

## Fact Sheet – Effective Change Strategy

### Introduction

In this fact sheet we are not discussing business strategy, which is covered in the fact sheet ‘Strategy in Action’. Here we are covering developing an effective change strategy, a layer down if you like. Sometimes it is helpful to not even call this a strategy as it gets confused with the business strategy and drivers; but, nevertheless, a strategic approach to building a **change plan** is vital.

A strategy or plan is important in most things we undertake in business, well, in truth, most things in life require some form of plan. Consider going on holiday; our partner might suggest going on holiday, we then have to decide where and when, we will need to book flights and hotels, and leave of absence. Importantly we will have to fund it somehow. Without realising it, we have generated **a plan** in a simple form.

Without a plan there is little focus and drive, people have mixed views on what success looks like and local variants of the plan emerge. Planning is vital and taking a **strategic approach** to our change plan delivers significant long-term benefits.

### Strategy origins

- ❖ From the Greek word *stratēgia*, meaning Generalship
- ❖ Used extensively in the Military due its origins
- ❖ 1960’s adopted by business the term *Management Strategy* emerged
- ❖ Best defined as:

“A plan of action designed to achieve a long-term or overall aim.”

### Business and change strategy

Having observed many hundreds of people building change strategies, often what is witnessed is a brain-storming session to understand the challenges, followed by a series of actions being generated – sometimes dates and owners are assigned, but essentially these actions risk becoming isolated actions, not part of a cohesive strategy.

So, before considering building the plan, it is worth taking a few moments to extend further back up the strategic ladder to understand how our department strategy fits into the business plan, and even further to understand the motives on the business. Understanding this enables us to set good, clear and concise success measures that we can articulate both within our teams and also business-wide; enabling better stakeholder engagement for your strategy.

In most businesses the motives of the owners drive the strategy of that business, its direction, ethics, areas of operation etc. Our role as senior managers is to take those strategic directions and develop a cohesive plan (change strategy) that will deliver.



## Fact Sheet – Effective Change Strategy

---

### Evaluating the present situation and strategy suitability

Now that we have understood the business drivers, we need to start looking to build our change strategy. This is very much an iterative process and it is worth keeping the pyramid in your thoughts; as information is gathered, the success measures might need tweaking, and communications of these will be modified as well. Keep going back and forth along the strategic pyramid.

There are a number of options to developing a strategy; in every case though, it will require the senior manager getting back down to basics and looking at the value stream of your department. One thing I always liked doing when I started a new senior post was spending the first four weeks working on the front-line, to understand the business throughout. Where is value added? Where are we delaying things? What are our pinch points? Where are we wasting effort? Strategy requires understanding your business, that time gave me understanding and allowed further probing of my management team.

**One-to-one interviews** with the key people in your department, these both help build trust between the two of you and give you vital information regarding the business operation. It also enables you to evaluate their desire to make your plan work, as tier 2 support for your plan is going to be vital to its success.

**Focus groups** are an effective way of gathering information slightly deeper into the organisation – a useful method is to hold a coffee morning, ask for a selection of people some who are vocal and challenging, provide a bacon buttie and have an informal chat. All the time you are discovering the operating challenges in the business. Sometimes these do reveal gems, but also some ‘noise’ comes for such interactions, and we must therefore be selective.

**Walk rounds** offers you the chance to increase touch points, build trust, road test your thoughts and assess blockers and enablers in making the strategy work.

**Brain storming sessions** are always worth holding as they reveal the depths of the problems currently being faced. A challenge that can emerge in such sessions is that one or two loud voices can take over the entire meeting and effectively you only hear those opinions. To get everybody involved we adopt a process called silent clustering, where in silence everybody writes issues on post it notes; these are then stuck onto a wall, again in silence – eventually talking is allowed by which time the bucket of issues is well and truly emptied.

Stakeholder engagement is sometimes a challenge. With most modern businesses they run some form of weak matrix structure (see fact sheet on matrix management). In this sort of structure, the success of your change strategy will often hinge around some key stakeholders, who are not in your direct organisation. Stakeholder management is a topic in its own right, but at the strategy formation stage it is important to gain the insight of your stakeholders – understand what they might want from your department, so that you can engage them as part of the development and hopefully then help ensure their future support. Your stakeholder’s time is always a premium so be ready, have pre-prepared questions ready, and use ‘killer’ open questions to open up the conversation and pinpoint the roots. At best you might have 20 minutes – use it wisely:

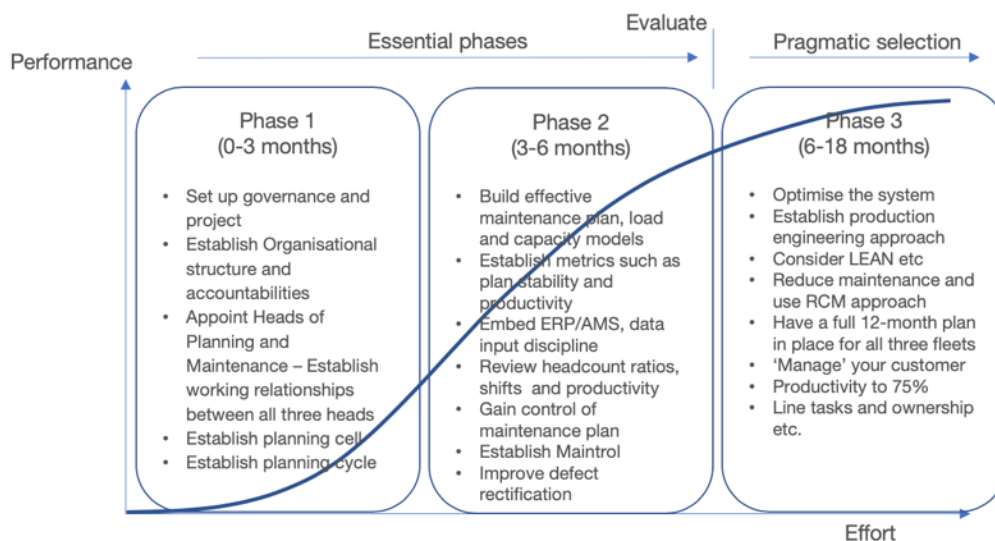
- ◆ “What do you hope we will achieve by...”
- ◆ “Sometimes a daft question, but why do you consider this so important...”
- ◆ “If you had a magic wand, what would you want...”
- ◆ “Can you describe success for me please?”

## Fact Sheet – Effective Change Strategy

All these options give you the best chance to build a strategy that will be effective, that will deliver and be widely accepted as the right approach for the business. The next step is to take time away for the 'desk' and build the strategy.

### Building the change strategy

Building the strategy is an iterative process as we have already stated. Essentially we seek to link a series of actions, with owners and dates to an overall plan. One approach that has seemed very useful in the past is to group actions into 3, 6 and 18-month buckets. The 3 and 6 months actions will bring the performance close to the level needed with the 18-month action items giving more robustness and marginal gains into the future.



Above is an example of how this sort of escalation plan can be communicated. At this higher level it is important we focus on the success measures rather than the detail, adding the necessary detail in the plan.

Next 3 months (phase 1)		
Action	Accountable	Due date
Action 1		
Action 2		
Action 3 etc.		

Your plan should probably cover the following key themes:

- ◆ People – engaged
- ◆ People – capability and competence
- ◆ Processes – efficient
- ◆ Processes - IT and Management information needs
- ◆ Environment - productive
- ◆ Control – measured/reported
- ◆ (Culture and Leadership)

## Fact Sheet – Effective Change Strategy

Remember, that building this plan is an iterative process and you might have to walk it around a number of stakeholders to check that it meets the needs, it answers the exam question as it were. One of the biggest areas where a strategy fails is in not defining (and in turn celebrating) what good looks like. In not being clear about success and how it will be measured the senior manager is relying on the junior

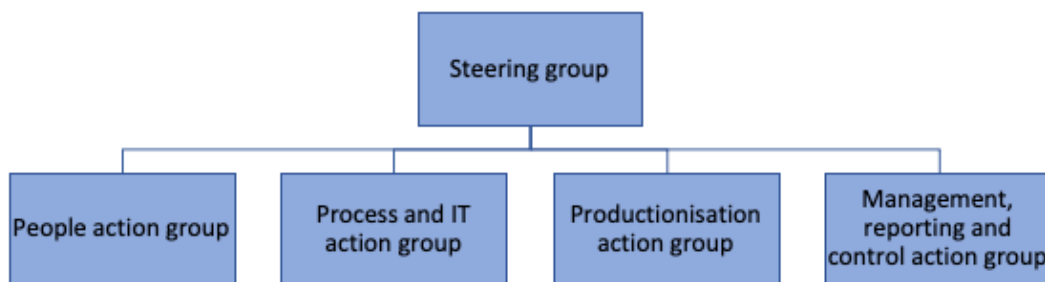


management team to interpret the plan correctly. If you are blessed with a team of self-starting junior managers, who you feel are heading towards promotion, then chances are you will manage that transition well. If on the other hand you have limited bandwidth in the junior manager level; where they are perhaps capable of present role only, then failure might be the outcome. Keep destiny in your hands and define the success measures clearly – and celebrate when they are delivered.

### Governance

If I had a pound for every time I have seen a manager write a strategy, present it to the wider business, and then sigh and sit back – almost as if the hard work is done. Jack Welch, former CEO of General Electric quoted in his book ‘Winning’; “Pick a strategy, any strategy and then implement the living daylights out of it.”

If you thought writing the strategy took energy, then switch into a higher gear and find even more energy to implement it. Be relentless, talk about it often and wide. Hold focus groups and team briefings and talk at your management table about it. Keep the executive team apprised. Hold regularly strategy steering group meetings, so that you can keep risks mitigated, actions on plan, hold people to account and, keep the momentum. When milestones are reached, celebrate – let the team share the taste of success, invigorate them for the future challenges. Key word - **Relentless!**



In terms of governance structure, simplicity is always best, keep the structure and size consistent with that of the project itself. In a large project where significant business investment was required it is quite common to have a project board made up of a number of the executive of the business. In every project there will always be a steering group made up of the action group owners and the project leader, and any other highly involved stakeholders.

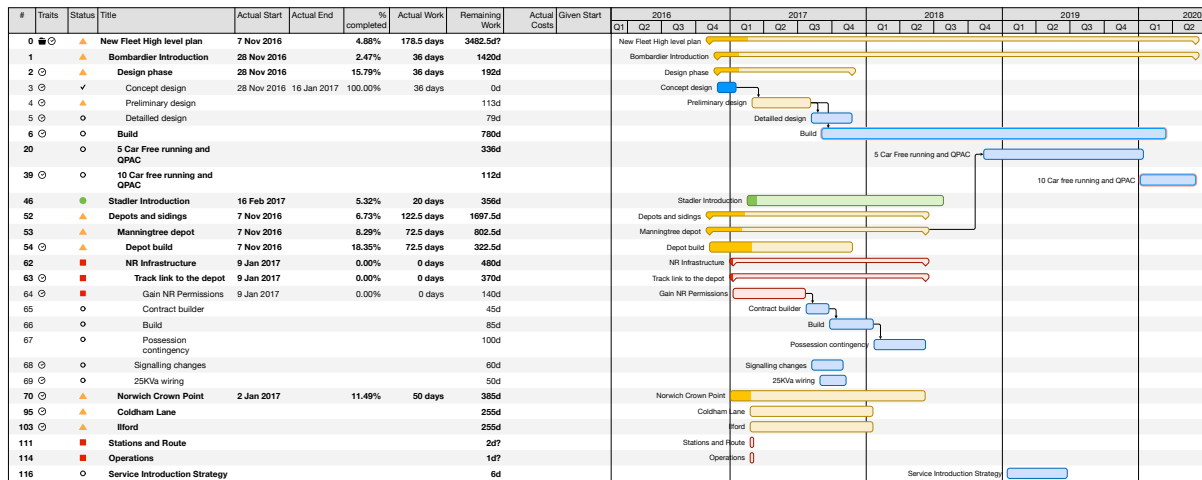
# Fact Sheet – Effective Change Strategy

Then a series of action groups, these can have any number of permanent or co-opted members as required by the programme. When selecting the leaders of each of these action groups it is important to get the right people in post so that the group is about action and not just about talking and discussing the present situation as is all too common sadly. The Action Group itself will almost certainly be made up of part time and Co-opted members it is unlikely, but they will be full time on the project unless of course the project is of such significant size or importance. Keeping momentum in the project is important and we shall talk about that in a second in the communications element.

## Reporting

There are many and varied ways a project can be managed and affectively a change strategy is simply that a project. Although at the start of any project I do personally quite like the project initiation document structure given in the Prince 2 literature however I personally find the process of project management in Prince 2 too cumbersome for most commercial projects. Note, Prince 2 was born in the public sector and is ideally suited to that environment and at times does not lend itself to the more commercial environment of the private sector.

Bearing in mind what we said earlier that most members of the project team and the action groups are going to be working on a part time basis, the less burdensome the reporting mechanism the better. It is worth having either weekly or monthly meetings depending on the point in the project on the need but don't be a slave to having a meeting at a regular basis simply for diary management reasons , make sure every meeting has a purpose.



Typical project plan

The key things in the steering group meeting will be all around decision-making and managing risks, so that implies but the need for reporting hinges around those two key aspects. Another key thing for the steering group to undertake is to measure progress against the outline plan that was started at the time the business case or the strategy was initiated. A typical risk heat map and a reporting mechanism is given overleaf.

In the project update status slide you can see there are four simple boxes to fill in I'm an indicator of present status. In the example given below that particular Action Group is running to target , perhaps

## Fact Sheet – Effective Change Strategy

even slightly ahead. The idea of the short bullet point approach is to give the steering group the ability to make decisions that the Action Group needs additional input to resolve.

(Today)	STATUS	(Future)
<b>Progress made and decisions taken</b>	<b>Inhibitors to progress</b> (decisions required, lack of resource/skills, cost)	
<ul style="list-style-type: none"> <li>Manningtree –planning drg's in, approval May 2017,</li> <li>NCP Priority 1 Wensum triangle formal Net Change running, to be complete by 12 May. 18-24 track topo survey/design in progress, contractors compound finish this week.</li> <li>Coldham Lane/NCP financing ppt's presented to SMBC/Roc</li> <li>Project Manager Jason Thorne selected for NCP</li> <li>Planning drg's for NCP ready</li> <li>NR/GA/VTW workshop held re Mann connection design</li> </ul>	<ul style="list-style-type: none"> <li>Manningtree connection timing issue</li> <li>Alternative sites for Commissioning and FF running. NCP works to meet Stadler first train by July 2018 (on time delivery risk - need to fast track order + J Barlass final report close out 13<sup>th</sup> March)</li> <li>Review of Stadler delivery being discussed</li> <li>Manningtree procure land start remediation</li> </ul>	
<b>Opportunities</b>	<b>Next 3 to 6 weeks deliverables</b>	
<ul style="list-style-type: none"> <li>VTW potential single source (to remain confidential) but option to be left open to go to tender on receipt of offer. Same for Ilford.</li> <li>Great Yarmouth sidings being priced 3<sup>rd</sup> March for potential Stadler deliveries. (Being led by DL)</li> </ul>	<ul style="list-style-type: none"> <li>Progress with VTW as potential NCP contractor</li> <li>NCP place orders for Wensum works (on hold until VTW have vetted)</li> <li>NCP Start planning application. Start formal Depot Change.</li> <li>Stadler workshop NCP 7<sup>th</sup> April</li> <li>Prepare ITT for ISK</li> <li>Progress financing and lease structures for NCP/Coldhams</li> <li>Manningtree procure land start remediation.</li> </ul>	

Typical project status update

In the risk heat map below the idea is to highlight key risks but the steering group needs to keep managed. It can be clearly seen when new risks have been introduced this meeting, and the grey and green arrows chart the direction of the risk as it's being managed. I personally find this type of heat map to be far more effective to actively manage risks than a long and dreary risk register.

	(Very High)	(High)	(Medium)	(Low)	(Very Low)
Significant delay or suspension of Programme	<ul style="list-style-type: none"> <li>Stabling challenges – at the point of unit delivery (Martin C)</li> </ul>	<ul style="list-style-type: none"> <li>Possessions process (Keith)</li> <li>Programme plan and key milestones for service introduction are not yet complete hampering infrastructure works prioritisation (Robert C)</li> </ul>		<ul style="list-style-type: none"> <li>Failure to agree necessary technical approach for both manufacturers (WIFI) (Mike G)</li> <li>Works delayed due to approvals or unforeseen delivery risks (Keith W)</li> </ul>	
Significant PR failure	<ul style="list-style-type: none"> <li>Stabling Challenges – during transition (Natalia)</li> </ul>				
Delay of more than 2 weeks to key programme milestone	<ul style="list-style-type: none"> <li>Maintenance handover risk (Steve M)</li> <li>NCP cost higher than bid (Martin C)</li> </ul>	<ul style="list-style-type: none"> <li>NR approvals take too long, delay depot works start (Keith W)</li> <li>Performance risk associated with the introduction to service of four trains per week (Jon L)</li> <li>Impact of layout changes on Bombardier (Steve D)</li> </ul>	<ul style="list-style-type: none"> <li>Level crossing changes not yet scoped, non alignment with fleet introduction (Rob I)</li> <li>Planning permission(s) delayed (particular focus at Wensum) (Keith W)</li> </ul>	<ul style="list-style-type: none"> <li>Disatisfaction amongst some of the passenger focus groups with 3+2 seating and the number of toilets relative to current IC trains (Ed F)</li> </ul>	
Adverse press reports, or operational challenges	<ul style="list-style-type: none"> <li>New Fleets compatibility with NR Gauging and traction power (Steve D and Steve M)</li> </ul>	<ul style="list-style-type: none"> <li>Stabling challenges – following acceptance of new fleet (Martin C)</li> <li>NCP Construction late (Martin C)</li> <li>Traction power (25Kv), non alignment with fleet introduction (Rob I)</li> <li>Failure to provide a robust wayside architecture (Mike G)</li> <li>New timetables might need additional drivers – time get and train (Jon L)</li> </ul>	<ul style="list-style-type: none"> <li>GA lack of ability to deliver some of the IT data and information that they require (Steve M/ Mike G)</li> <li>New timetables might need additional drivers – time to get and train (Jon L)</li> <li>Agreement on the Manningtree connection budget (Mike K)</li> <li>Delivery of the Manningtree connection (Rob I)</li> </ul>		
Delay of less than 2 weeks to key programme milestone		<ul style="list-style-type: none"> <li>Interim arrangements at Manningtree to store trains (Rob I)</li> <li>Risk of planning higher speed trains if delays occur in the delivery/ commissioning (Jon L)</li> </ul>	<ul style="list-style-type: none"> <li>Driving commonality across fleets causes delay or cost (Steve M)</li> <li>Failure to align technical approach between manufacturers, increasing complexity (Mike Gray)</li> </ul>	<ul style="list-style-type: none"> <li>Bombardier gearbox temperature monitoring, not possible due gearbox re-design (Steve D)</li> </ul>	
Slight delay to part of programme missed isolated milestone		<ul style="list-style-type: none"> <li>Failure to obtain a SaaS model from Bombardier and Stadler, increasing unplanned IT costs (Mike G)</li> </ul>		<ul style="list-style-type: none"> <li>Over-running of Ilford engineering blockade, will impact ability to use it as operational depot (Robert)</li> <li>GA procurement and recruitment process delaying NFP. (Mike K)</li> </ul>	
Minor impact, negligible to programme		<ul style="list-style-type: none"> <li>Stadler, factory change for Bi-Mode. Quality assess (Steve M)</li> </ul>			

Risk heat map example

## Fact Sheet – Effective Change Strategy

### Communications

In any project and certainly in a change strategy the key success measure is that of communications. When you look below at the figure below you can see that 9 out of 10 of the barriers are people related, and 10 out of 10 of the enablers are people related. Therefore, keeping your team, your people informed and engaged in the strategy is vital.

At the outset of the strategy it is worth having some form of road map that charts the destination and the likely route that is going to be taken to get to the destination. It is worth briefing your teams to let them know what the destination is, let them see the purpose of why you want to go there, and give some indication of some of the commitment and changes that they might see during the strategy deployment.



Periodically then, throughout the strategy deployment it is worth investing time in keeping your team up to date and sharing successes and victories that you have collectively achieved. Remember of course to make the successes down to them, let them know how valuable their part has been in delivering the strategy to date. Keep them engaged at every step, as we said about the need to generate additional energy as the strategy goes live hopefully you can see why this is so important now. There are a number of ways, that you can keep the team up to date; short, printed news briefs are quite a good idea as these can be left around in mess rooms and other restrooms to allow the team to read the stories of success. Equally though don't leave out the town Hall briefing, where you can stand up in front of your team and passionately talk about the strategy and how it is progressing. This face to face contact gives your team a clear visual indication of what this strategy means to you and allows them to buy into your leadership.

### Further reading

See some of our other fact sheets on 'stakeholder management' and 'managing successful projects.' Winning; Jack Welch. Harper Collins, 2005. ISBN 978-0-00719-767-5