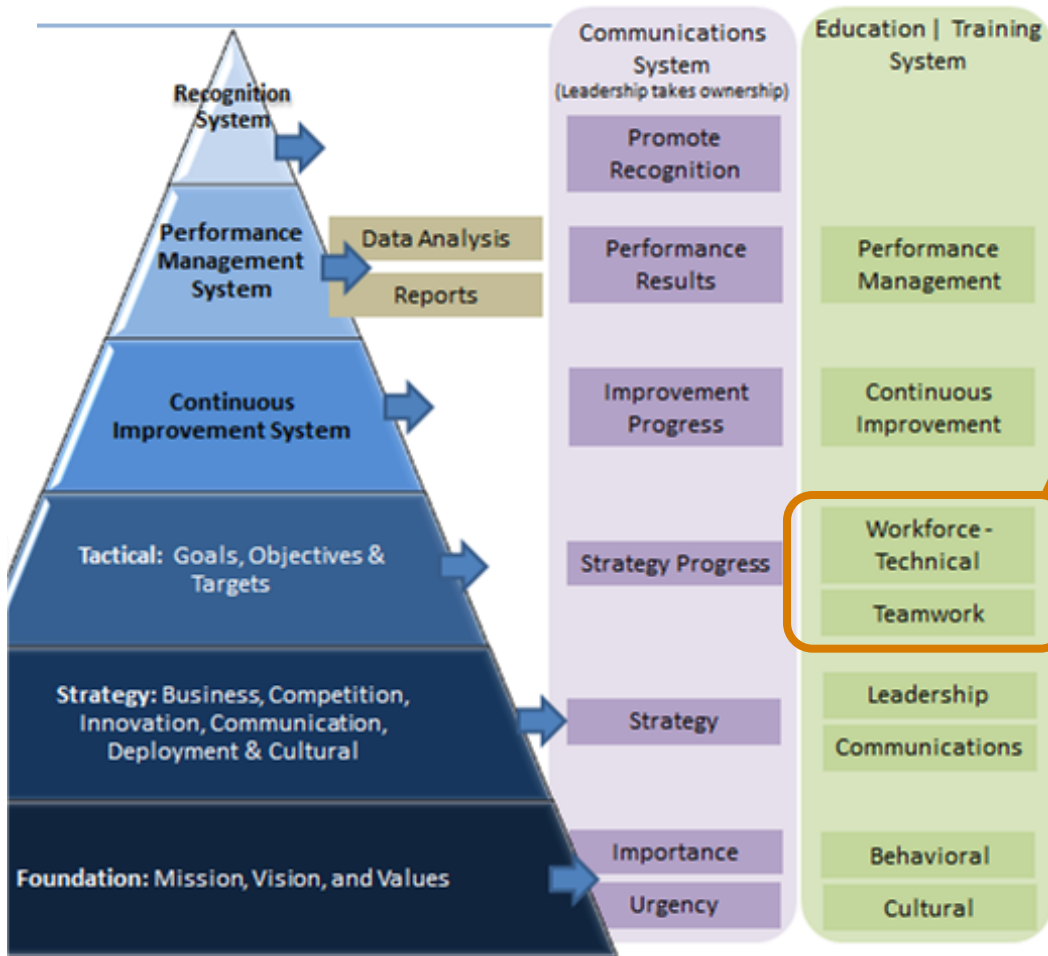
- **Teambuilding**
- *Technical competencies* are **essential** as well.
- *A plan* is needed to provide technical skill training for the workforce.

Continuous improvement systems are required to *implement* strategy.

Pyramid diagram (bottom to top):

- Level 1 — **Foundation:** Mission, Vision, and Values
- Level 2 — **Strategy:** Business, Competition, Innovation, Communication, Deployment & Cultural
- Level 3 — **Tactical:** Goals, Objectives & Targets
- Level 4 — **Continuous Improvement System**
- Level 5 — **Performance Management System**
- Level 6 — **Recognition System**

- System examples:
  - **Plan-Do-Check-Act**
  - **Lean Six Sigma**
  - **Project management**
- Improved processes need to be 'SYSTEMatic.'

Again, for momentum **results** _need to be shared_ (constantly).

Transformational Change Model
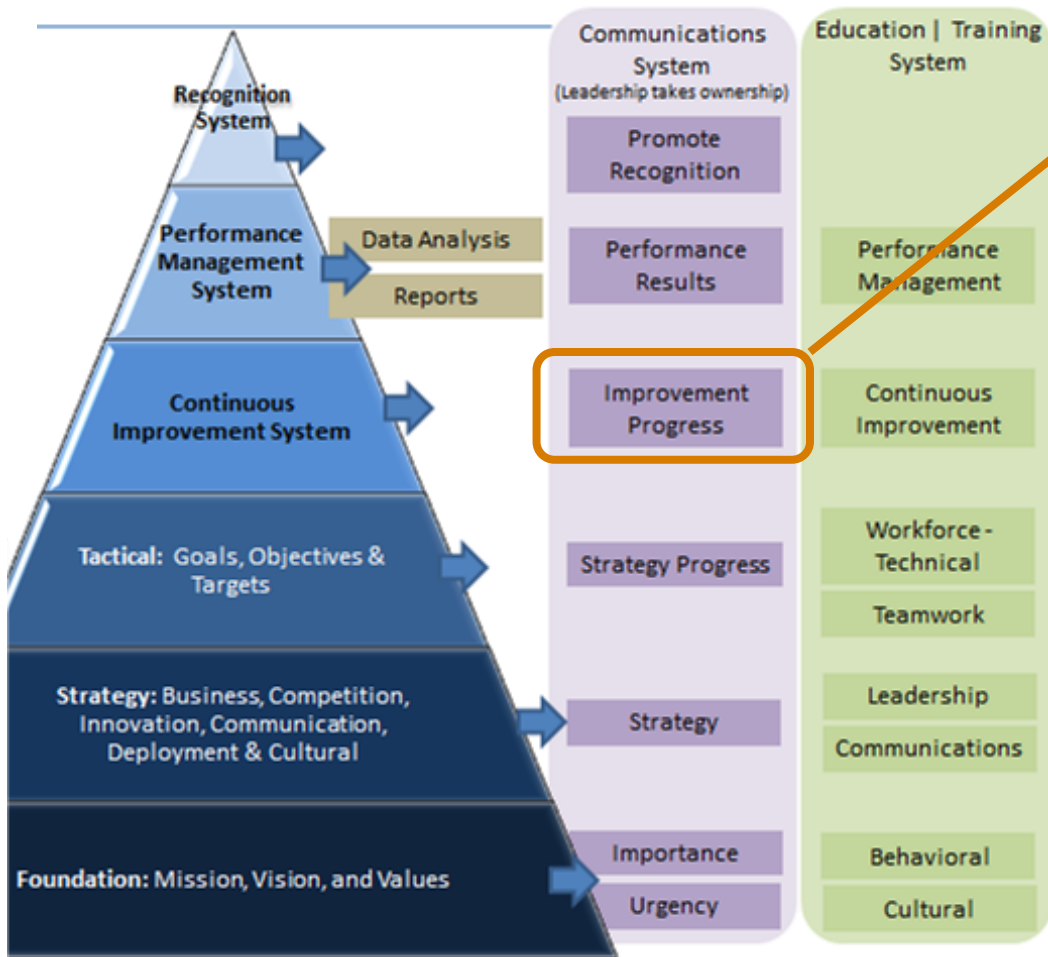
- **Results examples**:
  - Performance indicators
  - Measures/metrics
  - Satisfaction levels
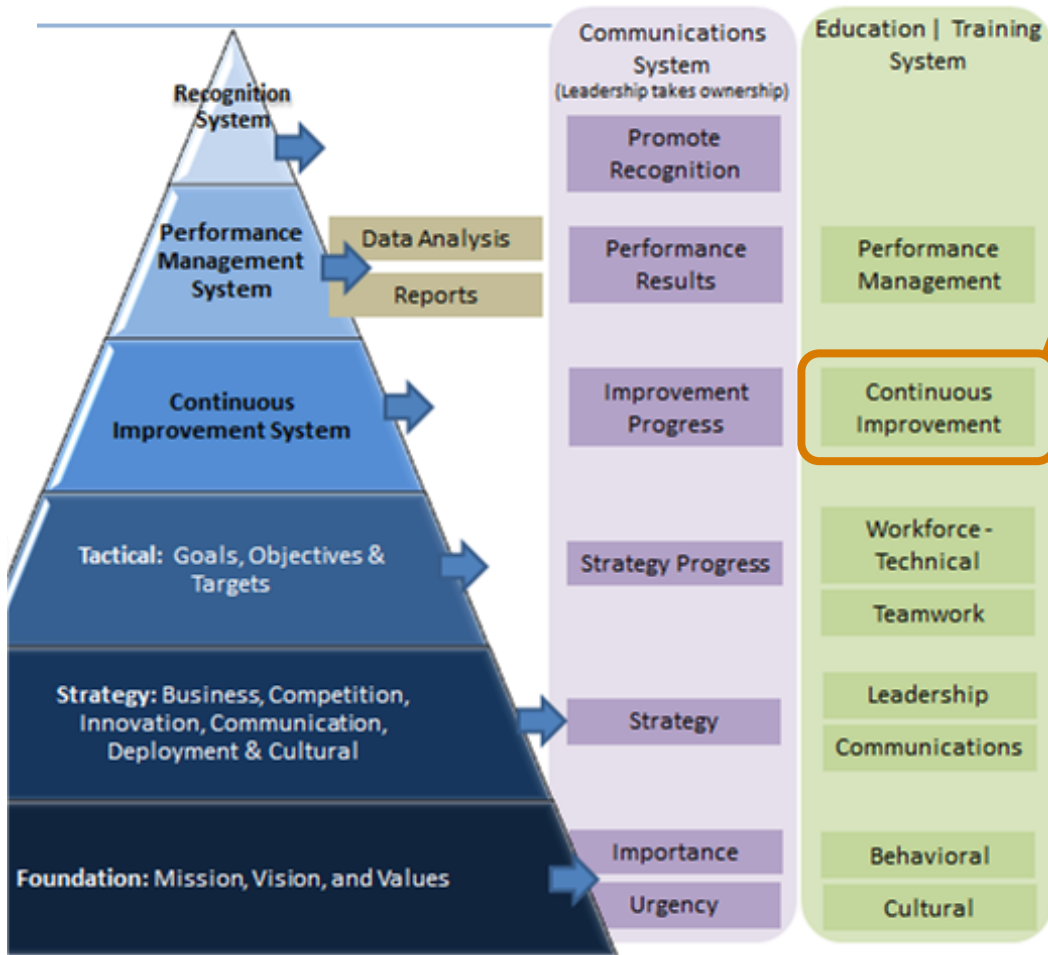 - Scheduled accomplishments
  - Milestones
  - New processes/programs

The understanding of continuous improvement systems *are often unknown*.

Transformational Change Model

- Yet, teams are expected to apply them.

- Education and training is needed on the effective use of:
  - Such processes/systems
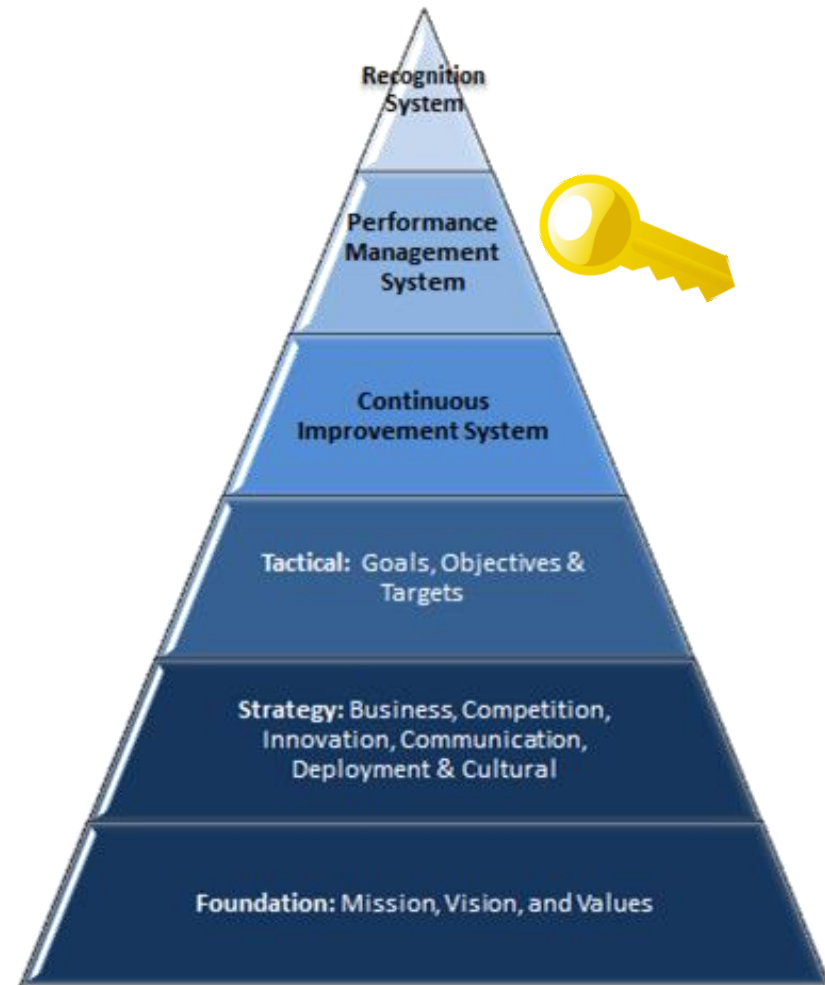 - Tools used and available to deploy such systems

See SYSTEMatic presentation.

> '**What gets measured *gets managed*, and what gets managed <u>gets done</u>.**'

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- Strategic Key Performance Indicators (**KPIs**)
- Performance Indicators (**PIs**)also need to be:
  - Rolled-up into KPIs (hierarchy)
  - Leading and lagging indicators
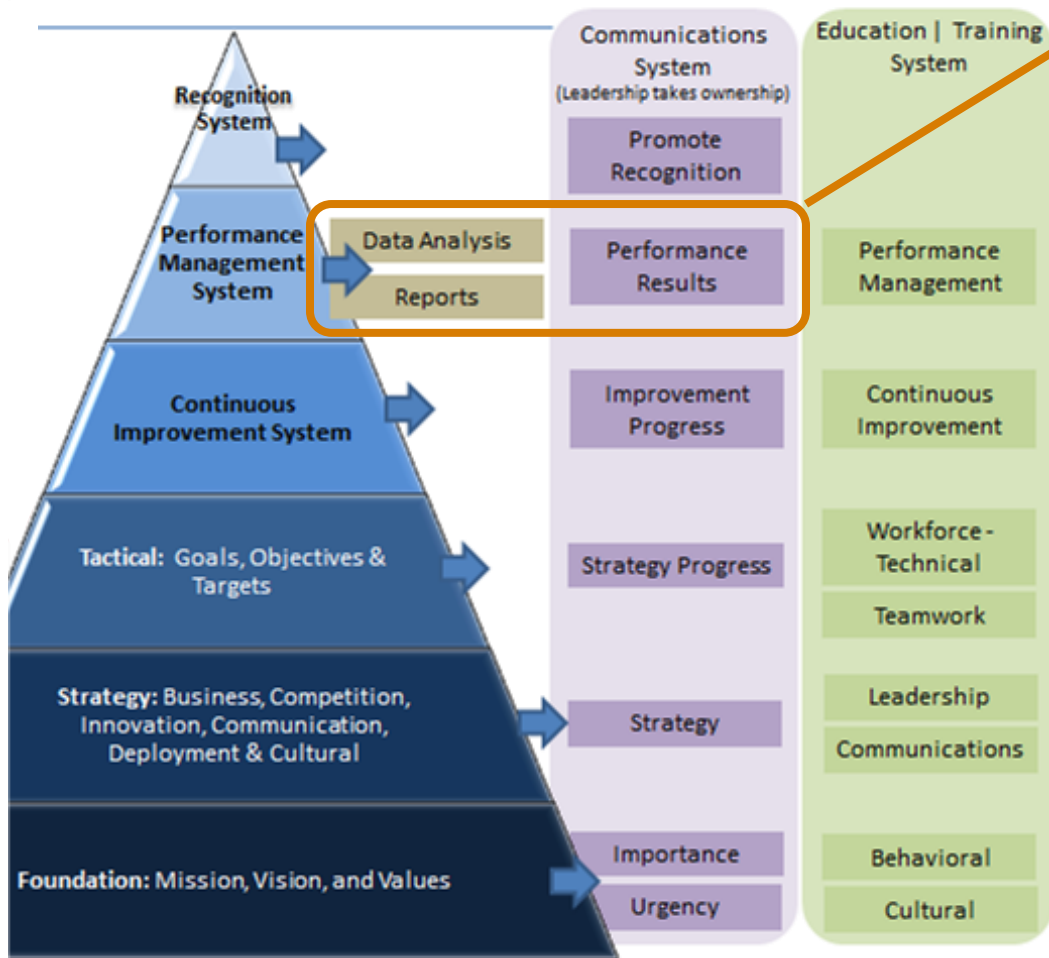- *The most critical piece.*

Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — Tactical: Goals, Objectives & Targets

Level 2 — Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural

Level 1 — Foundation: Mission, Vision, and Values

The *best arranged plans* are only **qualified through performance** results.
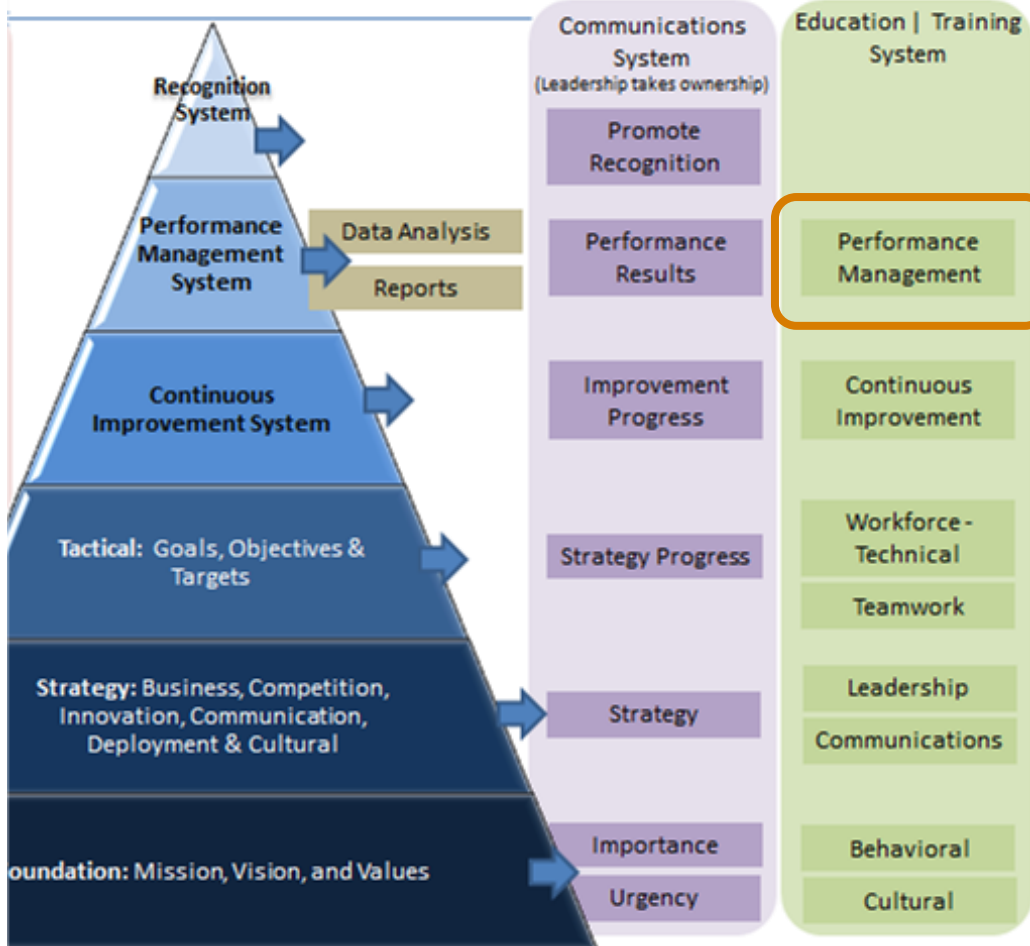

Transformational Change Model

A **diligent** and **disciplined** *focus on performance* is needed.

Data should be **analyzed** and the results **shared.**

A SYSTEMatic reporting program is crucial.

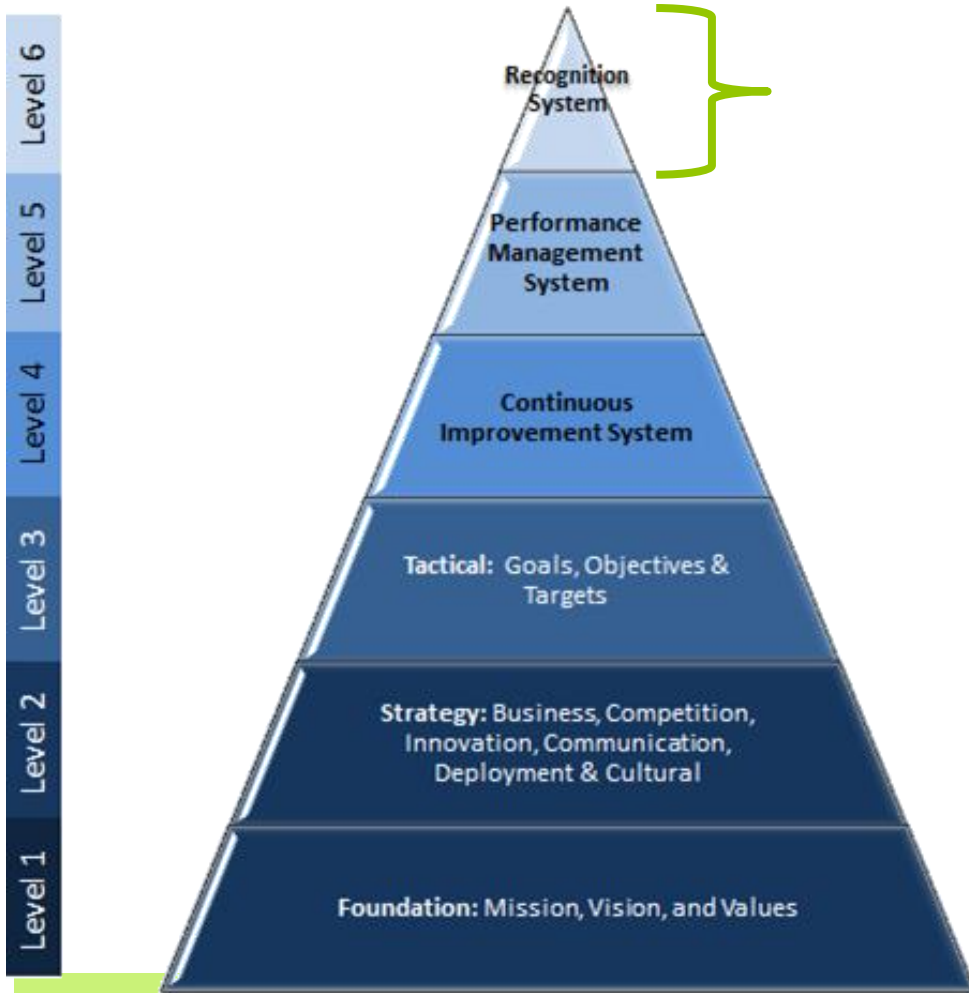*Managers and the workforce* need to be able to appropriately interpret and understand results.

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Transformational Change Model

- Therefore, education and training is required regarding performance management.

'...*what gets rewarded gets repeated.*' – John Schnatter, founder of Papa John's

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Level 6 — Recognition System

Level 5 — Performance Management System

Level 4 — Continuous Improvement System

Level 3 — Tactical: Goals, Objectives & Targets

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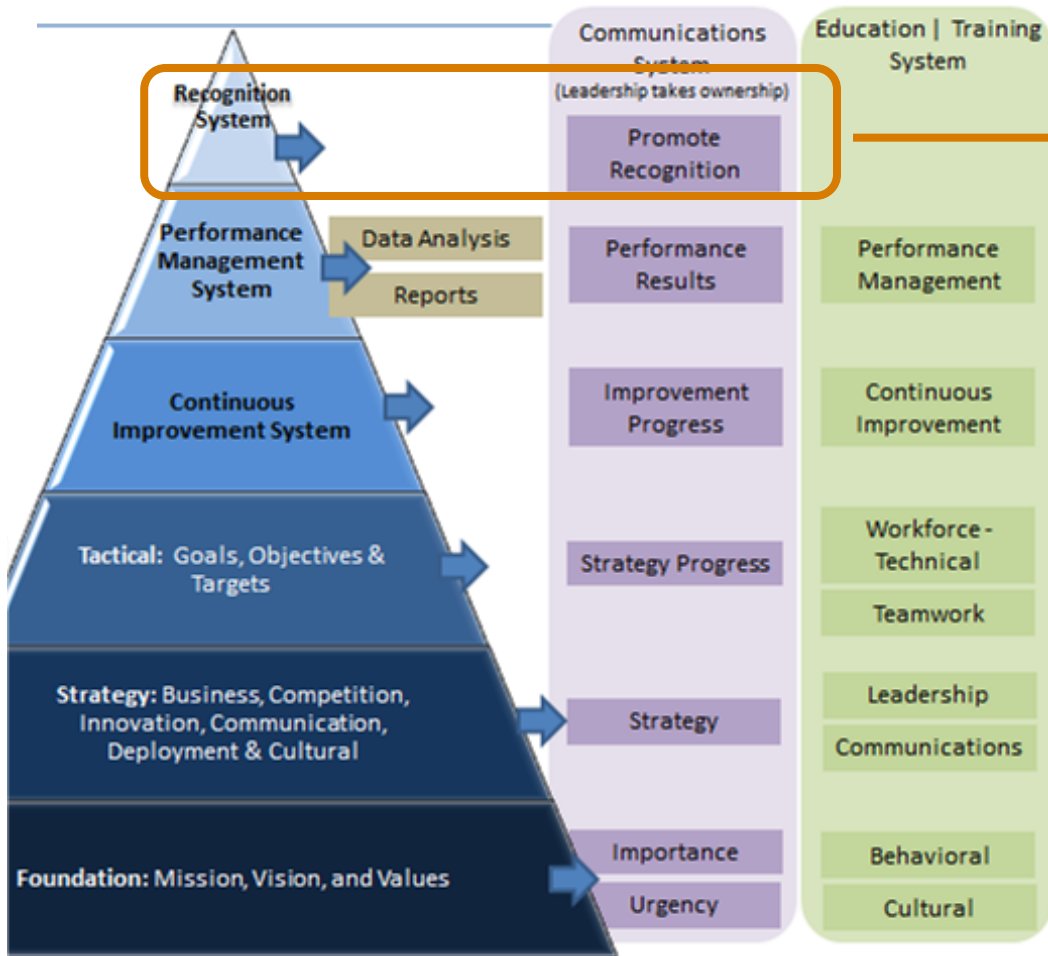
Level 1 — Foundation: Mission, Vision, and Values

- A 'SYSTEMatic' reward and recognition program is essential.
- A focus is needed in **multiple areas, from multiple directions.**
- *Leadership must make this a **habit** **AND** **be directly involved.***

Considering the criticality of recognition…
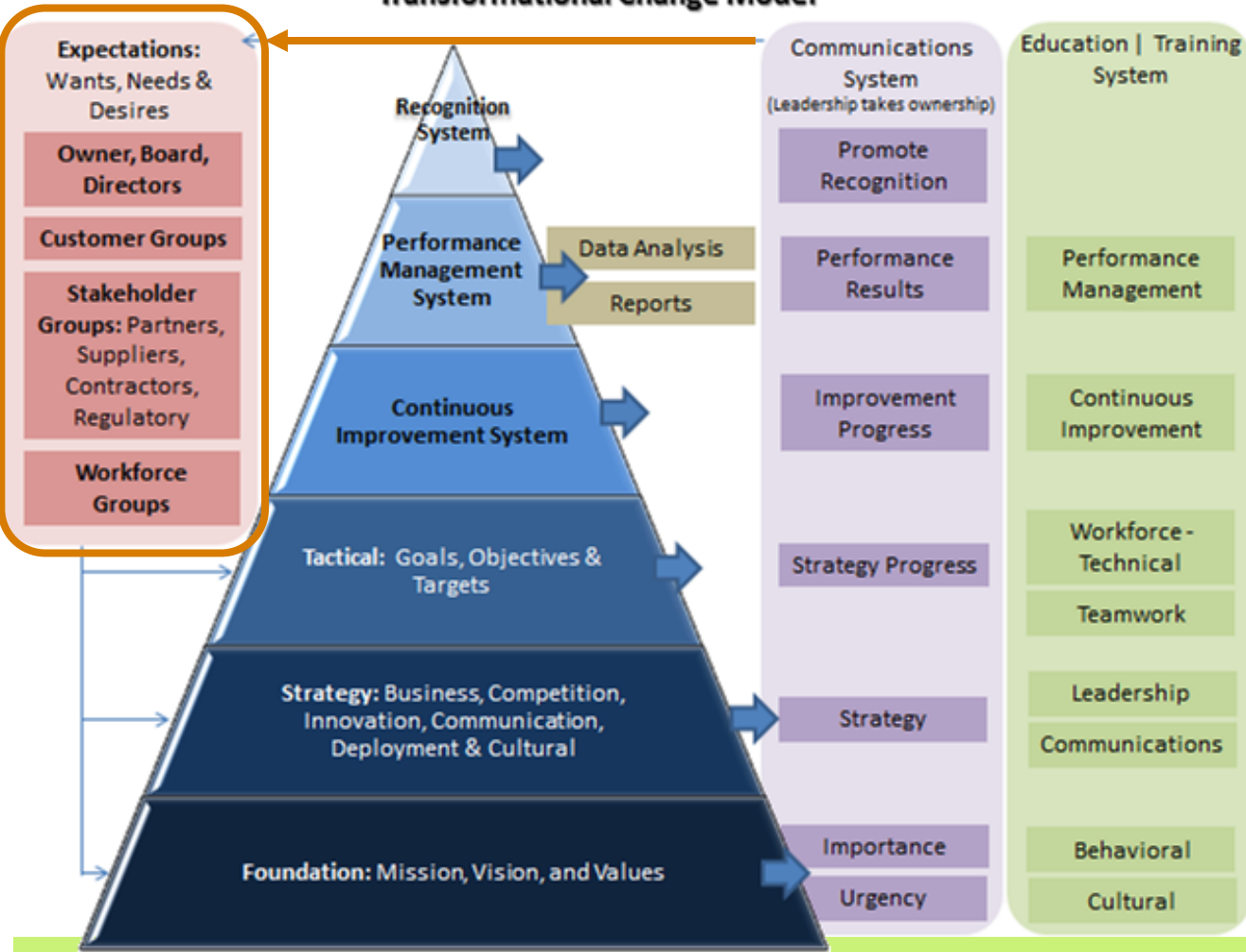

Transformational Change Model

- **Leadership** needs to **communicate** *the importance and frequencies*
- High expectations must be set

Learning should be *used as an input* into establishing *future expectations.*
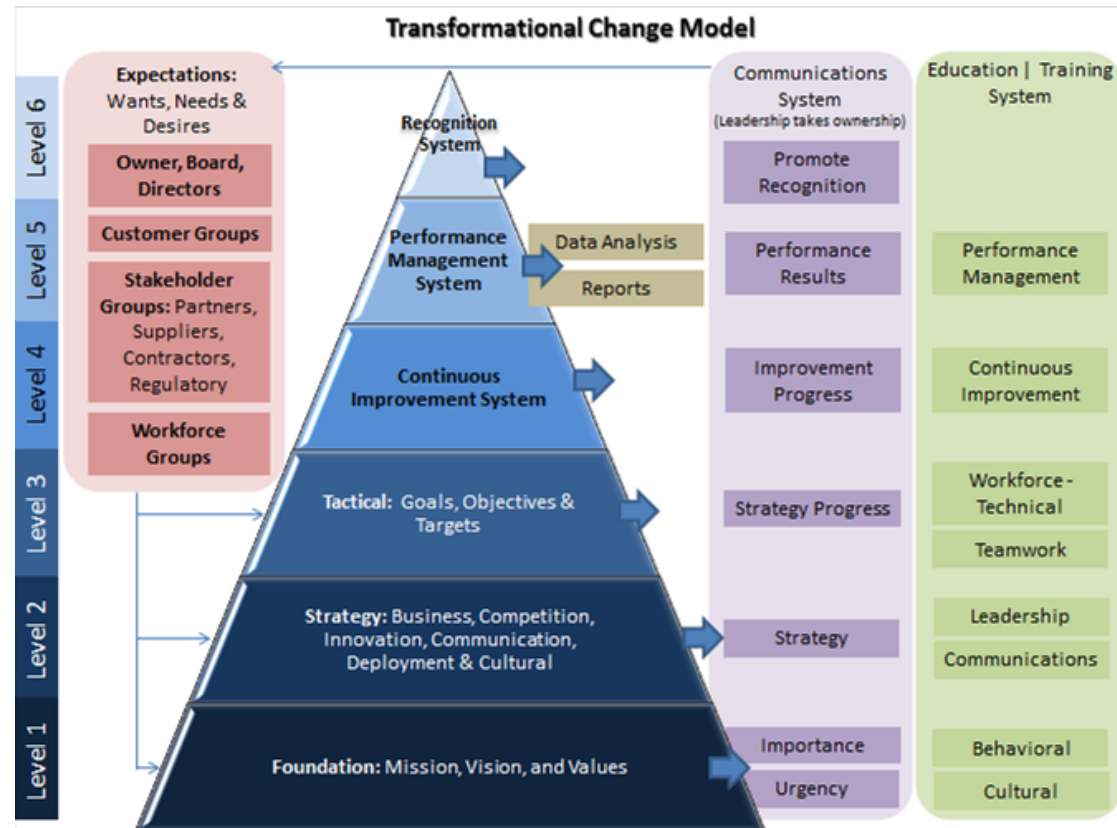
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Transformational Change Model

Expectations: Wants, Needs & Desires
- Owner, Board, Directors
- Customer Groups
- Stakeholder Groups: Partners, Suppliers, Contractors, Regulatory
- Workforce Groups

Recognition System

Performance Management System
- Data Analysis
- Reports

Continuous Improvement System

Tactical: Goals, Objectives & Targets

Strategy: Business, Competition, Innovation, Communication, Deployment & Cultural

Foundation: Mission, Vision, and Values

Communications System (Leadership takes ownership)
- Promote Recognition
- Performance Results
- Improvement Progress
- Strategy Progress
- Strategy
- Importance
- Urgency

Education | Training System
- Performance Management
- Continuous Improvement
- Workforce - Technical
- Teamwork
- Leadership
- Communications
- Behavioral
- Cultural

- **Learning** occurs through the communication processes;
- So, communication should be **two-way**.
- **Rolled** back into continuous improvement

In Summary

- A **holistic** and *systematic* approach is necessary for **effectively changing the** <u>culture</u> of an organization

Transformational Change Model

In Summary

- **Missing of even one piece** of the model can result in drastic reductions of effectiveness
- Approach development and deployment **one step and one level at a time**

Transformational Change Model
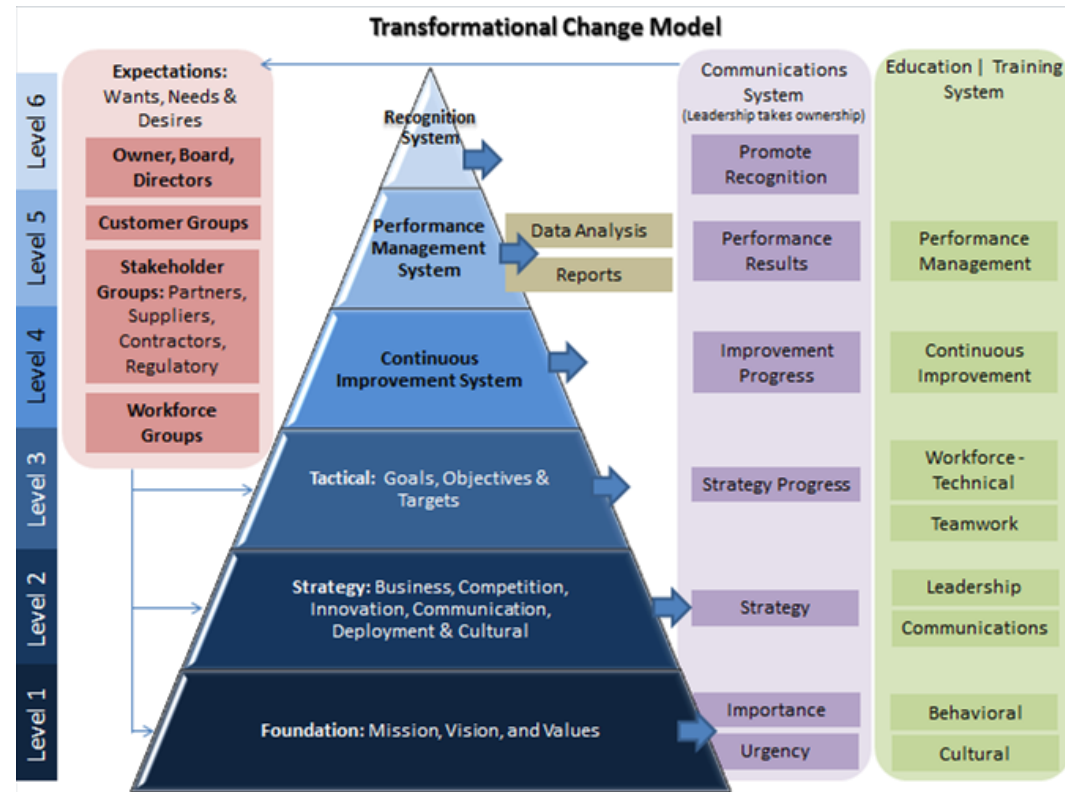
For more information, *please feel free to contact us!*

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| Business | Management | Systems |
| Strategy | Improvement | Excellence |

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