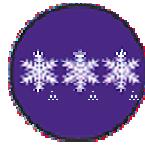




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## World of Organizational Change

### A SYSTEMATIC PROCESS FOR MANAGING CHANGE

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#### **Introduction**

“Business process change”, “organization redesign” and “expect change” phrases that are part of today’s everyday business vocabulary. Organizations are continuously looking at ways to become more competitive. Speed to market has joined cost and quality as basic criteria for organizational change. The speed at which organizations change their structures and processes is a central concern of management. For many organizations the inability to manage change successfully is seen to be the cause of the failure of their organization or business process changes. Learning how to successfully manage change is likely the managerial imperative for the next decade.

In order for an organizational change effort to be successful, change must address the business process change, the technology changes and the people changes. In change scenarios, organizations tend to emphasize the business process redesigns and the technology infrastructure that supports the process change. The leadership of the business process change creates a business requirement, analyzes the needs, gets the buy in from senior management and develops the new processes. They then expect the individuals who perform the tasks to embrace and implement the change. The individuals implementing

the change are generally not involved in the initial analysis and are likely unprepared for the change both in mind set and in skills.

The successful implementation of business process change requires involvement of the end users early in and during the change process redesign.

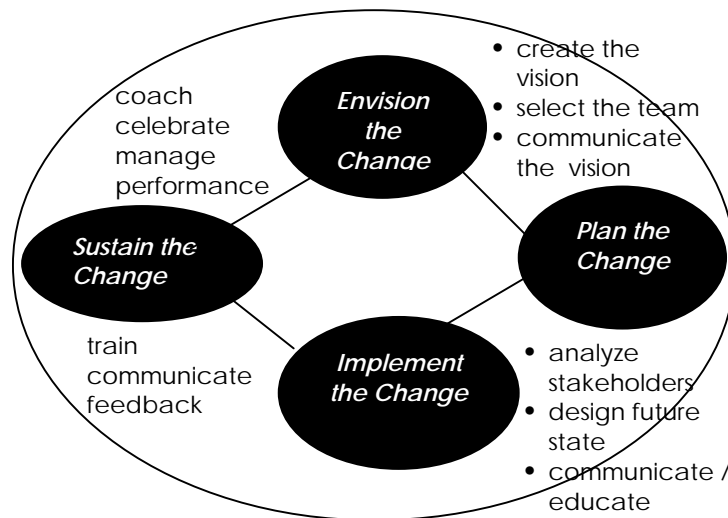


Figure 1

Figure 1 illustrates a systematic model for managing the change process.

### Envision the Change

To the dismay of many executives, change does not occur in one great leap. As they create a vision of a changed business process, for example, organizational restructuring or administrative cost reduction, they need to create a picture or “a case for change” which others in the organization can see and understand. Once a case for change has been developed there is a need to disseminate the vision.

What will the organization look like when the change is successful”? The communication of this vision is a role for the senior leadership of the organization and should not be delegated. The delegation of the communication of the vision to other individuals, such as middle management, can be interpreted as a lack of interest by the leader in the change. The result will be a lack of interest of others in the change and resistance to the implementation of the change.

## Plan the Change

Once the vision has been created the senior management group usually sets up a team to analyze current state and create a picture of future state. This team needs to be cross-functional, representing the areas of businesses that will be affected by the change. For example, if the change affects finance and logistics then both areas should have members on the team. Additionally, if the change has a technology component, then that function needs to be actively represented on the team. Finally, as most changes involve individuals doing their job differently and perhaps even using new tools, it is prudent to have a team member who is responsible for the people aspect of the change.

Generally, the team reports to a Steering committee of senior management who meet regularly with the team to monitor progress, provide ideas, agree on direction and make decisions.

During this planning stage, the team needs to determine not only the business process and technology changes but they need to analyze the effect of the proposed changes on the stakeholder groups who will be impacted.

Questions such as the following need to be addressed:

- Who will be impacted by the change?
- How will they be impacted?
- Are they resistant to change? Why?
- Will their jobs change? How?
- What new skills do they need?

The answers to the questions will help the team build the strategies needed to facilitate the implementation of the change. For example, it may be necessary to develop training programs, redesign jobs or organizational structure. It is unlikely that without complete attention in these areas the best designed business process will be successfully implemented.

Involvement of end users early in the business process redesign can remove or minimize barriers to change and help ensure the new processes address their concerns. How many times have you heard stories around the coffee machine about how the company is going into bankruptcy, or how there will be massive cuts after an announcement by the senior team of budget cuts. The grapevine takes over quickly.

Education/communication of the vision, the new business process concepts with the objective of gathering ideas, getting feedback on designs and identifying issues can be useful in managing the grapevine. It is important in such sessions to be open minded and to ensure that feedback to the participants after the sessions illustrates how their ideas, feedback or issues are being addressed or incorporated into the planning. For example, participants in such sessions can identify a more efficient way of performing a task in the new process. Openness to the ideas, listening to concerns, asking questions to clarify and incorporating end user ideas will facilitate reducing the resistance to change. As a result, end users will see the leadership inviting and utilizing their input to change. The ownership of the new processes begins to move from change team to the future process users.

There are three critical components that need to be addressed prior to the implementation of the redesigned business processes. These components are:

1. The development and implementation of end user training just in time so the skills can be applied immediately,
2. The development of goals and measurements for the new process and the end users that reinforce the desired new performance and
3. The realignment of the organizational structure, the rewards and recognition systems and management behaviours to the desired end state.

## Implement the Change

Often the senior team and the project team will want to implement the change in one big bang. Why not? There are lots of business benefits to be made by the change. The implementation does not appear to be complex. The new processes are easy to understand. However, what happens if all does not go the way the design suggests? If the implementation can be done in small steps or phases with groups of end users, the chances of success are greatly improved. An all or nothing approach can have devastating results. The training, technology and processes must be tested in a production environment prior to implementation. There is an opportunity to improve the details of the change using end user input if the implementation process is positioned to do so. Once the first phase is successfully implemented, communicate the results and use the participants in this process. They are valuable resources that add to the credibility of the change.

The use of senior management in the rollout, either to kickoff the implementation session or participate more actively will also facilitate user buy in.

## Sustain the Change

It is necessary to provide change initiatives after implementation with ongoing support such as: on the job coaching on new processes, increasing staff if workload is heavy in the transition and reward and recognition for working in the new way.

However, after implementation, many leaders believe that once the change has been implemented no further work is required, and they disband the project team and discontinue any support. The organization is deemed to be able to sustain the change. However, many initiatives fail in the first 6 months after implementation. The first time something goes wrong in the new process or structure and work needs to get done, staff revert to the old way of doing things. Additionally, managers will reinforce the use of the old way instead of helping staff work out methods of using the new processes or structures.

## Summary

As speed joins cost and quality as basic criteria for organizational change, it is critical to approach change management in a systematic way. The systematic approach including:

1. Involvement of end users in the design, development and implementation of the new business process,
2. Involvement of business leaders in the design, communication and rollout of the change and
3. Providing users with the skills and ongoing coaching to implement the change will facilitate the successful implementation of well designed organizational changes.

## **Biography**

Elizabeth Speers is Director, Education and Change Management at Canadian Tire Corporation Ltd. Elizabeth works with corporate teams that are responsible for designing and implementing strategic initiatives. She is immediate past president of the Toronto Chapter of ISPI.

